

**AIRD BERLIS**

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July 13, 2018

**WITHOUT PREJUDICE AND CONFIDENTIAL**

VIA EMAIL

Our File #123349

Cigdem Iltan  
Solicitor, Planning & Administrative Tribunal Law  
Legal Services  
City of Toronto  
26<sup>th</sup> Floor, Metro Hall  
55 John St.  
Toronto, ON M5V 3C6

Dear Ms. Iltan:

**Re: Without Prejudice Settlement Offer  
245-285 Queen Street East, 348-410 Richmond Street East, 88-116  
Ontario Street and 8-12 Brigden Place, City of Toronto  
City File No: 16 118638 STE 28 OZ  
LPAT File No: PL171288**

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Aird & Berlis LLP acts on behalf of the owners of the above-noted properties which form a redevelopment site with frontage on Queen Street East, Richmond Street East and Ontario Street (collectively, the "site").

The site is designated Regeneration Areas within the Downtown in the Official Plan, and is designated Mixed Use Area 'D' on the northern portion of the site and Regeneration Area 'A' in the southern portion of the site in the King-Parliament Secondary Plan.

In February 2016, applications to amend the Official Plan and Zoning By-law were submitted to the City of Toronto to permit a comprehensive mixed use development of the properties municipally known as 245-285 Queen Street East, 348-412 Richmond Street East, 78-116 Ontario Street and 8-12 Brigden Place. A Preliminary Report dated April 22, 2016 was considered by Toronto and East York Council on May 10, 2016 and a Community Consultation Meeting occurred on May 30, 2016.

In December 2016, a revised proposal was submitted to the City. The site boundaries were modified in that the lands known municipally as 412 Richmond Street East and 78-82 Ontario Street were no longer included. On May 11, 2017, a Rental Housing Demolition and Conversion application was submitted to permit the demolition and replacement of the 58 rental units currently on the site.

In November, 2017 our client appealed Council's failure to issue decisions with respect to the Official Plan and Zoning By-law Amendment applications within the statutory timeframes set out in the *Planning Act*. The Local Planning Appeal Tribunal ("LPAT") has scheduled a pre-hearing conference for August 1, 2018.

While awaiting the pre-hearing conference, our client and its team continued to consult with City Staff and interested stakeholders and in response to feedback received, made further revisions to its proposal. A revised submission was made on March 27, 2018. The revised mixed use proposal contains a total gross floor area of 158,274 m<sup>2</sup>, including 54,702 m<sup>2</sup> of non-residential gross floor area including office, hotel and retail uses and a total of 103,572 m<sup>2</sup> of residential gross floor area including 1,468 dwelling units including both condominium and new purpose built rental units. The three proposed towers have heights of 37, 28 and 24 storeys. A new 1,400 m<sup>2</sup> public park is proposed on Queen Street East.

Since that time, discussions have continued with City Staff and we understand that our client and City Staff have agreed, on a without prejudice basis, to a series of revisions to the proposal which would resolve the remaining staff concerns.

With all issues now addressed, we are writing to set out the terms of an offer which would resolve these appeals and enable the parties to jointly ask the LPAT to convert the August 1, 2018 prehearing conference, or some such other future LPAT hearing date, to a settlement hearing. Our client is prepared, on a without prejudice basis, to proceed to a hearing based on additional revisions to the March 27, 2018 development proposal, as described below, and we are writing to provide the following offer for City Council's consideration.

If City Council supports the revised proposal at its meeting commencing July 23, 2018, our client will formally revise its Official Plan and Zoning By-law appeals before the LPAT and proceed to a hearing on that basis. This offer is conditional upon acceptance by City Council at its meeting commencing July 23, 2018 and the City agreeing to jointly ask the LPAT to convert the August 1, 2018 prehearing conference to a settlement hearing. The following revisions to the March 27, 2018 proposal and settlement terms are proposed:

1. **Park Dedication:** The proposed 1,400m<sup>2</sup> public park has been relocated to Richmond Street East, as reflected on the attached site plan dated July 6, 2018, with the aim of improving the heritage frontages on Queen Street East. The balance of the required parkland dedication will be satisfied through a payment of cash-in-lieu. The timing of the construction and conveyance of the park will be undertaken to the satisfaction of the General Manager, Parks, Forestry and Recreation. The City and our client shall work together on the design of the new public park and our client shall receive development charge credits for undertaking above-base park improvements in the park. Our clients' obligation to design and install above base park improvements shall not exceed the value of the development charge credits provided. The development charge credit shall be in an amount that is the lesser of the cost of our client of designing and constructing the above base park improvements, as approved by the General Manager, Parks, Forestry and Recreation, and the Parks and Recreation component of development charges payable for the development in accordance with the City's Development Charges By-law, as may be amended from time to time. All park related work and timing of such work, including conveyance of the on-site parkland dedication as well as the build out of the park to base and above base park improvements, is to be completed to the satisfaction of the General Manager, Parks, Forestry and Recreation.
2. **Density:** The residential gross floor area (as defined in By-law 569-2013) has been reduced to 96,244m<sup>2</sup> and the non-residential gross floor area has been reduced to 46,108m<sup>2</sup>, with the non-residential gross floor area consisting of up to 14,289 m<sup>2</sup> of

retail and service uses, a minimum of 10,000 m<sup>2</sup> of office uses and the balance to be used for office and/or hotel uses with such uses' locations within the building envelopes to be determined to the satisfaction of the Chief Planner and Executive Director, City Planning.

3. **Building Height:** Tower heights have been reduced to 32 (113.8 m including MPH), 25 (95.4 m including MPH) and 24 storeys (90.5 m including MPH) with the metric heights measured above a geodetic elevation of 84.8 m.
4. **Building Floor Plate (32-storey tower):** The floor plate of the 32-storey tower has been reduced to 1,000m<sup>2</sup> gross construction area and 932m<sup>2</sup> gross floor area (By-law 569-2013 definition).
5. **Building Envelopes:** The minimum building setbacks and stepbacks, including the setbacks from the public park on Richmond Street East, are as shown on the attached roof plan dated July 6, 2018, while permitting balconies and other standard projections to the satisfaction of the Chief Planner and Executive Director, City Planning.
6. **Residential Unit Mix:** A minimum of 40% of all dwelling units shall contain at least 2 or 3 bedrooms, with at least 10% of all units having three or more bedrooms.
7. **Retail Unit Sizes:** No changes are proposed to the range of sizes of retail units on the ground floor, shown on the attached plans dated July 6, 2018, but individual second floor retail units will each be limited to a maximum gross floor area of 3,500m<sup>2</sup>.
8. **Building Entrances:** All main building entrances to the future residential and office components of the project, including hotel entrances, where applicable, will be located fronting on public streets and not on lanes or the public park. Secondary entrances may be provided other than from public streets.
9. **Street Trees:** Street trees will be provided on Richmond Street East, west of the heritage properties being preserved. For new construction along Richmond Street East, a 6 m building setback will be provided at grade in order to accommodate street trees, provided that a 2.2 m maximum cantilever into this setback above tree height is permitted. The final treatment of McFarrens Lane will be resolved during the Site Plan Approval process and will include greenery, lighting and materiality, but no trees.
10. **TTC:** Our client will continue to work with the TTC during the Site Plan Approval process to address all TTC comments in relation to any required setbacks from the proposed Downtown Relief Line tunnel.
11. **Mid-block Pedestrian Connection:** A mid-block pedestrian connection between Richmond Street East with Queen Street East will be provided with a minimum unobstructed width of 6m open to the sky, which will be secured through an easement in favour of the City for public access. At the ground level, the building facing distance on either side of the mid-block pedestrian connection will be a minimum of 10m, with the extra 4m available for use as patios, café seating, a pedestrian arcade or other outdoor uses.

12. **Section 37:** Our client will make an eleven million dollar (\$11,000,000 CAD) cash contribution to be paid to the City prior to the issuance of the first above grade building permit, with such payment to be subject to the City's standard indexing requirements. The funds will be directed toward community benefits within proximity of the site with the specific allocation to be determined by the Chief Planner and Executive Director, City Planning, in consultation with the Ward Councillor.
13. **Heritage:** The designated Christina Lauder Buildings at 263-265 Queen Street East, the former S. Price & Sons Dairy Building at 245-251 Queen Street East, and the complex of the industrial buildings on the southeast corner of the site at 90 Ontario Street, 384 and 410 Richmond Street East will be incorporated into the new construction. All other low-scale existing buildings will be removed as part of the proposed development. All of the buildings with cultural heritage value on the site will be partially retained and integrated with new construction, with the exception of the latter two storey addition at 88 Ontario Street. The interior floor levels of 263-265 Queen Street East will be maintained. The demising walls of 263-265 and 245-251 Queen Street East will be maintained or rebuilt, and the extent of which will be finalized in the forthcoming Conservation Plan. The conservation strategy is generally as described in the revised Heritage Impact Assessment and elevations prepared by ERA Architects Inc. dated July 6, 2018, and based on further direction received from City of Toronto Heritage Preservation Services staff during recent meetings and discussions. With Council's approval of the foregoing conservation strategy and following the issuance of a decision of the LPAT allowing the zoning appeal in part to approve the proposed development, our client will withdraw its appeals to the Conservation Review Board regarding the decision to designate 245 Queen Street East, 384 and 410 Richmond Street East and 78 and 90 Ontario Street under Part IV of the *Ontario Heritage Act*.
14. **Loading and Parking:** Loading and Parking requirements shall be provided based on the comments by Engineering and Construction Services' letter dated May 7<sup>th</sup>, 2018. The resident parking ratio for the site may be further reduced based on consideration of proxy parking utilization surveys, recent City approvals, future planned transit improvements in the area and other relevant transportation planning rationale provided in a Transportation Impact Report Addendum, subject to the satisfaction of the General Manager, Transportation Services.
15. **Bicycle Parking:** Bicycle parking will be provided in accordance with the standards in zoning by-law 569-2013.
16. **Amenity Space:** Indoor amenity space will be provided at a rate of 2.0 m<sup>2</sup> per residential dwelling unit and outdoor amenity space will be provided at a rate of 1.7 m<sup>2</sup> per residential dwelling unit.
17. **Functional Servicing, Stormwater Management, Fire Services and Waste Management:** All outstanding issues identified in Engineering and Construction Services' letter dated May 7, 2018 shall be addressed by our client to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services.
18. **Rental Housing Protection:** The full replacement of the existing residential rental dwelling units and live/work units and a Tenant Relocation and Assistance Plan will

be provided, including the right of tenants to return to the new rental units in accordance with the Official Plan, to the satisfaction of the Chief Planner and Executive Director, City Planning Division. The details of the replacement will be finalized to the satisfaction of the Chief Planner and Executive Director, City Planning, and will generally be in accordance with the following terms:

- the average unit size for the two bedroom rental replacement units shall be no less than 73 square metres and the average unit size of the three bedroom rental replacement units shall be no less than 100 m<sup>2</sup>;
- the overall gross floor area of the replacement rental dwelling units should not be less than 5,042 square meters;
- the rental tenure for replacement rental dwelling units should be secured for no less than 20 years and replacement rental dwelling units with affordable or mid-range rents should have rents secured for no less than 10 years;
- residents of replacement rental dwelling units should have the same shared access to all amenities and facilities in their building on the same basis as all other residents within the proposed development;
- rents of the replacement rental dwelling units should reflect the rent categories of the existing rental dwelling units at the time of application, in proportion to the existing distribution of gross floor area by rent category;
- the replacement rental dwelling units should be provided in the first phase of any proposed redevelopment, and if possible 90 Ontario Street will not be demolished until replacement rental dwelling units are ready for occupancy;
- an acceptable Tenant Relocation and Assistance Plan should include provisions allowing for existing tenants to return to replacement rental dwelling units, and additional compensation for tenants with special needs, among other matters;
- a Tenant Communication Plan and Construction Mitigation Strategy will be provided including information on the proposed phasing of the development, information on tenants' eligibility for a replacement rental dwelling unit, and the process for tenants returning to replacement rental dwelling unit and the rents to be charged; and
- the live/work units currently proposed will be provided generally in the same configuration as shown on plan A111 prepared by Sweeny & Co dated July 6, 2018, unless otherwise approved by the Chief Planner, City Planning Division.

19. **Lanes:** Our client has submitted an application to the City's Transportation Services for the closure of Brigden Place and the unnamed north-south lane west of Ontario Street and north of Richmond Street East and will enter into an agreement to purchase the lanes from the City, conditional upon City Council approving the permanent closure of the lanes, and subject to the necessary approvals being granted by the appropriate City authorities to declare the lanes surplus and authorize the sale of the lanes to our client. Further, the City will authorize our client to submit an application for site plan approval for the project including for the City-owned public lane which is included within the proposed development site at this time and in advance of completion of the ongoing road closing and conveyance process.

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This offer responds substantively to the issues raised by City Planning, Engineering and Construction Services, Transportation Services and Parks, Forestry and Recreation staff. As noted above, it is our intention that if Council accepts this offer we will proceed to the Local Planning Appeal Tribunal on the basis of these revisions. Accordingly, upon acceptance by City Council, this letter and the contents of this offer may be made public.

The parties will ask the LPAT to withhold its Order until advised by the City Solicitor that the following conditions, which may be amended on mutual agreement by the parties, have been met to the satisfaction of the City:

- (a) The draft Official Plan Amendment and Zoning By-law Amendment reflecting the foregoing are finalized to the satisfaction of the parties;
- (b) Our client has addressed any outstanding items in Part A of Engineering and Construction Services' letter dated May 7, 2018, to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services;
- (c) Our client has prepared a revised Functional Servicing Report, a revised Stormwater Management Report and revised Hydrogeological Assessment to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services;
- (d) Our client has entered into a financially secured agreement for the construction of any improvements to the municipal infrastructure, should it be determined that upgrades are required to support the development, according to the Functional Servicing Report accepted by the Chief Engineer and Executive Director, Engineering and Construction Services;
- (e) Our client has prepared a Pedestrian Wind Study Addendum to the satisfaction of the Chief Planner and Executive Director, City Planning Division and any required mitigation measures to be secured in the Section 37 agreement, with a more detailed wind study to be completed at the site plan approval stage;
- (f) Our client has entered into a Heritage Easement Agreement with the City for the properties at 245-251 Queen Street East, 263-265 Queen Street East, 90 Ontario Street and 384 and 410 Richmond Street East in accordance with the plans and drawings dated July 6, 2018 prepared by Sweeny & Co. Architects and on file with the Senior Manager, Heritage Preservation Services, the Heritage Impact Assessment (HIA), prepared by ERA Architects Inc., dated July 6, 2018, and in accordance with the approved forthcoming Conservation Plan to the satisfaction of the Senior Manager, Heritage Preservation Services including registration of such agreement to the satisfaction of the City Solicitor;
- (g) Our client has provided a detailed Conservation Plan, prepared by a qualified heritage consultant, that is consistent with the conservation strategy set out in the Heritage Impact Assessment for 245-251 Queen Street East, 263-265 Queen Street East, 90 Ontario Street and 384 and 410 Richmond Street

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East prepared by ERA Architects Inc. dated July 6, 2018, to the satisfaction of the Senior Manager, Heritage Preservation Services;

- (h) Our client has entered into and registered on the properties at 245-251 Queen Street East, 263-265 Queen Street East, 90 Ontario Street and 384 and 410 Richmond Street East one or more agreements with the City pursuant to Section 37 of the Planning Act to the satisfaction of the City Solicitor, the Chief Planner and Executive Director, City Planning Division, and the Senior Manager, Heritage Preservation Services with such facilities, services and matters to be set forth in the related site specific Official Plan and Zoning By-law Amendments giving rise to the proposed alterations;
- (i) Our client has withdrawn the appeal to the Conservation Review Board of the Part IV (Ontario Heritage Act) heritage designation of the properties municipally known as 245 Queen Street East, 384 and 410 Richmond Street East and 78 and 90 Ontario Street;
- (j) Our client has retained a consultant archaeologist, licensed by the Ministry of Tourism, Culture and Sport under the provisions of the Ontario Heritage Act (R.S.O 1990 as amended) to carry out a Stage 2 archaeological resource assessment of the subject property and follow through on recommendations to mitigate, through preservation or resource removal and documentation, adverse impacts to any significant archaeological resources found (i.e. Stage 3-4). Should the archaeological assessment process continue beyond a Stage 2 assessment, any recommendations for Stages 3- 4 mitigation strategies must be reviewed and approved by Heritage Preservation Services prior to commencement of the site mitigation. Our client further agrees to submit a copy of the relevant assessment report(s) to the Heritage Preservation Services Unit in both hard copy format and as an Acrobat PDF file on compact disk.
- (k) Council has made a decision on the Rental Housing Demolition and Conversion Application under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the City of Toronto Act to demolish the 58 rental units on the site and all appropriate conditions associated with the Section 111 Permit have been satisfied, including the execution of any necessary agreements;
- (l) Our client has withdrawn, or has entered into Minutes of Settlement with the City agreeing to withdraw, its appeal to the LPAT of OPA 352, By-laws 1106-2016 and 1107-2016 in relation to the subject site; and
- (m) Our client and the City have entered into a Section 37 agreement to the satisfaction of the City Solicitor to secure the following benefits, as well as matters as a legal convenience:
  - (i) The community benefits which have been agreed to by our client and City;
  - (ii) A pedestrian walkway easement to be registered on title of the lands, with a right-of-way width of a minimum 6 metres connecting Queen

Street East to the on-site parkland to the satisfaction of the Chief Planner and Executive Director, City Planning Division prior to final site plan approval;

- (iii) A Construction Management Plan to the satisfaction of the Chief Planner and Executive Director, City Planning Division prior to the issuance of the site plan notice of approval conditions;
- (iv) Matters related to the required archaeological resource assessment to the satisfaction of City's Planning Division (Heritage Preservation Services Unit);
- (v) An Agreement(s) to secure the conditions of the Section 111 permit and any related conditions;
- (vi) Our client's obligations to provide replacement rental housing;
- (vii) Our client's obligations with respect to the on-site parkland dedication to the satisfaction of the General Manager, Parks, Forestry and Recreation;
- (viii) Other such matters as agreed to by the parties to secure the matters contemplated in this settlement.

It is understood that the parties will work together to finalize terms of a draft Official Plan Amendment and Zoning By-law Amendment which reflects the foregoing prior to the hearing, and any outstanding issues may be resolved by the LPAT.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

AIRD & BERLIS LLP



Kim M. Kovar  
KMK/jh/mn

cc: Client

encl.

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