Dear Mr. O’Callaghan & Ms. Czajkowski:

Re: Settlement Proposal
Property: 1417-1431 Yonge Street (the “Property”)
OMB Case No.: PL151188

On behalf of Kale Management Inc., Yonge-Clair Properties Inc., Milwest Investments Inc., and Kato Krauss (“Terracap”), we write this letter to present our final settlement offer with respect to the proposed development on the Property and corresponding appeal proceedings before the Ontario Municipal Board (the “OMB”), bearing Case No. PL151188 (the “Appeals”). We are pleased to advise that Great Gulf has joined Terracap as a co-partner in the development of the Property.

We are making this offer within the context of OMB-assisted mediation. This letter and the attached drawings and documents summarize the terms of our final offer as the basis for resolving the Appeals and proceeding with a resubmission of detailed plans and drawings for the purpose of developing a final form of proposed Official Plan Amendment and Zoning By-law Amendment.

The settlement offer proposes a mixed-use building, shown conceptually in the attached drawings. The features of the settlement offer are outlined below (collectively referred to as the “Settlement Offer”):

- 34-storey building (2 storeys of retail, 1 storey of amenity space, and 31 storeys of residential, with no office space, and with sufficient heights on the 34th floor to include an internalized mezzanine storey);
- a reduction of the total number of residential units from 379 units to approximately 220 units, inclusive of 13 rental replacement units;

- maximum building height of 128 metres, inclusive of mechanical penthouse;

- elegant building design with the top 4 storeys terraced;

- opportunity for integrated internal TTC connection for residents of the building;

- a 3 metre wide strata widening of Tamblyn Lane to a height above grade of 6.5 metres, and which permits parking structures below;

- reconfiguration of parking and loading entrances on Tamblyn Lane, permitting a potential future lane extension to the south;

- the tower envelope will have a minimum setback of 12.5 metres from the north property line;

- 2-storey podium, set back 4 metres from Yonge Street with reconfigured retail space, with multiple retail units facing Yonge Street;

- a parking space ratio of 0.1 spaces for visitors and 0.45 spaces for residential units; and

- privately-owned publicly accessible space ("POPS") at the north-west corner of the site.

In addition to the built form attributes addressed in this Settlement Offer, our client is offering a Section 37 contribution of $3.0 million to be payable prior to the first above grade building permit for the development. Our client is agreeable to the allocation of the Section 37 funds to be divided amongst the Midtown Hub; for local ravine, reservoir, and park improvements; for public art (with the public art contribution to be capped); and for other community benefits, in consultation with the Chief Planner and Executive Director, City Planning. It is anticipated that the Section 37 contributions will be secured in a Section 37 Agreement entered into with the City.

Until such time as City Council accepts this Settlement Offer, the contents and details of this offer, including any attachments to this letter, are to remain strictly confidential and without prejudice.

With respect to rental housing demolition, we intend to ask the OMB to approve this Settlement Offer in principle, and to withhold the OMB's order approving the final Official Plan Amendment and Zoning By-law Amendment, subject to negotiating appropriate tenant relocation packages to be secured through a Section 37 Agreement with the City.
We trust that you will forward the terms of this final Settlement Offer for City Council’s review and consideration at its meeting commencing May 24, 2017. We look forward to receiving your response. Please contact the undersigned if you wish to discuss further.

Yours truly,

Calvin Lantz

CWL/jsc

Attachments:
Architectural Drawings, prepared by Hariri Pontarini Architects, dated May 16, 2017, including:

a. Statistics Summary and Parking/Servicing/Amenity Statistics Summary;

b. Rendered Perspective (Streetscape; Balconies; Top of Tower);

c. Design Package (Site Plan Diagram; Ground Floor Plan (OP.1); Second Floor Plan; Third Floor Plan; 4F Plan; 5F – 8F Typical Plan; 9F – 30F Typical Plan; 31F – 32F Typical Plan; 33F PH Plan; Sub PH Plan (34F); Upper PH Plan (34F); Mech PH Plan); and

d. Elevation Drawings (West and South).

cc. James McKenzie, Ontario Municipal Board
Larry Krauss, Terracap
Christopher J. Wein, Great Gulf