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**WITHOUT PREJUDICE**

July 16, 2018

**VIA EMAIL**

Matthew Longo  
Solicitor, Planning & Administrative Tribunal Law  
City of Toronto, Legal Services Division  
Metro Hall, 26<sup>th</sup> Floor  
55 John Street  
Toronto, ON M5V 3C6

Dear Mr. Longo:

**RE: 120-128 Peter Street, 357-359 Richmond Street West  
Application for Zoning By-law Amendment  
Appeals of King-Spadina HCD and Tall Buildings OPA/ZBA  
Objection to Notices of Intention to Designate  
City File Nos. 15 255425 STE 20 OZ  
LPAT Case Nos. PL161152, MM170097, PL161316  
Conservation Review Board Case Nos. CRB1710 and CRB1711  
Offer to Settle**

We are the lawyers for Fortress Carlyle Peter Street Inc. ("**Carlyle**"), being the owner of the properties municipally known as 122-128 Peter Street, and 357-359 Richmond Street West, and the owner pursuant to an agreement of purchase and sale of the property municipally known as 120 Peter Street (collectively, the "**Property**").

**Original ZBA Application**

On November 23, 2015, Carlyle submitted an application for a zoning by-law amendment for the properties at 122-128 Peter Street and 357 Richmond Street West (the "**ZBA Application**"). As submitted, the ZBA Application proposed the redevelopment of these properties with a 46 storey (144.2 metres, inclusive of mechanical) mixed-use building containing at-grade retail uses, approximately 435 dwelling units and four levels of underground parking that would provide 92 parking spaces. As submitted, the development contemplated a total combined gross floor area of 27,397 square metres, resulting in a density of approximately 21 times the area of the site (21 FSI) (the "**Original Proposal**"). The Original Proposal contemplated the demolition of the buildings at 122-124 Peter Street and 357 Richmond Street West.

The ZBA Application was appealed to the Ontario Municipal Board (now the Local Planning and Appeal Tribunal, "**LPAT**") on October 31, 2016 on the basis of City Council's refusal or neglect to make a decision on the ZBA Application within 120 days of the making of the application (the "**ZBA Appeal**"). Prehearing conferences were held on May 23, 2017, July 18, 2017, and November 1, 2017.

### **Original Settlement Offer**

Subsequent to filing the ZBA Appeal, Carlyle acquired the property at 359 Richmond Street West. As a result of continued discussions with various stakeholders, as well as input provided by residents at the community consultation meetings, Carlyle submitted a With Prejudice Settlement Proposal to the parties to the ZBA Appeal on July 7, 2017, which included the proposed conservation of 122-124 Peter Street, but not the properties at 357-359 Richmond Street West (the “**Original Settlement Offer**”). Following the submission of the Original Settlement Offer, the parties to the ZBA Appeal agreed to proceed to Tribunal-led mediation (as further described below).

### **Related Appeals**

#### ***Notice of Intention to Designate 122-124 Peter Street and 357-359 Richmond Street West***

At its meeting on January 31, 2017, City Council passed a motion that City Council state its intention to designate 122-124 Peter Street and 357-359 Richmond Street West. On March 17, 2017, Carlyle filed a notice of objection to the Notice of Intention to Designate 357 and 359 Richmond Street West and the Notice of Intention to Designate 122 and 124 Peter Street, both dated February 15, 2017 (the “**Notices of Intention to Designate**”), and requested that City Council refer the matter to the Conservation Review Board (the “**CRB**”) for a hearing. To-date, there have been 3 teleconferences held with the CRB. No hearings have been scheduled for the hearing of the objection.

#### ***King Spadina Heritage Conservation District and District Plan***

On October 4, 2017, City Council passed By-law No. 1111-2017 (the “**HCD By-law**”), which proposes to designate the King-Spadina Heritage Conservation District (the “**Proposed HCD**”) and adopt the King-Spadina Heritage Conservation District Plan (the “**Proposed HCD Plan**”). The properties are situated within the boundary of the Proposed HCD. The Proposed HCD Plan also categorizes the properties at 120, 122-124 Peter Street and 357-359 Richmond Street West as “contributing properties”. The HCD By-law was appealed to the Ontario Municipal Board (now the LPAT) by a number of parties, including Carlyle (LPAT Case No. MM170097).

#### ***Tall Buildings OPA and ZBL’s***

On November 9, 2016, City Council adopted Official Plan Amendment No. 352 (“**OPA 352**”) by By-law 1105-2016, and enacted Zoning By-laws 1106-2016 and 1107-2016, which amend former City of Toronto Zoning By-law No. 438-86 and City of Toronto By-law No. 569-2013, respectively. The purpose of OPA 352 and By-laws 1106-2016 and 1107-2016 is to establish a policy framework regarding separation distance between tall buildings and implementing zoning standards, respectively. OPA 352 and By-laws 1106-2016 and 1107-2016 have been appealed by a number of parties, including Carlyle (LPAT Case No. PL161316). A prehearing for these matters was held on January 29, 2018 and June 18, 2018 and further prehearings are scheduled for August 9, 2018 and November 29, 2018.

### Mediation and Settlement Proposal

The parties to the mediation of the ZBA Appeal include the following:

1. City of Toronto
2. 401 Richmond Ltd. (owner of adjacent property at 401 Richmond Street West)
3. Ricki's Construction and Painting Inc. (registered owner of adjacent property at 120 Peter Street)
4. Graywood Acquisitions Limited and Peter Adelaide GP Inc. ("**Graywood**"), the owners of the properties at 350-354 Adelaide Street West and 102-118 Peter Street (the "**Graywood Property**")

Prior to the commencement of the mediation, Carlyle entered into an agreement of purchase and sale with Ricki's Construction and Painting Inc. for 120 Peter Street. The closing of the purchase and sale has not yet occurred. 120 Peter Street is the adjoining semi-detached building at 118 Peter Street, which is owned by Graywood and which forms part of the redevelopment approved by City Council on November 7, 2017 by By-laws 1470-2017 and 1471-2017 to permit the redevelopment of the Graywood Property with a 47-storey (147m, excluding mechanical) tower. It is noted that the Graywood approval has been appealed by a number of adjacent property owners, including Ricki's Construction and Painting Inc. and 401 Richmond Ltd.

The parties participated in Tribunal-led mediation over the course of 5 days, which took place on February 12-13, 2018, March 28, 2018, and May 15-16, 2018. A provisional result was achieved at the Mediation with the City and presented to the other parties on May 16, 2018, which was comprised of terms that would result in revisions to the proposed built-form, conservation of all properties identified by the City as having heritage value, and a Section 37 contribution.

As we understand, City Staff is now satisfied with the final proposed plans. At this time, therefore, Carlyle offers to settle its appeal of the ZBA Application on the following basis:

1. The redevelopment site will include the following properties: 120 Peter Street, 122-124 Peter Street, 126 to 128 Peter Street, and 357-359 Richmond Street West, for a total site area of approximately 1,643.6 m<sup>2</sup> and frontages of 35.864 metres along Peter Street and 45.60 metres along Richmond Street West (the "**Property**").
2. The redevelopment will be mixed-use and the implementing zoning by-law amendment will permit a total gross floor area of 23,250 square meters, comprised of a total residential gross floor area of 22,600 square metres and a total non-residential gross floor area of 650 square meters, with the final gross floor areas to be confirmed following a survey of the buildings at 120 Peter Street, 122-124 Peter Street and 357-359 Richmond Street West.
3. The redevelopment will include the conservation of 120 Peter Street, 122-124 Peter Street, and 357-359 Richmond Street West, in accordance with the conservation strategies generally set out below and to be further refined through the implementing site

plan process with a fully developed conservation plan for each of the heritage buildings to the satisfaction of Heritage Preservation Services.

4. The built-form will consist of the following:
  - a. conservation of the buildings at 120 Peter Street, 122-124 Peter Street, and 357-359 Richmond Street West in their 3-dimensional form;
  - b. 2-storey base building along the sidewalks of Peter Street and Richmond Street West with a maximum height of 8m;
  - c. a recessed base/trunk with a maximum of 6-storeys and a maximum height of 24m and situated behind the heritage structures on the site; and,
  - d. a tower siting above and cantilevering beyond the 6-storey trunk for a total of 42-storeys, with a maximum height of 141.36 to the highest point of the roof (the tip) inclusive of mechanical and 128.95 exclusive of mechanical. The tower (inclusive of mechanical) will be designed to ensure that shadowing is not cast from the development on the north sidewalk of Queen Street West beyond 12:00p.m.
5. The tower will have the following setbacks:
  - a. 10 meters from the west property line;
  - b. 2 meters from the north property line, with a 1 meter projection for balconies;
  - c. 4.72 meters from the east property line;
  - d. 11 meters from the south property line, with a 1 meter projection for balconies;
6. The development will include a minimum of 10% 3-bedroom units and 20% 2-bedroom units.
7. The building shall include a minimum of 2.11 square meters of interior residential amenity space per unit and 1.93 square meters of exterior residential amenity space per unit, with a maximum of 348 dwelling units which equals 736 square meters of interior residential amenity space and 670 square meters of exterior amenity space. Amenity spaces will include spaces designed for children and youth, and facilities for dogs, with designs to be determined at the site plan approval stage.
8. The conservation plan for the heritage buildings shall include the following general conservation approaches:
  - a. the existing structure at 120 Peter Street will be conserved and restored *in situ* in keeping with recent approvals involving the adjoining semi-detached building at 118 Peter Street as part of the Graywood Development to the south;
  - b. 122-124 Peter Street will be disassembled and reconstructed, with the objective of restoring as much of the original materials as reasonably possible, including a restoration of the interior to the extent possible and in consultation with Heritage Preservation Services. The building will be dismantled, stored, and restored off site, and reconstructed on-site. The conservation approach will require multiple stages and "check-ins" with heritage staff; and
  - c. 357-359 Richmond Street West will be moved 3 meters east and will maintain the existing setback from the north property line on Richmond Street West. The relocated structure will include the stairs along Richmond Street West, with accessibility needs to be accommodated along the west wall from the new proposed Mid-Block Connection (described below).

9. The development shall include a knock-out panel on P1 (below grade) to provide the option for a below-grade service connection to the building at 401 Richmond Street West for loading (the “**Service Connection**”). Carlyle shall not be responsible for the cost of construction of the Service Connection. The Service Connection will be recognized as a permitted construction activity within the Mid-Block Connection (discussed below).
10. The development will provide a road widening of 2.38 metres along Richmond Street West to the satisfaction of the City (the “**Road Widening**”).
11. The development shall provide a 0.6 metre strata conveyance (as measured from grade) to facilitate a corner rounding equal to 5.0 meters at the intersection of Peter Street and Richmond Street West, taking into account the area within the existing corner rounding, with the parking garage to project below grade in this area (the “**Corner Rounding**”).
12. The development shall be setback 4.5 metres from the west side lot line, and shall provide a 3 metre wide mid-block connection along the west side lot line for the entire length of the Property, which shall be conveyed at the discretion of the General Manager Parks Forestry & Recreation either as:
  - a. a 0.6 metre strata-parkland conveyance (as measured from grade) under Section 42 of the Planning Act, the lower limit of which shall not, for greater certainty, interfere with the below grade parking garage for the development below or the Service Connection; or,
  - b. an at-grade easement for pedestrian access,(the “**Mid-Block Connection**”). In the event that the General Manager Parks Forestry & Recreation elects to require the conveyance of the Mid-Block Connection as a parkland conveyance under Section 42 of the Planning Act, the conveyance shall be made prior to the earlier of occupancy of the development for residential purposes or condominium registration.
13. Parking shall be provided at a rate of 0.17 parking spaces per unit for resident parking. Visitor parking shall not be required.
14. The materiality for the two-storey podium component is to be sympathetic and compatible to the heritage buildings, to be determined at the site plan approval stage to the satisfaction of the Chief Planner.
15. The materiality for the east and west elevations of the tower component will incorporate a curtain wall system or a hybrid wall system, or such alternative system to be determined at the site plan approval stage to the satisfaction of the Chief Planner. It is recognized that the north and south elevations of the tower component may be constructed with a window wall system at the discretion of Carlyle.
16. The materiality for the underside of the tower (soffit) and the exposed exterior columns will be determined at the site plan approval stage to the satisfaction of the Chief Planner.
17. Carlyle shall enter into a Section 37 Agreement to secure the following community benefits:

- a. a cash contribution of \$1,700,000 to be paid upon the issuance of the Tribunal's Order approving the ZBA Application as revised, to be allocated by the City in consultation with the local councillor;
- b. the principles for the materiality of the podium, the tower, the underside of the tower (soffit) above the undercut, and the columns, as set out in Item Nos. 14-16; and,
- c. the Mid-Block Connection in the form of privately owned publicly accessible open space (POPS) in the event that the General Manager Parks Forestry & Recreation elects to receive the Mid-Block Connection through an at-grade pedestrian easement (as opposed to parkland conveyance under Section 42 of the Planning Act).

The Section 37 Agreement shall be subject to terms that provide for unwinding in the event that the development contemplated herein is frustrated by other planning decisions, including pending or future matters before the Conservation Review Board or the LPAT, having regard to the timing of payment contemplated under No. 17(a) above.

18. Carlyle shall enter into heritage easement agreements in respect of the properties at 120 Peter Street, 122-124 Peter Street, and 357-359 Richmond Street West, to secure the conservation of these properties in accordance with the conservation approaches generally set out in No. 8 above, and which shall recognize the development contemplated under the Settlement Proposal as permitted on the site.

(Nos. 1-18 collectively referred to as the "**Settlement Proposal**")

Carlyle relies on the following materials for the assessment of the Settlement Proposal:

1. the architectural plans and drawings prepared by architectsAlliance, dated July 16, 2018 (unless otherwise noted):
  - a. Drawing A 0.00 - Cover Sheet
  - b. Drawing A 0.10 - Building Images
  - c. Drawing A 0.11 - Building Images
  - d. Drawing A 0.12 - Building Images
  - e. Drawing A 1.10 – Survey (prepared by Krcmar, dated December 9, 2014)
  - f. Drawing A 1.20 - Statistics
  - g. Drawing A 1.30 - Height Map Plan
  - h. Drawing A 2.01 - Parking Level P3 And P4
  - i. Drawing A 2.02 - Parking Level P2
  - j. Drawing A 2.03 - Parking Level P1
  - k. Drawing A 2.04 - Ground Floor/ Site Plan
  - l. Drawing A 2.05 - Level 2
  - m. Drawing A 2.06 - Level 3
  - n. Drawing A 2.07 - Level 4
  - o. Drawing A 2.08 - Level 5

- p. Drawing A 2.09 - Level 6
- q. Drawing A 2.10 - Level 7 - 40
- r. Drawing A 2.11 - Level 41
- s. Drawing A 2.12 - Level 42
- t. Drawing A 2.13 - Level 43 Mph
- u. Drawing A 2.14 - Level 44 Mph
- v. Drawing A 3.01 - Elevations (South/ North)
- w. Drawing A 3.02 - Elevations (East/ West); and,
- x. Drawing A 4.01 – Sections,

(the “**Architectural Plans**”).

As part of our discussions, Carlyle and City Staff have agreed that in the event the Settlement Proposal is accepted by City Council, the form of the implementing zoning by-law amendment will be updated to reflect the Settlement Proposal in advance of the hearing before LPAT on September 28, 2018.

In addition, in the event that LPAT approves the Settlement Proposal, Carlyle and City Staff have agreed to jointly request that the Tribunal withhold its final order approving the ZBA Application, as revised, pending completion of the following:

1. submission of the following materials (which may include updates to previously submitted studies) to the satisfaction of the City:
  - a. Transportation Impact Study (update), which shall include a justification of the proposed parking rate;
  - b. Landscape Plan;
  - c. Servicing Report Groundwater Summary form;
  - d. Hydrological Review Summary form; and,
  - e. Functional Servicing Report; and,
2. confirmation that the parties have entered into the following agreements:
  - a. the Section 37 Agreement (referred to under No. 17 above); and,
  - b. the heritage easement agreements for the conservation of 120 Peter Street, 122-124 Peter Street, and 357-359 Richmond Street West (referred to under No. 18 above).

In the event that City Council accepts the Settlement Proposal, then:

1. Carlyle undertakes to work in good faith with City Staff in order to secure revisions to OPA 352 and By-laws 1106-2016 and 1107-2016 that recognize the development contemplated under the Settlement Proposal;
2. Carlyle is prepared to withdraw its objection to the Notices of Intention to Designate and its appeal of the HCD By-law, provided that the parties agree on appropriate measures to confirm or otherwise ensure that the Notices of Intention to Designate and/or the HCD By-law will not prevent a building permit from being issued for the development contemplated under the Settlement Proposal; and,

3. Carlyle will not object to the designation of 120 Peter Street provided that the designation, including the reasons for designation, will not prevent a building permit from being issued for the development contemplated under the Settlement Proposal.

The Settlement Offer is open until July 27, 2018, following which it will become null and void if not accepted. In this regard, the Settlement Offer is being submitted for consideration by City Council at its meeting on July 23, 24, and 25, 2018. If the Settlement Offer is accepted, Carlyle consents to the Settlement Offer and City Council's consideration thereof being made public.

Yours truly,

**Overland LLP**



Per: Daniel B. Artenosi  
Partner

Encl.

c. P. Iaboni and N. Mansour, Carlyle Communities