

**15 – 35 Mercer Street - Zoning Amendment Application
Request for Direction Report**

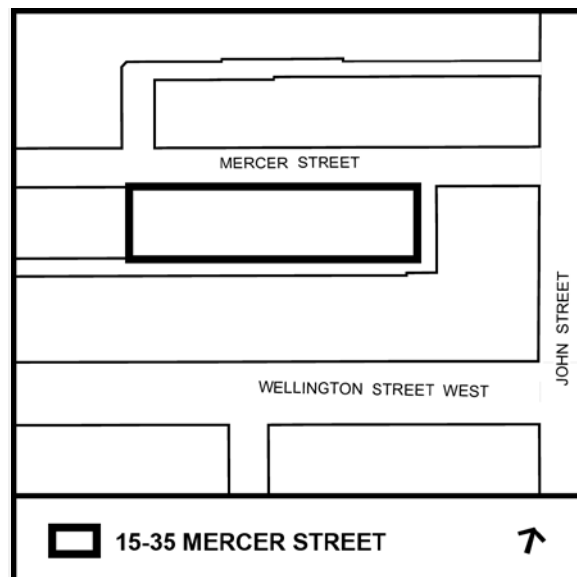
Date:	October 4, 2016
To:	City Council
From:	Chief Planner and Executive Director, City Planning Division
Wards:	Ward 20 – Trinity-Spadina
Reference Number:	P:\2016\Cluster B\PLN\CC16127 (15-135436 STE 20 OZ)

SUMMARY

The application proposes to amend the former City of Toronto Zoning By-law 438-86 to permit the development of a 49-storey (156 metres including the mechanical penthouse) mixed-use building at 15-35 Mercer Street. The building would contain a ground floor restaurant, a commercial fitness area, a 102 room hotel including conference and banquet facilities, 718 residential units, and 4 levels of underground parking accommodating 168 parking spaces. The applicant proposes to retain the façades of the designated heritage buildings at 15-31 Mercer Street and to retain the interior of the lobby of the Pilkington Glass building at 31 Mercer Street. The façades are proposed to be integrated into the podium.

Staff recommend that the City support a settlement to be presented at the Ontario Municipal Board (OMB). The terms of the settlement being recommended by staff and supported by the applicant and all to the satisfaction of the Chief Planner and Executive Director, City Planning Division and the City Solicitor, are described in the body and recommendations of this report.

The terms of the settlement will include the request that the Board withhold its order on the Zoning By-law amendment until a number of outstanding issues as described in this report are addressed.



The purpose of this report is to seek City Council's direction for the City Solicitor, together with Planning and other appropriate City staff, to support a settlement on the approved form of the development and the conditions to be attached for the approval at the OMB.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council authorize the City Solicitor, together with City Planning staff and any other appropriate staff, to attend at the Ontario Municipal Board (OMB) in support of the revised proposal respecting the Zoning By-law Amendment application for 15-35 Mercer Street (File 15 135436 STE 20 OZ) as outlined in the report dated October 4, 2016, from the Chief Planner and Executive Director, City Planning Division and all to the satisfaction of the Chief Planner and Executive Director, City Planning Division and the City Solicitor, provided that the owner shall have obtained, in consultation with the Toronto Preservation Board, City Council approval for the required alterations to the heritage properties at 15-35 Mercer Street pursuant to Section 33 of the Ontario Heritage Act.
2. City Council authorize the City Solicitor and the Chief Planner and Executive Director, City Planning Division to continue to work with the applicant on the final form of the By-law to be presented as part of the settlement at the OMB.
3. City Council authorize the City Solicitor and the Chief Planner and Executive Director, City Planning to prepare and present a settlement, to be presented to the OMB jointly with the applicant, based on the following:
 - a. The Parties agree to request the OMB to withhold its final order until the following events occur:
 - i. The Applicant shall submit revised plans, drawings and perspectives to reflect the settlement outlined in the report dated October 4, 2016, from the Chief Planner and Executive Director, City Planning Division, all to the satisfaction of the Chief Planner and Executive Director, City Planning Division.
 - ii. The Applicant shall submitted revised plans, drawings and studies to reflect the outstanding requirements outlined in the Engineering and Construction Services memo of July 19, 2016, all to the satisfaction of the Chief Planner and Executive Director, City Planning Division and the Executive Director, Engineering and Construction Services.
 - iii. The Applicant agrees to provide parking and loading facilities based upon the standards as set out in the memo from Engineering and Construction Services dated July 19, 2016, all to the satisfaction of the Chief Planner and Executive Director, City Planning Division and the General Manager, Transportation Services.

- iv. The Applicant agrees to pay for and construct any improvements to the municipal infrastructure in connection with the site servicing report, as accepted by the Executive Director, Engineering and Construction Services, should it be determined that upgrades to such infrastructure are required to support this development.
 - v. The owner shall have obtained in consultation with the Toronto Preservation Board, City Council approval for the required alterations to the heritage properties at 15-35 Mercer Street pursuant to Section 33 of the Ontario Heritage Act.
 - vi. The owner shall enter into a Heritage Easement Agreement for the properties at 15-35 Mercer Street in accordance with a Heritage Impact Assessment (HIA) and architectural drawings and subject to and in accordance with an approved Conservation Plan, all to the satisfaction of the Senior Manager, Heritage Preservation Services, including registration of such agreement to the satisfaction of the City Solicitor;
 - vii) The owner shall provide a Conservation Plan, prepared by a qualified heritage consultant, that is consistent with the conservation strategy set out in a Heritage Impact Statement for the properties at 15-35 Mercer Street, as referenced in 3. (a) (vi) above, all to the satisfaction of the Senior Manager, Heritage Preservation Services;
 - viii) The Applicant agrees to withdraw site-specific appeals to OPA 199 (Heritage Policies) and OPA 231 (Employment Lands).
4. Before the Ontario Municipal Board issues any Order approving a site-specific by-law for the lands, the owner shall enter into and register an agreement pursuant to Section 37 of the Planning Act as follows:
- a. The community benefits recommended to be secured in the Section 37 Agreement are as follows:
 - i. Provide an indexed cash contribution, of \$2,750,000.00 toward the construction of the YMCA facility to be constructed at 505 Richmond Street West.
 - ii. A cash contribution of \$1,650,000.00 for above base streetscape improvements on Mercer Street between John Street and Blue Jays Way, to the satisfaction of the Chief Planner and Executive Director, City Planning Division, in consultation with the Ward Councillor.
 - iii. Provide a cash contribution of \$550,000.00 for the maintenance of or the provision of new affordable housing in Ward 20.

- iv. Provide a cash contribution of \$550,000.00 toward the Toronto Community Housing (TCHC) revolving capital fund for repairs to TCHC housing in Ward 20.
- v. In the event the cash contributions referred to in Section (i) (ii) (iii) and (iv) above has not been used for the intended purpose within three (3) years of this by-law coming into full force and effect, the cash contribution may be redirected for another purpose, at the discretion of the Chief Planner and Executive Director, City Planning Division, in consultation with the local Councillor, provided that the purpose is identified in the Toronto Official Plan and will benefit the community in the vicinity of the lands.

The above noted \$5,500,000.00 cash contribution is to be indexed upwardly in accordance with the Statistics Canada Non-Residential Construction Price Index for Toronto, calculated from the date of the Ontario Municipal Board decision to the date of payment. All cash contributions will be payable prior to issuance of the first above grade building permit.

- 5. City Council authorize the City Solicitor and the Chief Planner and Executive Director, City Planning Division, in consultation with the Ward Councillor, to secure the following additional services, facilities or matters pursuant to Section 37 of the *Planning Act*, as may be required by the Chief Planner, in consultation with the Ward Councillor.
 - a. The owner shall provide a minimum of ten percent (10%) of the residential units in the building having at least three bedrooms
 - b. The owner shall implement any wind mitigation measures required as identified by the applicant's wind study, satisfactory to the Chief Planner and Executive Director, City Planning Division, to be submitted as part of an application for Site Plan Approval;
 - c. Prior to Final Site Plan approval for the properties at 15-35 Mercer Street:
 - i. the owner shall provide Final Site Plan drawings, consistent with the proposed development which is the subject of the settlement by City Council and consistent with any City Council approval of alterations pursuant to the Ontario Heritage Act, including drawings related to an approved Conservation Plan, all as determined by and to the satisfaction of the Senior Manager, Heritage Preservation Services;
 - ii. the related site specific Zoning By-law amendment giving rise to the proposed heritage alterations shall be in full force and effect in a form and with content acceptable to City Council, as determined by the Chief Planner and Executive Director, City Planning Division in consultation with the Senior Manager, Heritage Preservation Services; and

- d. Prior to the issuance of any permit for all or any part of the properties at 15-35 Mercer Street, including a heritage permit or a building permit, but excluding permits for repairs and maintenance and usual and minor works for the existing heritage buildings as are acceptable to the Senior Manager, Heritage Preservation Services:
 - i. the related Zoning by-law and Official Plan amendments giving rise to the propose alterations (the Alterations) to the properties at 15-35 Mercer Street shall be in full force and effect in a form and with content acceptable to City Council, as determined by the Chief Planner and Executive Director, City Planning Division in consultation with the Senior Manager, Heritage Preservation Services;
 - ii. the owner shall register the agreements required in recommendation 3.a vi. and 4 above being the Heritage Easement Agreement on 15-35 Mercer Street and the Section 37 Agreement on 15-35 Mercer Street, all to the satisfaction of the City Solicitor;
 - iii. the owner of 15-35 Mercer Street shall obtain Final Site Plan Approval for the Alterations permitted by the City Council for such property, issued by the Chief Planner and Executive Director, City Planning Division, and with content acceptable to the Senior Manager, Heritage Preservation Services;
 - iv. the owner of 15-35 Mercer Street shall provide full building permit drawings, including notes and specifications for the conservation and protective measures keyed to an approved Conservation Plan, including a description of materials and finishes, to be prepared by the project architect and a qualified heritage consultant, all the to satisfaction of the Senior Manager, Heritage Preservation Services;
 - v. the owner of 15-35 Mercer Street shall provide a Lighting Plan that describes how the heritage buildings will be sensitively illuminated to enhance their heritage character, to the satisfaction of the Senior Manager, Heritage Preservation Services, and thereafter shall implement such Plan to the satisfaction of such Senior Manager;
 - vi. the owner of 15-35 Mercer Street shall provide an Interpretation Plan for 15-35 Mercer Street, to the satisfaction of the Senior Manager, Heritage Preservation Services and thereafter shall implement such Plan to the satisfaction of such Senior Manager; and
 - vii. the owner of 15-35 Mercer Street shall provide a Letter of Credit, including provision for upwards indexing, in a form and amount and from a bank satisfactory to the Senior Manager, Heritage Preservation Services to secure all work included in the approved Conservation Plan, the approved Lighting Plan and the approved Interpretation Plan.

- e. Prior to the release of the Letter of Credit required in Part 4.d.vii above, the owner of 15-35 Mercer Street shall:
 - i. Provide a letter of substantial completion prepared and signed by a qualified heritage consultant confirming that the conservation work and the interpretative work have been completed in accordance with an approved Conservation Plan and an approved Interpretation Plan, and that an appropriate standard of conservation has been maintained, all to the satisfaction of the Senior Manager, Heritage Preservation Services; and
 - ii. Provide replacement Heritage Easement Agreement photographs for the properties at 15-35 Mercer Street to the satisfaction of the Senior Manager, Heritage Preservation Services.
6. As a condition of settlement, the City requires that a construction management plan be provided, and thereafter implemented by the owner of 15 – 35 Mercer Street, to address such matters as wind, noise, dust, street closures, parking and laneway uses and access. Such plan to be to the satisfaction of the Chief Planner and Executive Director, City Planning Division in consultation with the local Councillor.
7. City Council authorize the City Solicitor and other City staff to take any necessary steps to implement the foregoing.

DECISION HISTORY

In 2011 an application was submitted to amend the former City of Toronto Zoning By-law 438-86 to permit the development of a 49-storey mixed use building at 15-35 Mercer Street. The proposed building was to contain 567 residential units and be comprised of a 6-storey podium and a 42-storey tower (191metres). Retail uses were proposed at grade on Mercer Street. On-site parking was to be provided in a five (5) level underground parking garage. The applicant proposed to retain the façades of the designated heritage buildings at 15-31 Mercer Street. The property was subsequently sold and the Zoning Amendment application was closed with the consent of the applicant.

On April 1, 2015, The Madison Group filed an application for the lands at 15-35 Mercer Street to permit a 57-storey mixed-use building consisting of two towers with a 4-storey plus mechanical link at the top connecting the two towers. The green roof and mechanical elements of the building added an additional 10.7 metres in height resulting in a total height of 191.0 metres (180.3 metres excluding mechanical). The mixed-use building had a nine-storey (37.6 metres) base building which included the facades of the designated heritage buildings and was the proposed location for a hotel with 163 hotel rooms, banquet and conference facilities.

ISSUE BACKGROUND

Discussions with the Applicant

Staff have been working with the applicant to reach a settlement with regard to an acceptable form of development on the site. The City Clerk's office received notification that the applicant

filed an appeal of the Zoning By-law Amendment application to the Ontario Municipal Board on October 27, 2015. Staff met with the applicant on December 8, 2015 and set out a number of key issues to be addressed and options for a redesign of the project which could form the basis of a settlement. There has been regular correspondence between the City and the applicant with an exchange of letters and e-mails. City staff met with the applicant on January 8, 2016 and a further meeting was held at the OMB offices on May 25, 2016 following the pre-hearing. As the City and the applicant were still discussing a proposed settlement, a second pre-hearing was scheduled for October 21, 2016.

Proposal

The revised proposal is for the development of a 49-storey mixed-use building consisting of two towers. The mechanical elements of the building are located within the proposed height of 156 metres. The mixed-use building has a five storey (26.0 metres) base building which includes the facades of the designated heritage buildings. There is a four storey 'link' which connects the towers above the base building. The base building and the first four storeys of the towers are the location of a proposed hotel, including 102 hotel rooms, banquet and conference facilities. A restaurant is proposed at grade on Mercer Street. The residential units are proposed to be located in the towers above. The entrance to the residential towers would be off Mercer Street, while the hotel entrance would be at the west side of the site adjacent the proposed hotel pick-up/drop-off area.

The proposed gross floor area of the development is 69,747.7 square metres, resulting in a floor space index of 30.6. The proposed residential gross floor area is 53,920 square metres and the non-residential GFA is 15,827.3 square metres including 1,683.9 square metres of restaurant use and 102 hotel rooms. The two towers have a floor plate of 734.4 square metres and 686.4 square metres respectively and a separation distance of 20 metres. The tower floor plates shift back and forth, but the 20 metre separation is maintained on a floor to floor basis.

The proposed unit mix consists of 317 one-bedroom units; 119 one bedroom plus den units; 121 two-bedroom units; 39 two bedroom plus den units and 122 three-bedroom units for a total of 718 units.

A total of 168 parking spaces in parking stackers designed to hold two cars per stacker are proposed in a four (4) level underground parking garage. A total of 719 bicycle parking spaces are proposed. A vehicular drop-off zone for the hotel is proposed at the west side of the site off of Mercer Street and the residential parking garage entrance is located at the south east corner accessed from the public lane on the east side of the site. The proposed development includes a 0.9 metre lane widening of the public lane on the south edge of the site to achieve a 6.0 metre wide lane. Loading access is proposed from the public lane on the south side of the site.

The contemporary base building above the retained heritage facades features a variety of stepbacks of between 1 and 5 metres. At the 7th floor (26 metres in height) the tower portion of the building, which includes the four storey link between the towers, provides a 1.7 metre stepback from the property line on Mercer Street. The proposed western tower is set back from the western property line by 10.0 metres, with no balcony or architectural projections within the 10.0 metres setback. The eastern tower is set back 10.0 metres from the centre line of the

adjacent laneway. Again, there are no balcony or architectural projections within the 10.0 metre setback. Both proposed towers are on the south property line, after the 0.9 metre laneway widening is conveyed to the City.

A total of 1,385 square metres of indoor amenity space and 368 square metres of outdoor amenity space is proposed.

See Attachment 2 – Site Plan, Attachments 3, 4, 5 and 6 Elevations and Attachment 9 – Application Data Sheet.

Site and Surrounding Area

The site is located on the south side of Mercer Street and comprises all of the lands between the approved development at 99 Blue Jays Way to the existing 20-storey apartment building at 50 John Street. The site has a frontage of approximately 96.0 metres on Mercer Street, a depth of approximately 24.7 metres and an overall area of 2,365.8 square metres. There is a public lane which runs along the south and east edge of the site that will be used for servicing and vehicular access.

The properties at 15-31 Mercer Street site are occupied by commercial buildings of two and four storeys in height. The property at 35 Mercer Street at the west end of the site is occupied by a commercial parking lot. All of the buildings on the site are designated under Part IV of the *Ontario Heritage Act* (By-law No. 347-92). In October of 2014 Council approved amendments to the reasons for designation of these properties under the *Ontario Heritage Act* to more fully reflect the important heritage attributes of these buildings.

The site is surrounded by the following uses:

- North: To the north are a series of approved buildings on King Street West and on Mercer Street with maximum heights up to 48-storeys.
- South: To the south of the subject site is a public laneway. To the south of the laneway are two residential apartment buildings fronting Wellington Street West, at 12 to 17-storeys. South of Wellington Street is a Toronto Hydro transformer station and the Marriott Hotel and Residences.
- West: To the west of the site on Mercer Street and on Blue Jays Way, a series of mixed use buildings have been approved up to a maximum height of 44-storeys.
- East: The eastern edge of the site is defined by a public laneway. To the east of the laneway is a 20-storey residential apartment building at 50 John Street. To the east of John Street is Metro Hall, which includes a 27-storey office tower fronting on John Street and two 15-storey office towers at 225 King Street West and 200 Wellington Street West.

Provincial Policy Statement and Provincial Plans

The Provincial Policy Statement (PPS), 2014 provides policy direction on matters of provincial interest related to land use planning and development. These policies support the goal of enhancing the quality of life for all Ontarians. Key policy objectives include: building strong healthy communities; wise use and management of resources and protecting public health and safety. The PPS recognizes that local context and character is important. Policies are outcome-oriented, and some policies provide flexibility in their implementation provided that provincial interests are upheld. City Council's planning decisions are required to be consistent with the PPS.

The Growth Plan for the Greater Golden Horseshoe provides a framework for managing growth in the Greater Golden Horseshoe including: directions for where and how to grow; the provision of infrastructure to support growth; and protecting natural systems and cultivating a culture of conservation. City Council's planning decisions are required to conform, or not conflict, with the Growth Plan for the Greater Golden Horseshoe.

Official Plan

The Official Plan locates the subject site within the *Downtown*. Chapter Two – Shaping the City identifies that the downtown area offers opportunities for substantial employment and residential growth, but that this growth is not anticipated to be uniform. Rather, it is expected that the physical setting of many areas will remain unchanged and that design guidelines specific to districts of historic or distinct character will be implemented to ensure new development fits into the context of existing built form, streets, setbacks, heights and relationship to landmark buildings.

Within the *Downtown*, the site is designated *Regeneration Areas* in the Official Plan which is one of the key areas expected to accommodate growth. The *Regeneration Area* designation permits a wide range of uses, including the proposed commercial uses. In order to achieve a broad mix of commercial, residential, light industrial and live/work uses, the Official Plan contains policies related to *Regeneration Areas* encouraging the restoration, re-use and retention of existing buildings that are economically adaptable for re-use as well as the revitalization of areas of the City that are vacant or underused.

Chapter Three – Building a Successful City, identifies that most of the City's future development will be infill and redevelopment, and as such, will need to fit in, respect and improve the character of the surrounding area. Section 3.1.2 Built Form provides policies that are aimed at ensuring that new development fits within and supports its surrounding context. Policies 3.1.2.1 to 3.1.2.4 seek to ensure that development is located, organized and massed to fit harmoniously with existing and/or planned context; frames and appropriately defines streets, parks and open spaces at good proportion; and limits impacts of servicing and vehicular access on the property and neighbouring properties.

Meeting these objectives requires creating consistent setbacks from the street, massing new buildings to frame adjacent streets and open spaces in a way that respects the existing and /or

planned street proportion, creating appropriate transitions in scale to neighbouring existing and/or planned buildings, and limiting shadow impacts on streets, open spaces and parks.

With regard to heritage resources, the City's Official Plan, policy 3.1.5.2 states that "heritage resources on properties listed on the City's Inventory of Heritage Properties (now the Toronto Heritage Register) will be conserved" and that "development adjacent to properties on the City's Inventory will respect the scale, character and form of the heritage buildings and landscapes."

In 2008, Toronto City Council adopted the Standards and Guidelines for the Conservation of Historic Places in Canada as the official document guiding planning, stewardship and conservation approach for all listed and designated heritage resources within the City of Toronto.

Other relevant policies utilized during the review of this development proposal include those in the "Public Realm" and "Built Form" sections of the Official Plan. These policies determine matters such as appropriate height, scale, massing, site organization, contextual fit and quality of public spaces.

The Toronto Official Plan is available on the City's website at:
www.toronto.ca/planning/official_plan/introduction.htm

OPA 199

At its meeting of April 3, and 4, 2013, Toronto City Council adopted amendments to the Official Plan heritage policies (OPA 199). By-law 468-2013 enacting these policies was appealed to the Ontario Municipal Board. On May 12, 2015 following the resolution of appeals, the Ontario Municipal Board approved OPA 199 as amended. Staff reviewed this application in the context of these policies including the following:

3.1.5.26: "New construction on, or adjacent to, a property on the Heritage Register will be designed to conserve the cultural heritage values, attributes and character of that property and to mitigate visual and physical impact on it."

3.1.5.27: "Where it is supported by the cultural heritage values and attributes of a property on the Heritage Register, the conservation of whole or substantial portions of buildings, structures and landscapes on those properties is desirable and encouraged. The retention of facades alone is discouraged."

3.1.5.28: "The owner of a designated heritage property will be encouraged to enter into a Heritage Easement Agreement where the City considers additional protection beyond designation desirable due to the location, proposed alteration, and/or the nature of that property."

3.1.5.29: "Heritage buildings or structures located on properties on the Heritage Register should be conserved on their original location."

OPA 231

Official Plan Amendment No. 231, adopted by City Council December 18, 2013, received approval of the Minister on Municipal Affairs and Housing on July 9, 2014. On June 22, 2015, the OMB issued orders partially approving OPA No. 231. This Official Plan Amendment contains policies with respect to office replacement in transit-rich areas. In particular, Policy 3.5.1(9) requires provision of office space on any site which currently contains 1,000 square metres or more of office space where residential development is proposed. It appears the site currently contains 1,000 square metres or more of office space.

King-Spadina Secondary Plan

The subject site is situated within the King-Spadina Secondary Plan found in Chapter 6.16 of the Official Plan. The King-Spadina Secondary Plan emphasizes reinforcement of the characteristics and qualities of the area through special attention to built form and the public realm. The policies of Section 3 - Built Form and in particular the policies of Section 3.6 – General Built Form Principles specify that:

- buildings are to be located along the front property line to define edges along streets and lower levels are to provide public uses accessed from the street;
- servicing and parking are encouraged to be accessed from lanes rather than streets and minimize pedestrian/vehicular conflicts;
- new buildings will be sited for adequate light, view and privacy; compatibility with the built form context;
- new buildings will achieve a compatible relationship with their built form context through consideration of such matters of building height, massing, scale, setbacks, stepbacks, roof line and profile and architectural character and expression;
- appropriate proportional relationships to streets and open spaces will be provided; and wind and shadow impacts will be minimized on streets and open spaces;
- streetscape and open space improvements will be coordinated in new development; and
- high quality open spaces will be provided.

A primary objective of this plan is to use the historic fabric of the area to assess new development. The particular scale, massing and street relationships of the existing heritage buildings along King Street form the basis for new development in this part of the King-Spadina Secondary Plan area. Moreover, applicable plan area guidelines articulate that new development should maintain and reinforce the existing building heights of the area in conjunction with the relationships of buildings to one another along the street and the design of buildings at the street level.

King-Spadina Secondary Plan Review

King Spadina is one of the highest growth areas in the downtown and it has a strongly influential heritage character. The in-force King-Spadina Secondary Plan emphasizes reinforcement of the area's existing characteristics and qualities through special attention to built form, heritage areas of special identity, and the public realm. The Secondary Plan is currently under review and a final report on the whole Secondary Plan area is anticipated early in 2017. An estimated 50,000 people will live in King Spadina and the area will accommodate space for an estimated 50,000 jobs. The review recognizes that the Secondary Plan area has evolved from an area of employment (non-residential uses) into an area with a range of uses including residential. The updated Secondary Plan will recognize that while the area will continue to grow and change, it must do so in a way that positively contributes to liveability, is better supported by hard infrastructure and community infrastructure, and more carefully responds to the strong heritage and character of the area. Among the key principles being proposed in the updated Secondary Plan:

- A downward gradation of tower heights from east to west from University Avenue towards Spadina Avenue;
- Limiting heights approaching Queen Street West to prevent shadowing on the north sidewalk after 12:00 (noon) in the spring and fall equinoxes;
- Employing the city-wide Tall Buildings Guidelines to evaluate towers, particularly with regard to tower spacing and tower floor plates;
- Evaluating new development applications in the context of a block plan for the block on which they sit;
- Seeking the inclusion of family-sized units in all new residential development;
- Requiring the inclusion of employment uses in new residential development that replaces existing office uses, resulting in a net gain in employment, consistent with OPA 231;
- Protecting sunlight on Spadina Avenue to prevent shadowing that would detract from the pedestrian oriented nature of the street as it exists today, and support the retail function of the Spadina corridor.
- Limiting new shadows on park lands that extend beyond those permitted by the current Zoning By-law.
- Protecting the network of mid-block connections and laneways as a defining feature of the public realm, and expanding these connections to further the pedestrian network.
- Providing appropriate separation distances between side and rear windows in the lower levels of an existing or proposed building to allow for light and privacy.

- Retaining and providing affordable floorspace for cultural employment wherever possible to ensure that the replacement of the physical space for these uses is provided for in new development or in proximity to new development.

On July 7, 8, 9 2015 City Council also adopted the following directions for the King-Spadina East Precinct:

- Develop policies that address the need to protect and enhance the cultural industries in King-Spadina including the retention and provision of affordable and sustainable floor space in the Secondary Plan area.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.TE34.92>

King-Spadina Heritage Conservation District Study

The King-Spadina area is identified as a potential Heritage Conservation District (HCD) in Map 39 – Site and Area Specific Policy 305 in the Official Plan. The subject site is within the boundary of the study area. On August 16, 2012, City Council authorized the King-Spadina HCD Study, encompassing an area generally bounded by Queen Street West to the north, Bathurst Street to the west, Wellington Street and King Street West to the south, and University Avenue to the east. The initial findings of the study were presented and endorsed at the May 23, 2014 meeting of the Toronto Preservation Board. The study process will result in the preparation of an HCD plan(s) and an HCD by-law to protect the historical and cultural significance of the study area. Details on the King-Spadina HCD study are available here:

http://www.toronto.ca/heritage-preservation/heritage_districts.htm. Heritage Preservation Services staff will present the final version of the Plans and a recommendation for designation under Part V of the *Ontario Heritage Act* in early 2017.

City-Wide Tall Building Design Guidelines

In May 2013, Toronto City Council adopted the updated city-wide Tall Building Design Guidelines and directed City Planning staff to use these Guidelines in the evaluation of all new and current tall building development applications. The Guidelines establish a unified set of performance measures for the evaluation of tall building proposals to ensure they fit within their context and minimize their local impacts. The city-wide Guidelines are available at <http://www.toronto.ca/planning/tallbuildingdesign.htm>

TOcore

On December 9, 2015, City Council adopted a staff report entitled 'TOcore: Planning Toronto's Downtown – Phase 1 – Summary Report and Phase 2 Directions'. The report outlined the deliverables of TOcore which will be a renewed planning framework through a Downtown Secondary Plan and a series of infrastructure strategies. The work for TOcore began on May 13, 2014 when Toronto and East York Community Council adopted a staff report regarding 'TOcore: Planning Toronto's Downtown', along with a related background document entitled 'Trends and Issues in the Intensification of Downtown'.

TOcore is looking at how Toronto's Downtown should grow, with both a renewed planning framework and the necessary physical and social infrastructure to remain a great place to live, work, learn, play and invest. TOcore is in its second phase, which involves drafting policies, plans and strategies. Reports to Toronto and East York Community Council are targeted by the end 2016 on the results of the second phase and the next steps of implementation.

On September 7, 2016, Toronto and East York Community Council recommended approval for Official Plan Amendment 352 – Downtown Tall Building Setback Area, with a motion to continue discussions with the development industry and report further to City Council. The purpose of OPA 352 is to establish the policy context for tall building setbacks and separation distances between tower portions of a tall building in the Downtown which would be implemented through an area specific Zoning By-law. The intent is that these policies would ensure that future growth positively contributes to the liveability, sustainability and health of Toronto's Downtown. More specifically, the draft policy establishes the reasoning for tower setbacks, recognizes that not all sites can accommodate tall buildings, and addresses base building heights.

Tree Preservation

There are no trees on the site and no City-owned trees located on the City boulevard adjacent the site. The applicants submitted landscape plan for the site did not propose any trees on Mercer Street. The appropriate landscape plan for Mercer Street will be determined through the Site Plan application process, and will include input from Urban Forestry staff.

Zoning

The site is zoned Reinvestment Area (RA) by Zoning By-law 438-86, as amended (see Attachment 6 - Zoning Map, By-law No. 438-86). The RA Zone permits a range of residential uses, as well as commercial, institutional and limited industrial uses. As part of the RA zoning controls, density standards were replaced by built form objectives expressed through height limits and setbacks.

The Zoning By-law permits a maximum building height of 30 metres for this site. An additional 5 metres is permitted for rooftop mechanical elements. A 3-metre stepback above 20 metres on all street frontages is also required.

Site Plan Control

The proposed development is subject to site plan approval. An application for Site Plan Control has not been submitted.

Reasons for the Application

The applicant has submitted a Zoning By-law Amendment application, the original version of which proposed two towers at 191 metres, which exceeded the permitted maximum building height of 30 metres by approximately 160 metres. The revised proposal for two towers at 156 metres in height exceeds the maximum permitted height by 127 metres. In addition, there are deficiencies with the proposed outdoor amenity space, setbacks and the number of vehicular

parking spaces, among other technical criteria. In addition, the proposed building does not comply with other restrictions that are in effect on the lands.

Ontario Municipal Board Appeal

On October 27, 2015 the City Clerk's Office received notification that the applicant filed an appeal of the Zoning By-law Amendment application to the Ontario Municipal Board, citing Council's failure to make a decision on the application within the prescribed timelines of the *Planning Act*. The applicant has been working with staff to reach a settlement with regard to an acceptable form of the development on the site. A pre-hearing was held on May 25, 2016 and the parties agreed to further discussions and mediation if necessary. A second pre-hearing is scheduled for October 21, 2016.

Preservation of Heritage Resources

The property at 15-35 Mercer Street includes three heritage buildings designated under Part IV of the *Ontario Heritage Act* by Toronto City Council. The properties were originally designated under By-law 347-92, amended by By-law 608-2015 which amended the reasons for designation. The most westerly of the buildings on the site located at 31 Mercer Street is a two-storey Art Deco building constructed in 1938 known as the Pilkington Glass Company Building, the company's original office building. Of note is the two storey lobby and stairwell featuring wall panels and pillars of etched and mirrored glass, black and coloured vitrolite finishes and glass fixtures. The building located at 19 Mercer Street is a four-storey former industrial building, also red brick, with four and a half bays, designed by Burke Horwood and White and also constructed in 1909. The building at 15 Mercer Street at the east end of the site is a two-storey red brick warehouse building with six bays, constructed in approximately 1909.

An application to alter the buildings on the site will be subject to an Alterations Report from Heritage Preservation Services staff under the provisions of the *Ontario Heritage Act*. The advice of the Toronto Preservation Board and Toronto East York Community Council will be sought prior to the report to Council for final consideration.

Community Consultation

A pre-application community consultation meeting was held on February 3, 2015. The proposal presented at that meeting was for two 67-storey towers, but was similar in all other respects to the 57-storey application which was submitted in on April 1, 2015. At that meeting participants identified a number of issues to be resolved with the proposal including;

- The proximity of the proposed building to the existing 20-storey residential building at 50 John Street to the east and the 12-storey and 17-storey residential buildings on Wellington Street West to the south;
- The proposed towers are too tall for the location;
- The height of the buildings is not an issue but the towers should be slimmer, to open up room between them for views and sunlight.

- The significant number of units proposed will generate additional traffic and the proposed hotel use will generate on-street parking as a result of the pick-up/drop-off activities associated with these facilities;
- Traffic is very bad now because of proximity of the Rogers Centre and other events in the area.
- There needs to be a balance between height and density and the benefits delivered to the community;
- On-site amenities for residents are needed, including outdoor space, particularly given the lack of green space in the neighbourhood;
- Investigate opportunities for a daycare facility and facilities for dogs on-site; and
- Provision of three bedroom units that are large enough for a family.

These comments are addressed later in the report.

Design Review Panel

This proposal was before the Design Review Panel on May 5, 2015. The panel voted unanimously for a redesign of the proposal. A number of issues were identified at that meeting, including but not limited to:

- The scale of development is incompatible with the narrow right-of-way on Mercer Street and there is too much density for the site.
- The separation distance between towers is too tight.
- Setbacks at the ground level and at the podium level are very tight.
- Heritage buildings are not being kept intact.
- Lack of access to sunlight and sky view.

Agency Circulation

The application was circulated to all appropriate agencies and City divisions. Responses received have been used to assist in evaluating the application.

COMMENTS

Changes to the Proposal

The application was submitted in April 1, 2015 as a 57-storey mixed-use building consisting of two towers with a 4-storey plus mechanical link at the top connecting the two towers. The green roof and mechanical elements of the building added an additional 10.7 metres in height resulting in a total height of 191 metres (180.3 metres excluding mechanical). The mixed-use building had a nine-storey (37.6 metres) base building which included the facades of the designated

heritage buildings and 163 hotel rooms, banquet and conference facilities. A restaurant was proposed at grade on Mercer Street.

The two tower portions of the proposed building stepped back above the base building by 1.7 metres from the north property line on Mercer Street, 4.2 metres including projected balconies from the east property line, 7.4 metres from the west property line including projected balconies. The proposed towers were to be located on the south property line, after the 0.9 metre laneway widening to be conveyed to the City. The resulting facing distance to the 18-storey residential building on the opposite side of the laneway to the south was 11.4 metres.

The proposed gross floor area of the development was 37,590 square metres, resulting in a floor space index of 34. The proposed residential gross floor area was 67,265 square metres and the non-residential GFA was 13,129.2 square metres including 547 square metres of restaurant use and 12,582.2 square metres of hotel use (163 hotel rooms). The two towers had floor plates of 734.4 square metres and 686.4 square metres respectively and a separation distance of 20 metres. The proposed unit mix consisted of 634 one-bedroom units, 157 two-bedroom units, and 93 three-bedroom units for a total of 884 units.

A total of 216 parking spaces in parking stackers designed to hold two cars per stacker were proposed in a four (4) level underground parking garage. A total of eight hundred and eighty-five (885) bicycle parking spaces were to be provided. A vehicular drop-off zone for the hotel was proposed at the west side of the site off of Mercer Street and the residential parking garage entrance was located at the south east corner accessed from the public lane on the east side of the site. A 0.9 metre lane widening of the public lane on the south edge of the site was and is required to achieve a 6.0 metre wide lane. Loading access was proposed from the public lane on the south side of the site.

Staff had expressed a number of concerns regarding the proposed development, including concerns about overall height, massing and relationship to adjacent properties. Staff also requested that the presentation of the heritage facades on Mercer Street needed to be more clearly defined in the design of the base building

Subsequent to the original submission in April of 2015, the applicant made a number of revisions to the proposed development as a result of discussions with City staff. Through this process of dialogue, the following changes have been made to the proposal,

- The overall height has been reduced from 57-storeys and 191 metres (181.3 metres excluding mechanical) to 49-storeys and 156 metres, with the mechanical elements being wrapped by the upper floors of the building.
- The western portion of the building has been shifted east to increase the setback to the property line from 7.42 metres (with 2 metre balcony projections) to 10.0 metres, with no balconies or architectural projections.
- The setback to the east has been increased from 7.3 metres to the mid-point of the

laneway (with 2 metre balcony projections) to 10 metres from the mid-point of the laneway. Again, there are no balconies or architectural elements projecting into the 10 metres setback.

- Stepbacks in the contemporary base building have been increased above the retained heritage facades of up to 5 metres to allow the three dimensional integrity of the volume of the designated properties to be expressed in the base building.
- The tower floorplates have been reduced from 686.4 square metres for the east tower and 730.0 square metres for the west tower to 626.7 square metres and 671.1 square metres respectively.
- The 'link' at the top of the towers has been removed.
- The proposed gross floor area (gfa) of the development has been reduced from 80,394.2 square metres to 69,747.7 square metres. The residential component of the development has decreased from 67,265.0 square metres and 884 units to 53,920.4 square metres and 718 units. The non-residential component of the project (including the hotel and restaurant uses) has increased from 13,129.2 square metres to 15,827.3 square metres. The number of hotel suites, however, has decreased from 163 to 102.
- The floor space index has been reduced from 34.0 to 30.6.
- The east side of the base building has been pulled back above the heritage building at 15 Mercer Street adjacent the public lane to allow the wall of this building to be exposed. The base building will be stepped back 3 metres above the existing heritage building and a further 2 metre setback at the 4th floor. A third setback of 2 metres will be provided at the 6th floor.
- The link at the base of the towers has been reduced from six storeys to four storeys.
- The patio above the heritage façade has been removed.
- The parking garage has been revised to a fully automated system which stores the cars on the P3 and P4 levels and includes 4 'scissor' lifts on the P1 level with queuing.
- The number of parking spaces has been reduced from 216 to 168. The final number of parking spaces is subject to further discussions between the applicant and Transportation Services staff.

Agency Circulation

The application was circulated to all appropriate agencies and City divisions. Responses received have been used to assist in evaluating the application and to formulate appropriate By-law standards.

COMMENTS

Provincial Policy Statement and Provincial Plans

The proposal is generally consistent with the Provincial Policy Statement 2014 and conforms to and does not conflict with the Growth Plan for the Greater Golden Horseshoe. This application supports the Provincial Policy Statement (PPS) direction of intensification to achieve growth and urban vitality while making efficient use of existing infrastructure. This application also complies with the policies of the PPS that support intensification and require new development to be directed to appropriate locations for growth through municipal official plans.

Policy 1.3 requires provision to be made for an appropriate mix and range of employment opportunities to provide a diversified economic base. This policy also encourages compact, mixed-use development which incorporates compatible employment uses to support liveable and resilient communities.

Policy 1.6.7.4 promotes a land use pattern, density and mix of uses that minimizes the length and number of vehicle trips and supports current and future use of transit and active transportation.

Provincial Policy Statement policy 2.6.1 directs that "Significant built heritage resources and significant cultural heritage landscapes shall be conserved." Properties included on the City's Heritage Register are considered to be significant in this context.

In the PPS 2014, *conserved* is defined as "the identification, protection, use and/or management of built heritage resources in a manner that ensures their cultural heritage value or interest is retained under the Ontario Heritage Act."

The proposed development generally complies with the above policies and other relevant policies of the Provincial Policy Statement and Plans by: appropriate conservation of heritage resources, making efficient use of the existing infrastructure; providing a mix of residential unit sizes and by being located in proximity to streetcar routes on King Street West and Spadina Avenue and in proximity to the University Avenue Subway line.

The proposed development also meets the policies of the Provincial Growth Plan. The Growth Plan promotes increasing intensification of the existing built-up area with a focus on areas of the City such as major transit station areas.

The proposed development will provide additional long-term employment opportunities in the King-Spadina Secondary Plan area and contribute to the mixed-use nature of this rapidly growing part of downtown Toronto.

Land Use

The proposed development is a building which includes both a substantial hotel and residential component with restaurant use at grade and on the second floor. The proposed uses comply with the policies of the Official Plan for development in the Downtown and Central Waterfront, with the King-Spadina Secondary Plan and with the provisions of the RA Zoning which is in place for the property. The proposed development will secure the retention of the facades of three designated heritage buildings on the site, (the existing commercial building at 15 Mercer Street,

19 Mercer Street and 31 Mercer Street) and the retention of the two storey lobby of the Pilkington Glass Building at 31 Mercer Street. The inclusion of hotel uses in the development are a positive element which will support the entertainment uses in the King-Spadina area.

Heritage Resources

The properties at 15-31 Mercer Street site are occupied by commercial buildings of two and four storeys in height. All of the buildings on the site (15 Mercer Street, 19 Mercer Street and 31 Mercer Street) are designated under Part IV of the *Ontario Heritage Act* (By-law No. 347-92). In October of 2014 Council approved amendments to the reasons for designation of these properties under the *Ontario Heritage Act* to more fully reflect the important heritage attributes of these buildings.

Conservation will include the in-situ retention of the primary elevations of all three heritage buildings, the Pilkington Office 2-storey lobby (31 Mercer) and the east elevation 15 Mercer Street. Setbacks related to 19 Mercer Street and 31 Mercer Street must include returns with the original fabric.

City staff have discussed the various means by which the heritage conservation objectives could be realized on the site. Staff have explored with the applicant various means by which the massing of the contemporary building behind the facades could be visually broken up, allowing for the three dimensional integrity of the volume of the designated properties to be expressed in the base building. A conclusion as to an appropriate treatment was discussed at a meeting with the applicant on September 22, 2016. The applicant will provide details of the proposed treatment to the satisfaction of the Senior Manager, Heritage Preservation Services. Details of the alterations will be reported to Toronto Preservation Board for approval by City Council.

City staff have recommended and the applicant has agreed that the settlement of the appeal of the Zoning By-law amendment will include an agreement that the final order of the Board approving the Zoning By-law will be conditional upon, in addition to other matters, the submission of plans and drawings which reflect the agreement reached at this meeting and others matters as previously agreed to and the entering into and registration of an HEA and Section 37 agreements.

Heritage Preservation Services staff have also required that a Conservation Plan be provided to address the conservation of the heritage facades and that a heritage easement agreement be registered on the built heritage resources retained on the site.

Density, Height, Massing

The King Spadina Secondary Plan sets out the desired type and form of physical development that may occur in this area and the resultant built form. Policy 3.6 of the Secondary Plan protects the character of King-Spadina by requiring consideration of matters such as building height, massing, scale, setbacks and stepbacks and by minimizing the wind and shadow impacts on streets, parks and open spaces. Within this framework, density, height and massing are all concerns with the application.

Height and Massing

The Zoning By-law does not provide density limits within the King-Spadina Secondary plan either under the existing in-force Zoning By-law (By-law no. 438-86) or under the new City-wide comprehensive Zoning By-law (569-2013). Rather, the built form is determined by other performance standards such as height, setbacks and stepbacks and compliance with the King-Spadina policy framework.

The site falls within the East Precinct as identified in the King-Spadina Secondary Plan Review (see Attachment 1 – King-Spadina Secondary Plan Review – Urban Structure Plan). Over the past decade this area has evolved into a tower neighbourhood guided by a series of principles related to gradation of heights. One of the principles, adopted by Council at its July 7, 2015 meeting is that heights decrease generally from east to west (University Avenue to Spadina Avenue). The height of the Festival Tower building (and TIFF Bell Lightbox) at the north-west corner of King Street West and John Street is 157 metres, including mechanical elements. The subject site, just to the west of Festival Tower and at 156 metres in height, achieves that principle.

The reduction in the overall height from 57-storeys and 191 metres (181.3 metres excluding mechanical) to 49-storeys and 156 metres, with the mechanical elements being wrapped by the upper floors of the building and the additional setbacks as described in this report, have resulted in a reduction in the density of the proposed building and its massing.

Separation Distances

Tower separation distances are a key consideration in reviewing any application for a tower in accordance with recent Council direction for King Spadina. Staff are currently working on strengthening the policy framework for reviewing tower application in the East and Spadina Precincts of the King-Spadina Secondary Plan area with the application of tower separation distances as outlined in the City's Tall Building Design Guidelines being the principle focus. Guideline 3.2.3 - Separation Distances of the City Wide Tall Building Design Guidelines requires that tall building towers setback 12.5 metres or more from the side and rear property lines or the centre line of an abutting public lane in order to limit negative impact on sunlight, sky view, privacy and daylighting.

It should be noted that the development of the subject site will essentially complete the redevelopment of the block bounded by Mercer Street, John Street, Wellington Street West and Blue Jays Way. The only site on the block not built out, with the exception of the subject site, is the property immediately to the west at 99 Blue Jay Way. A 40-storey tower (138.25 metres including mechanical elements) was approved by Council in 2010 on that property (file no. 09 129610 STE 20 OZ).

Staff have reviewed the proposed development in the context of efforts to create appropriate separation distances between taller towers, and other buildings on the block and nearby, and are satisfied that the 10 metres setbacks from the east (to the mid-point of the public lane) and the west (to the property line) are a considerable improvement to the tower facing distances as originally proposed. As was noted earlier, no balcony projections will be permitted into this 10 metre zone. The two towers will have a separation distance of 20 metres internal to the site. The

approved 40-storey tower at 99 Blue Jays way is also located 10 metres from the western property line of the subject site, resulting in a 20 metre separation distance between the approved tower to the west and the proposed western tower on the subject site. The 20-storey tower to the west of the subject site is located on the western property line of that site adjacent the public laneway. There are no principal windows on the western face of that building. The eastern tower on the subject site will be located 13.0 metres from the face of the 20-storey apartment building, of which 10 metres is the setback from the mid-point of the 6.0 metre laneway, with the existing building to the east sitting on its property line.

The narrow configuration of the subject site at 24.7 metres deep and 96.0 metres wide makes it difficult to achieve substantial setbacks or tower facing distances to the north and the south. Notwithstanding this constraint, the relatively small tower floorplates, at 626.7 metres and 671.1 metres and the fact that the proposed towers on the subject site are positioned and off-set from the much lower buildings on the north side of Mercer Street (See Attachment 2 – Site Plan), creates an acceptable relationship with the adjacent sites to the north. While more generous tower facing distances would typically be preferred, the placement of towers in the immediate context, particularly to the north of the site, provides acceptable room between towers. With regard to the relationships to the lower scale buildings on the north side of Mercer Street, the narrow width of Mercer Street (12.2 metres wide) result in facing distances across the street of approximately 14 metres between the proposed towers and the lower scale buildings on the north side of Mercer Street, which is less than those which would be achieved if the site was adjacent a street with a typical (20.0 metre) right-of-way.

The subject site sits opposite the 5-storey base building which is part of the newly constructed building at the corner of John Street and Mercer Street (The Mercer) and the site of the approved 17-storey building at 24 Mercer Street (file no.'s 11 161965 STE 20 OZ and 15 212573 STE 20 SA) which has not yet been constructed. The existing 10-storey Le Germain Hotel sits opposite the western portion of the subject site.

To the south, the proposed towers are located to the north of the existing 13-storey and 18-storey residential buildings which front onto Wellington Street West. Again, the laneway to the south (6.0 metres wide with the 0.9 metre laneway conveyance on the subject site) results in a less generous separation distance between the proposed building and the existing apartment buildings to the south. This separation distance between the taller new point towers and the lower slab form buildings to the south will be approximately 11.5 metres.

Overall, the proposal is close to achieving the east-west tower separation guidelines, particularly given that there are no balcony projections. Steppbacks above the heritage buildings enhance the presence of heritage on the street and create a lower scale streetwall than suggested by the Tall Building Guidelines. The south property line benefits from the existence of a public lane to aid separation and the offset of separation between the proposed towers on Mercer to the separation of the existing towers on Wellington Street West offer oblique views between buildings.

Amenity Space

Both indoor and outdoor amenity space are less than is required by the By-law. The indoor amenity space is 820m², which results in 1.1 m² per unit. Residents of the residential towers, however, will have access to the amenity space in the hotel. If this amenity space is included, the indoor amenity space would be 1,385.3 m², or 1.9 m² per unit. This will be secured in the implementing zoning by-law amendment.

Sun, Shadow, Wind

The applicant was required to submit a sun/shadow study for September 21st and June 21st for City staff to review as part of the original submission for a 57-storey building consisting of two towers with a 4-storey plus mechanical link at the top connecting the two towers. The green roof and mechanical elements of the originally proposed building added an additional 10.7 metres in height resulting in a total height of 191 metres (180.3 metres excluding mechanical). The study for the original proposal shows that there will be additional shadow impacts associated with the proposed building. These shadows would be minimized during the early morning and late afternoon on properties to the east and west of the site due to the narrow configuration of the site and will be maximized during the noon hour on properties to the north of the site. The significant reduction in the height of the towers, the removal of the four-storey link at the top of the proposed towers and the reduction in the tower floorplates to meet the increase tower facing distances will result in reductions in the shadows on adjacent streets and properties.

A wind impact study has also been completed and it has been concluded that wind conditions along Mercer Street will be reasonably comfortable and suitable for walking and standing year round under normal to high ambient and gusty wind conditions. The report points out that as Mercer Street is only one block long, it is a better than typical urban condition for wind. The report found that the proposed podiums would reduce the impact of wind resulting from the taller elements of the building, but recommended that wind control solutions be developed through wind tunnel testing. Staff will review with the applicant necessary measures to reduce wind impacts in these locations at the site plan stage.

Traffic Impact, Access, and Parking

Based upon the applicants revised Traffic Impact Study prepared by Lea Consulting (February 22, 2016), Transportation Services staff determined that the traffic impacts of the proposed development are acceptable.

The required minimum number of parking spaces for the proposed development based is 168 parking spaces, consisting of 142 residential spaces and 26 spaces to be shared between the hotel and resident visitors. All parking spaces will be located in a four level underground parking garage. Underground parking will be by valet service at the P1 level. The applicant will be submitting revised plans and continue to do detailed design work on their underground parking facilities. There may be some minor adjustment to the number of parking spaces based of further discussions with Transportation Services staff.

The vehicular access and servicing for the site is provided by utilizing the adjacent public lane. The entrance to the underground garage is proposed off the north-south portion of the lane at the east side of the site. The hotel pick-up and drop-off will be provided in a driveway which connects the laneway with Mercer Street at the west end of the site.

A total of five loading spaces are proposed to service the building, consisting of one shared Type G/B space, two residential garbage collection spaces (5 metres x 7 metres), and two type C loading spaces. As the project will be serviced by private garbage collection, the loading supply is now acceptable.

A minimum 0.86 metre lane widening will be required for the east-west portion of the laneway adjacent the site. The applicants submitted drawing show a 0.9 metre widening in this location. The north-south portion of the laneway has a width of 6.1 metres, so no widening is required to this portion of the lane. A 1.52 metre x 1.52 metre triangular splay is required at the south-east corner of the site at the turn of the laneway. As the parking garage will be built to the limit of the existing lane, a strata conveyance with a minimum depth of 1.2 metres from the finished grade for both the lane widening and the splay.

The settlement as described in this report includes the condition that all outstanding zoning matters identified in the Engineering and Construction Service memo of July 19, 2016, including comments from Transportation Services staff, will be addressed prior to the release of the Board order approving the zoning By-law amendment.

The landowners immediately to the east of the subject site at 50 John Street (The 20 storey residential building known as the Rosemount Residences) have expressed their concern regarding the proposed redevelopment of the subject site with regard to matters of traffic, parking and loading. They have hired a Transportation Consultant who has provided an analysis of traffic impacts, parking and loading associated with the proposed building on the subject site. They have also retained legal counsel and notified the OMB that they are seeking party status in the appeal of the application. Transportation Services staff have reviewed both the applicants and the adjacent landowners transportation consultants reports and remain confident of their conclusions regarding the transportation impacts and requirements of the proposed development.

Bicycle Parking

The Official Plan contains policies which encourage reduced automobile dependency as well as promoting alternative modes of transportation. The policies contained within the Plan attempt to increase the opportunities for better walking and cycling conditions for residents of the City.

The applicant has proposed to provide 719 bicycle parking spaces in compliance with the requirements of By-law 569-2013. The proposed bicycle parking is satisfactory to the City and will be secured as a performance standard within the Zoning By-law Amendment.

Site Servicing

Engineering and Construction Services staff have provided a letter to the applicant dated July 19, 2016, which outlines required revisions to the Functional Servicing Report and Stormwater Management Report prepared by Al Underhill and Associates.

The settlement as described in this report includes the condition that all outstanding zoning matters identified in the Engineering and Construction Service memo of July 19, 2016, including revisions to the Functional Servicing Report and Stormwater Management Report, must be addressed prior to the release of the Board order approving the zoning By-law amendment. The July 19, 2016 memo also requires that the applicant pay for and construct any improvements to municipal infrastructure required to support the development.

Open Space/Parkland

The Official Plan contains policies to ensure that Toronto's system of parks and open spaces are maintained, enhanced and expanded. Map 8B of the Toronto Official Plan shows local parkland provisions across the City. The lands which are the subject of this application are in an area with 3.00 + hectares of local parkland per 1,000 people. The site is in the second lowest quintile of current provision of parkland. The site is in a parkland priority area, as per Chapter 415, Article III of the Toronto Municipal Code.

Parks, Forestry and Recreation staff evaluated the applicants April 2015 submission for a 57-storey building with 13,129.2 m² of non-residential gross floor area and 67,265 m² of residential gross floor area with 884 units. At the alternative rate of 0.4 hectares per 300 units specified in Chapter 415, Article III of the Toronto Municipal Code, the requirement was 11,787 m², or 595% of the site area. However, for sites of less than 1 hectare in size, the cap of 10% of the development site is applied to the residential use while the non-residential use is subject to a 2% dedication. In total the parkland dedication requirement is 206m².

The applicant is required to satisfy the parkland dedication requirement through cash-in-lieu. This is appropriate, as an on-site parkland dedication requirement would not be a useable size. The actual amount of cash-in-lieu to be paid will be determined at the time of issuance of the building permit.

Streetscape

Mercer Street has a narrow right-of-way of only 12.2 metres. There is limited opportunity for the kind of exclusive planting and pedestrian zones which would typically be required in a wider right of way. City staff have been working with the owners on Mercer Street to create a design which would provide for an attractive streetscape and necessary flexibility for the various users.

The applicant has expressed a desire to contribute Section 37 monies toward off-site and enhanced streetscape improvements on Mercer Street. At the site plan stage the applicant will be required to submit detailed landscape and streetscape plans as well as composite utility plans.

Toronto Green Standard

On October 27, 2009 City Council adopted the two-tiered Toronto Green Standard (TGS). The TGS is a set of performance measures for green development. Tier 1 is required for new development. Tier 2 is a voluntary, higher level of performance with financial incentives. Achieving the Toronto Green Standard will improve air and water quality, reduce green house gas emissions and enhance the natural environment. The applicant is required to meet Tier 1 of the TGS.

Applicable performance measures for the following Tier 1 development features: Automobile Infrastructure, Cycling Infrastructure, the Storage and Collection of Recycling and Organic Waste and the Bird Friendly Design, will be secured through the Site Plan Approval process.

Section 37

Section 37 of the *Planning Act* allows the City to grant increased density and/or height in exchange for community benefits. Community benefits are specific capital facilities (or cash contributions for specific capital facilities) and can include: parkland and/or park improvements above and beyond the parkland dedication; public art; streetscape improvements on the public boulevard not abutting the site; and other works detailed in Section 5.1.1.6 of the Official Plan. Section 37 may also be used as may otherwise be agreed upon, subject to the policies contained in Chapter 5 of the Official Plan.

The community benefits recommended to be provided and secured in the Section 37 Agreement are as follows:

- i. Provide an indexed cash contribution, of \$ 2,750,000.00 toward the construction of the YMCA facility to be constructed at 505 Richmond Street West.
- ii. A cash contribution of \$1,650,000.00 for above base streetscape improvements on Mercer Street between John Street and Blue Jays Way, to the satisfaction of the Chief Planner and Executive Director, City Planning Division, in consultation with the Ward Councillor.
- iii. Provide a cash contribution of \$550,000 for the maintenance of or the provision of new affordable housing in Ward 20.
- iv. Provide a cash contribution of \$550,000 toward the Toronto Community Housing (TCHC) revolving capital fund for repairs to TCHC housing in Ward 20.
- v. In the event the cash contributions referred to in Section (i) (ii) (iii) and (iv) above has not been used for the intended purpose within three (3) years of this by-law coming into full force and effect, the cash contribution may be redirected for another purpose, at the discretion of the Chief Planner and Executive Director, City Planning Division, in consultation with the local Councillor, provided that the purpose is identified in the Toronto Official Plan and will benefit the community in the vicinity of the lands.

The above noted \$5,500,000.00 cash contribution is to be indexed upwardly in accordance with the Statistics Canada Non-Residential Construction Price Index for Toronto, calculated from the date of the Board decision to the date of payment. All cash contributions will be payable prior to the issuance of the first above grade building permit.

City Council authorize the City Solicitor and the Chief Planner and Executive Director, City Planning, in consultation with the Ward Councillor, to secure the following additional services, facilities or matters pursuant to Section 37 of the *Planning Act*, as may be required by the Chief Planner, in consultation with the Ward Councillor.

- The owner shall provide a minimum of ten percent (10%) of the residential units in the building having at least three bedrooms
- The owner shall implement any wind mitigation measures required as identified by the applicant's wind study, satisfactory to the Chief Planner and Executive Director, City Planning Division, to be submitted as part of an application for Site Plan Approval;
- Prior to Final Site Plan approval for the property at 15-35 Mercer Street:
 - i. the owner shall provide Final Site Plan drawings, consistent with the proposed development which is the subject of the settlement by City Council and consistent with any City Council approval of alterations pursuant to the Ontario Heritage Act, including drawings related to an approved Conservation Plan, all as determined by and to the satisfaction of the Senior Manager, Heritage Preservation Services; and
 - ii. the related site specific Official Plan and Zoning By-law amendments giving rise to the proposed heritage alterations shall be in full force and effect in a form and with content acceptable to City Council, as determined by the Chief Planner and Executive Director, City Planning in consultation with the Senior Manager, Heritage Preservation Services.
- Prior to the issuance of any permit for all or any part of the properties at 15-35 Mercer Street, including a heritage permit or a building permit, but excluding permits for repairs and maintenance and usual and minor works for the existing heritage buildings as are acceptable to the Senior Manager, Heritage Preservation Services:
 - i. the related Zoning by-law amendment giving rise to the propose alterations (the Alterations) to the property at 15-35 Mercer Street shall be in full force and effect in a form and with content acceptable to City Council, as determined by the Chief Planner and Executive Director, City Planning in consultation with the Senior Manager, Heritage Preservation Services;
 - ii. the owner shall register the agreements required in the recommendations above being the Heritage Easement Agreement on 15-35 Mercer Street and the Section 37 Agreement on 15-35 Mercer Street, all to the satisfaction of the City Solicitor;
 - iii. the owner of 15-35 Mercer Street shall obtain Final Site Plan Approval for the Alterations permitted by the City Council for such properties, issued by the

Chief Planner and Executive Director, City Planning, and with content acceptable to the Senior Manager, Heritage Preservation Services;

- iv. the owner of 15-35 Mercer Street shall provide full building permit drawings, including notes and specifications for the conservation and protective measures keyed to an approved Conservation Plan, including a description of materials and finishes, to be prepared by the project architect and a qualified heritage consultant, all the to satisfaction of the Senior Manager, Heritage Preservation Services;
 - v. the owner of 15-35 Mercer Street shall provide a Lighting Plan that describes how the heritage buildings will be sensitively illuminated to enhance their heritage character, to the satisfaction of the Senior Manager, Heritage Preservation Services, and thereafter shall implement such Plan to the satisfaction of such Senior Manager;
 - vi. the owner of 15-35 Mercer street shall provide an Interpretation Plan for 15-35 Mercer Street, to the satisfaction of the Senior Manager, Heritage Preservation Services and thereafter shall implement such Plan to the satisfaction of such Senior Manager; and
 - vii. the owner of 15-35 Mercer Street shall provide a Letter of Credit, including provision for upwards indexing, in a form and amount and from a bank satisfactory to the Senior Manager, Heritage Preservation Services to secure all work included in an approved Conservation Plan, an approved Lighting Plan and an approved Interpretation Plan.
- Prior to the release of the Letter of Credit noted above, the owner of 15-35 Mercer Street shall:
- i. Provide a letter of substantial completion prepared and signed by a qualified heritage consultant confirming that the conservation work and the interpretative work have been completed in accordance with an approved Conservation Plan and an approved Interpretation Plan, and that an appropriate standard of conservation has been maintained, all to the satisfaction of the Senior Manager, Heritage Preservation Services; and
 - ii. Provide replacement Heritage Easement Agreement photographs for the properties at 15-35 Mercer Street to the satisfaction of the Senior Manager, Heritage Preservation Services.

Conclusion

Staff have analyzed the revised proposal in the context of the King-Spadina Built Form Study, the Tall Buildings guidelines, and other approvals and applications for tall buildings in the area.

The revised development proposes towers well below the tower floor plate maximum of 743 sq. m. By reducing the overall height of the building, increasing the separation distances to the east and the west, the applicant was able to achieve an adequate separation between approved tall buildings and potential tall building applications in the immediate vicinity.

The application also provides Section 37 benefits, including a \$2,750,000.00 cash contribution toward the construction of the YMCA facility at 505 Richmond Street West, \$1,650,000.00 cash contribution for above base streetscape improvements on Mercer Street and a \$1,100,000 cash contribution for affordable housing in Ward 20. Staff are generally satisfied with the overall massing of the proposal and the proposed integration of the heritage resources on the site given the very local context in the block and nearby. City Planning recommends that a settlement be authorized based upon the recommendations as outlined in this report.

CONTACT

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E-mail: dnichol2@toronto.ca

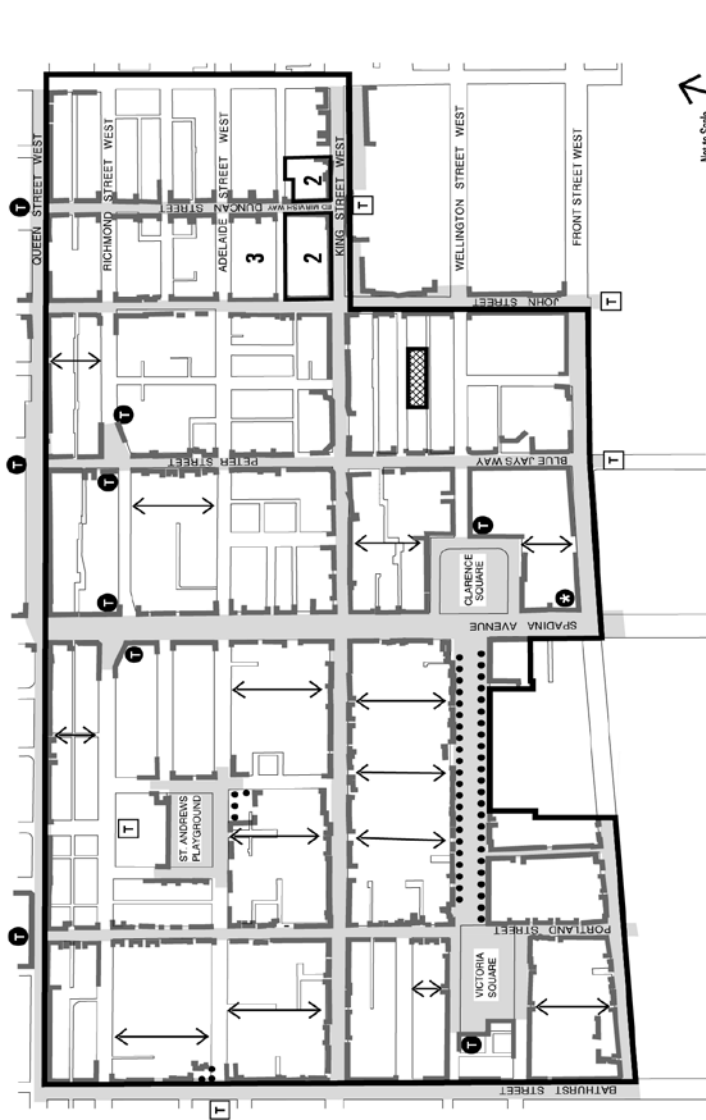
SIGNATURE

Jennifer Keesmaat, MES, MCIP, RPP
Chief Planner and Executive Director
City Planning Division

ATTACHMENTS

Attachment 1: King-Spadina Secondary Plan Review – Urban Structure Plan
Attachment 2: Site Plan
Attachment 3: North Elevation
Attachment 4: East Elevation
Attachment 5: South Elevation
Attachment 6: West Elevation
Attachment 7: Official Plan
Attachment 8: Zoning
Attachment 9: Application Data Sheet

Attachment 1: King-Spadina Secondary Plan Review – Urban Structure Plan



Not to Scale

Toronto
City Planning Division

King-Spadina Secondary Plan
MAP 16-1 Urban Structure Plan October 2015

	Secondary Plan Boundary		Potential View Terminus		Existing View Terminus		Site and Area Specific Policy Area
	Potential Gateway		Existing and Potential Building Edge		Potential Mid-block Connections		Site and Area Specific Policy Area
	Potential Mid-block Connections		Potential Landscape Edge		Significant Street & Open Space		

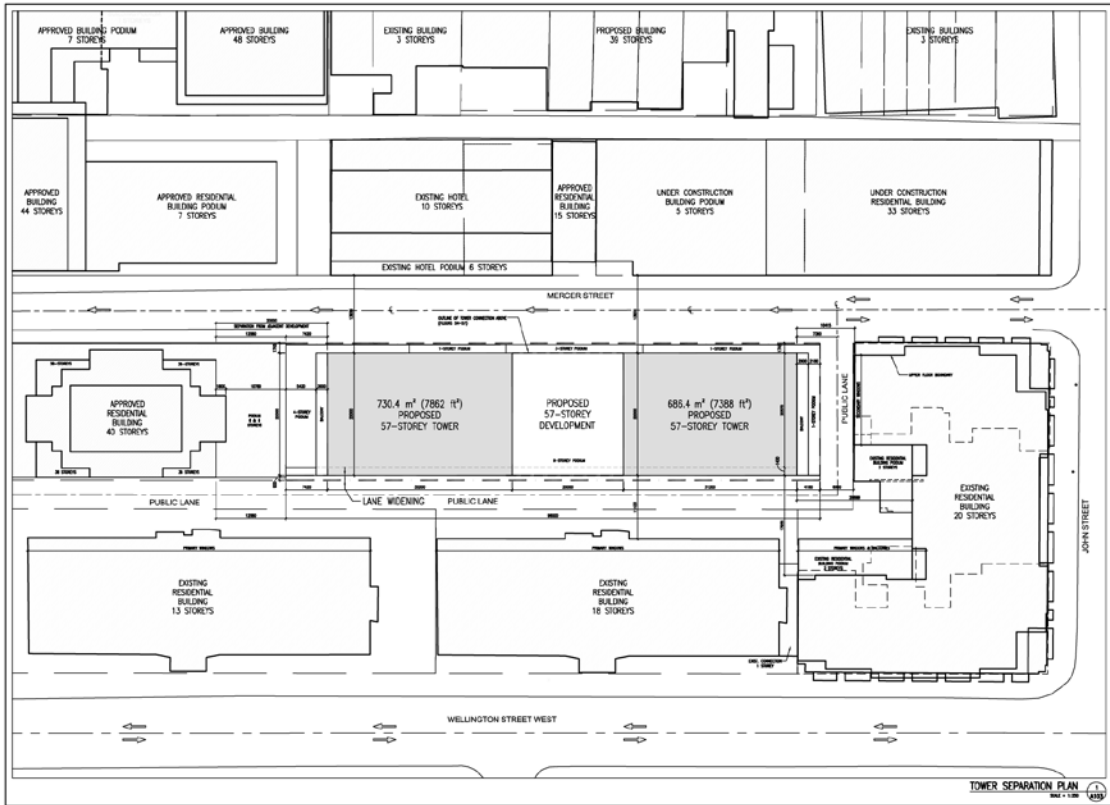
King-Spadina Secondary Plan

15-35 Mercer Street

Location of Site
Not to Scale
09/28/2016

File # 15 135436 STE 20 02

Attachment 2: Site Plan



Site Plan

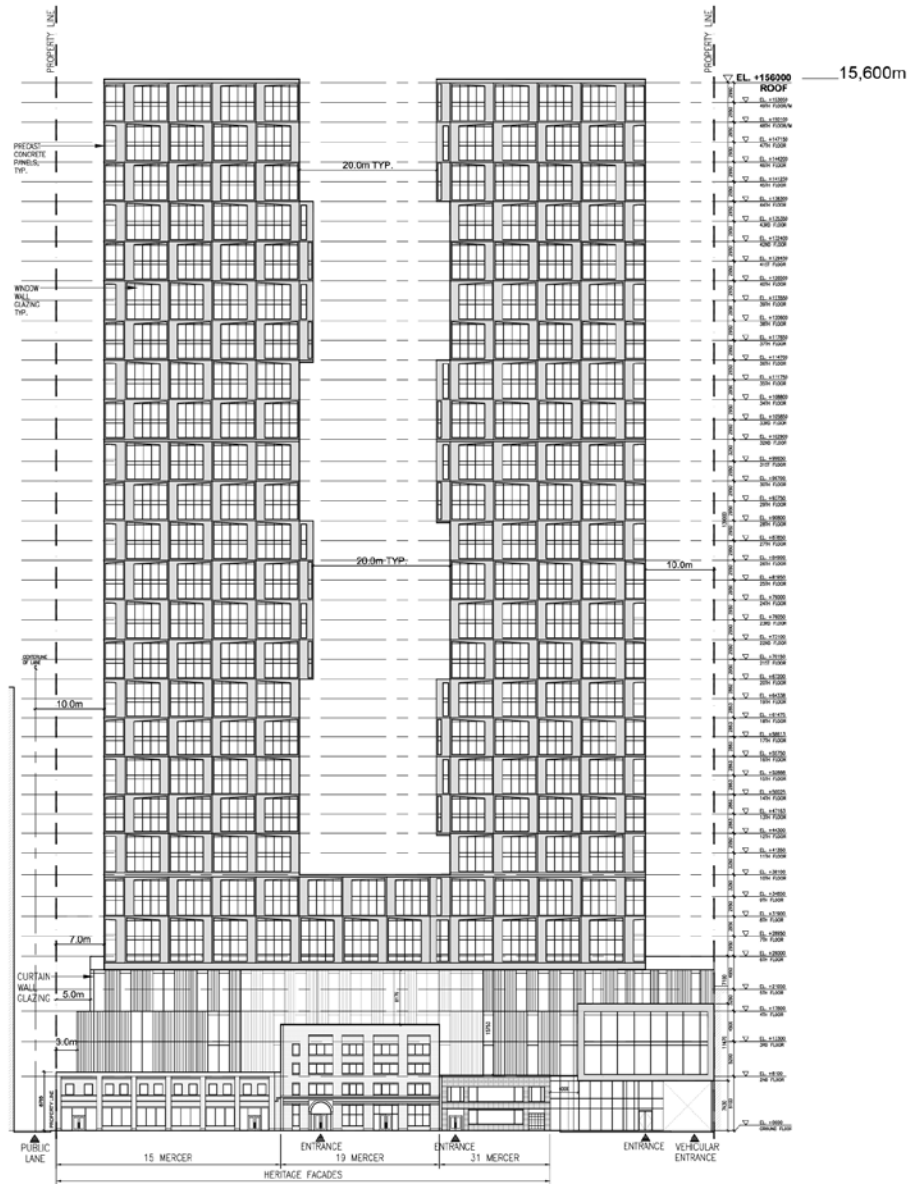
Applicant's Submitted Drawing

Not to Scale 05/08/2015

15-35 Mercer Street

File # 15_135436_STE 20 OZ

Attachment 3: North Elevations



North Elevation

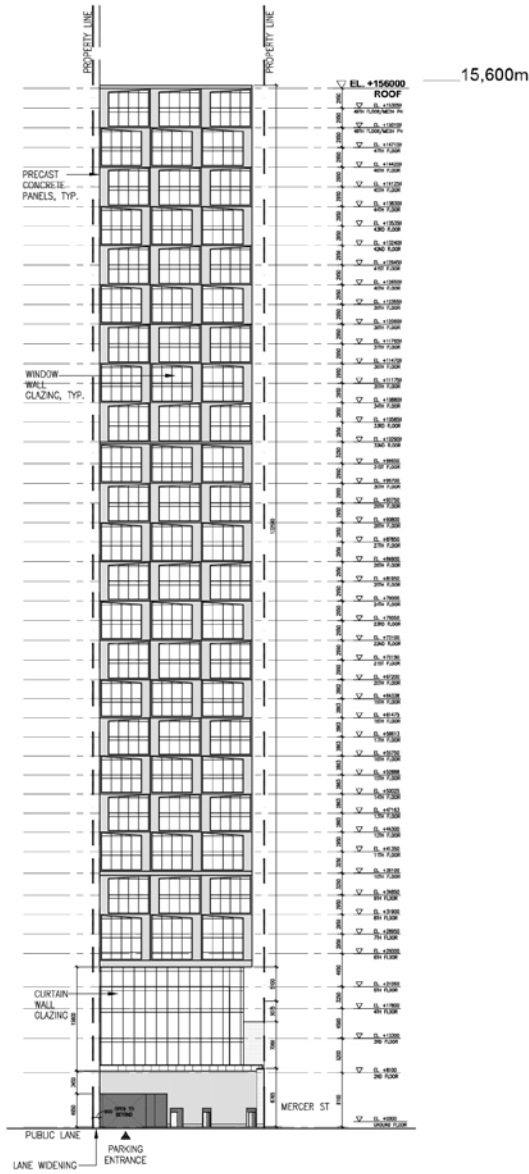
Applicant's Submitted Drawing

Not to Scale
09/28/2016

15-35 Mercer Street

File # 15 135436 STE 20 0Z

Attachment 4: East Elevation



East Elevation

Applicant's Submitted Drawing

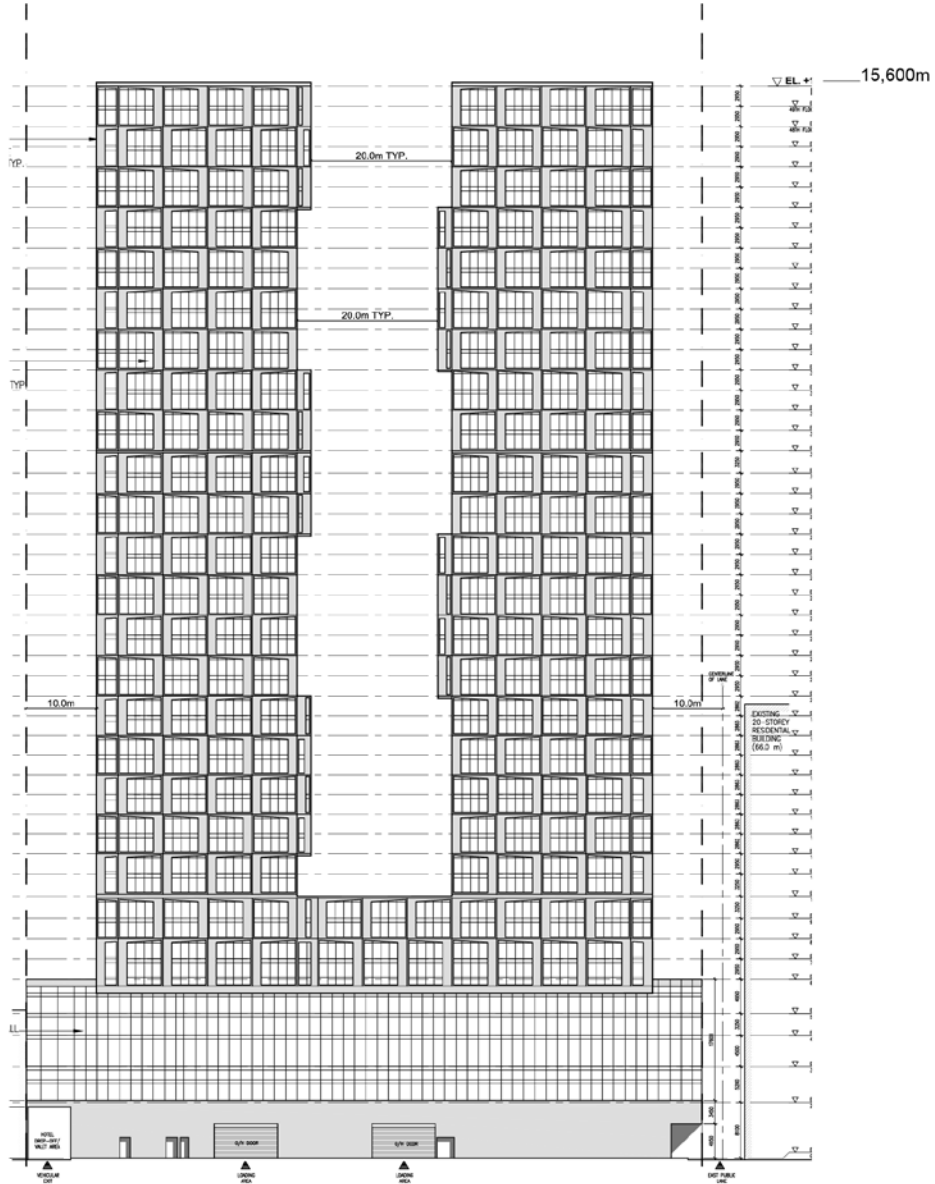
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15-35 Mercer Street

File # 15 135436 STE 20 OZ

Attachment 5: South Elevation



South Elevation

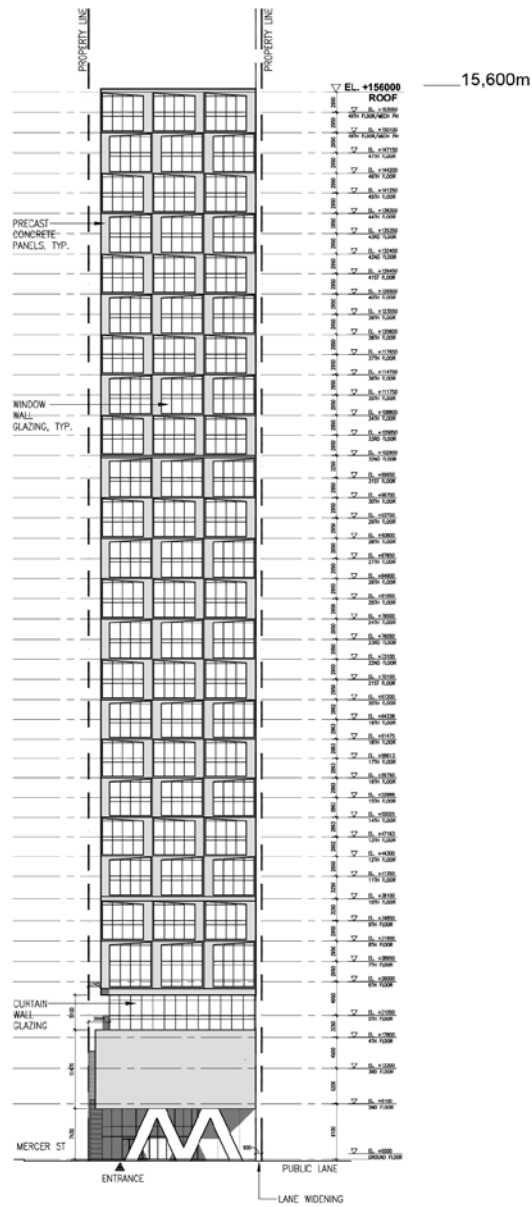
Applicant's Submitted Drawing

Not to Scale
09/28/2016

15-35 Mercer Street

File # 15 135436 STE 20 OZ

Attachment 6: West Elevation



West Elevation

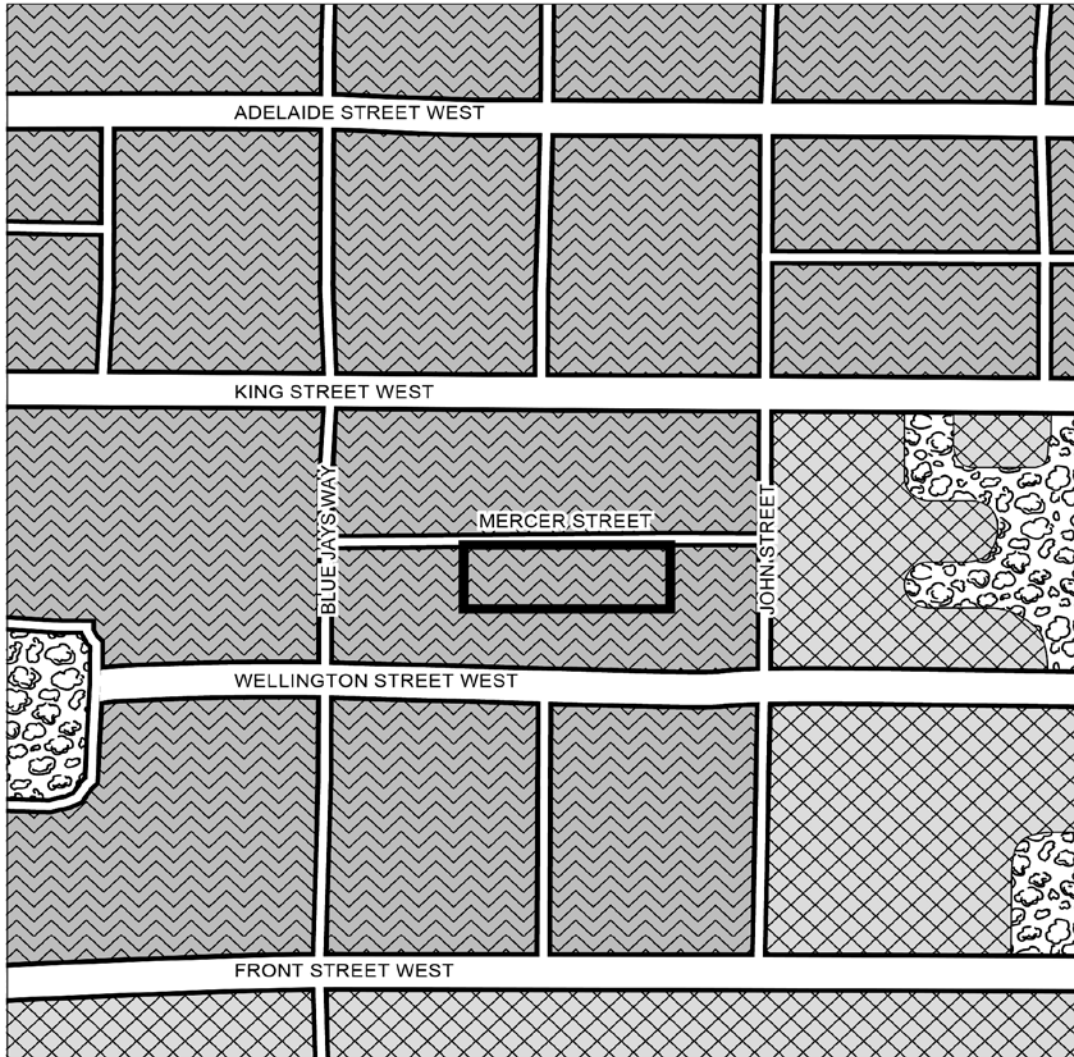
Applicant's Submitted Drawing

Not to Scale
09/28/2016

15-35 Mercer Street

File # 15 135436 STE 20 OZ

Attachment 7: Official Plan



TORONTO
 Extract from Official Plan

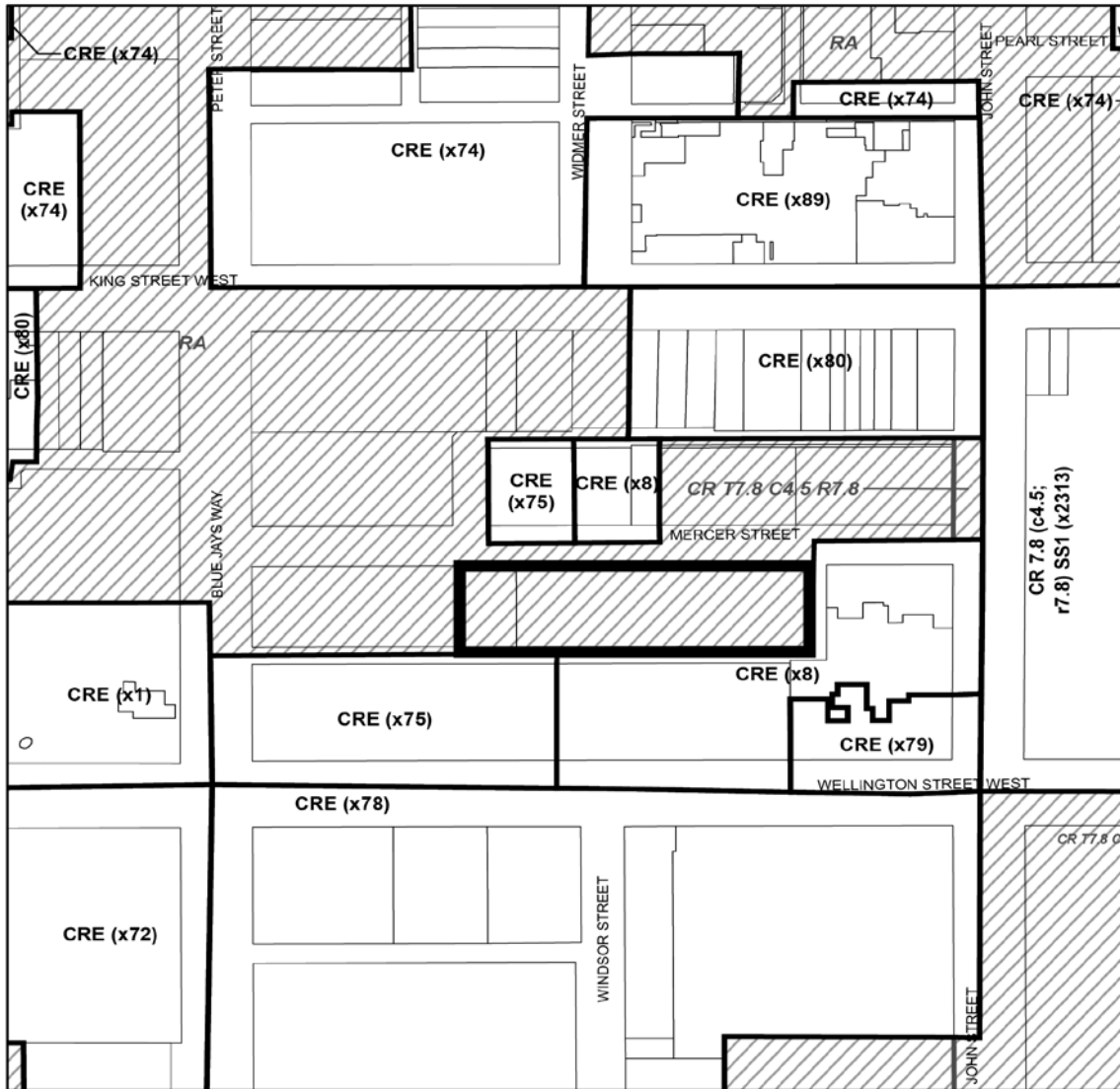
15-35 Mercer Street

File # 15 135436 STE 20 0Z

- | | |
|--|--|
|  Site Location |  Parks & Open Space Areas |
|  Mixed Use Areas |  Parks |
|  Regeneration Areas | |


 Not to Scale
 09/28/2016

Attachment 8: Zoning



Zoning By-Law No. 569-2013

15-35 Mercer Street
File # 15 135436 STE 20 02

- Location of Application
- CR** Commercial Residential
- CRE** Commercial Residential Employment

- See Former City of Toronto By-Law No. 438-86
- CR** Mixed-Use District
- RA** Mixed-Use District

Not to Scale
 Extracted: 09/28/2016

Attachment 9: Application Data Sheet

Application Type	Rezoning	Application Number:	15 135436 STE 20 OZ
Details	Rezoning, Standard	Application Date:	April 1, 2015
Municipal Address:	15 MERCER ST		
Location Description:	PLAN D271 LOTS 1 TO 6 PLAN 253A LOTS 8 TO 12 LOTS 18 & 19 **GRID S2015		
Project Description:	Proposal for rezoning related to one 49 storey mixed use buildings containing a ground floor and second floor restaurant, a commercial fitness area, a 102 room hotel including conference and banquet facilities and 718 residential units, with 4 levels of underground parking accommodating 168 parking spaces.		

Applicant:	Agent:	Architect:	Owner:
Madison Group		Teeple Architects Inc.	35 Mercer Street Limited

PLANNING CONTROLS

Official Plan Designation:	Regeneration Areas	Site Specific Provision:	
Zoning:	RA	Historical Status:	
Height Limit (m):	30	Site Plan Control Area:	Y

PROJECT INFORMATION

Site Area (sq. m):	2365.8	Height: Storeys:	49
Frontage (m):	95.99	Metres:	156
Depth (m):	24.72		
Total Ground Floor Area (sq. m):	2092		Total
Total Residential GFA (sq. m):	53920.4	Parking Spaces:	168
Total Non-Residential GFA (sq. m):	15827.3	Loading Docks	5
Total GFA (sq. m):	69747.7		
Lot Coverage Ratio (%):	88		
Floor Space Index:	30.6		

DWELLING UNITS

FLOOR AREA BREAKDOWN (upon project completion)

Tenure Type:	Condo		Above Grade	Below Grade
Rooms:	0	Residential GFA (sq. m):	53920.4	0
Bachelor:	0	Retail GFA (sq. m):	0	0
1 Bedroom:	436	Office GFA (sq. m):	0	0
2 Bedroom:	160	Industrial GFA (sq. m):	0	0
3 + Bedroom:	122	Institutional/Other GFA (sq. m):	15827.3	0
Total Units:	718			

CONTACT: PLANNER NAME: Dan Nicholson, Planner
TELEPHONE: (416) 397-4077