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Via Email

City of Toronto
 c/o Alexander Suriano
 26th Floor - Metro Hall
 55 John Street
 M5V 3C6 Toronto ON

Dear Sirs/Mesdames:

Re: Settlement Offer
5 Scrivener Square, 4-10 & 10R Price Street and 1095-1107 Yonge Street
City File No. 17 168095 STE 27 OZ
LPAT Case No. PL171410

We are the solicitors for Diamond Corp. and Tricon Capital Group (collectively, the “Company”), which are the applicants in connection with the above referenced applications for the lands municipally known as 5 Scrivener Square, 4-10 & 10R Price Street and 1095-1107 Yonge Street in the City of Toronto (the “Property”).

On behalf of the Company, we are writing to propose the settlement of the above captioned appeals. To this end, the Company has prepared revised drawings for the Property, comprising the plans and drawings prepared by COBE ApS and Graziani + Corazza Architects Inc. dated June 2018 listed in Schedule “A” hereto (the “Settlement Plans”). As described further below, the Settlement Plans are the basis for the offer to make the following changes, among others, to the original application filed by the Company on May 29, 2017:

	May 2017 Proposal	June 2018 Settlement Offer
No. of Storeys	26 (plus mechanical penthouse)	21 (plus mechanical penthouse)
Height (incl. MPH)	103.3 metres	85.4 metres
Dwelling Units	182	Approx. 141
Gross Floor Area	24,500 square metres (excl. retained heritage buildings)	23,800 square metres (excl. retained heritage buildings)
Parkland	Cash-in-lieu of parkland	277 square metre on-site park

This settlement is proposed on the basis that:

1. The Company and the City of Toronto will jointly request that the Local Planning Appeal Tribunal (the "Tribunal"), at a Settlement Hearing (on a date to be scheduled by the Tribunal), approve an Official Plan amendment and Zoning By-law amendments (i.e. in respect of each of By-laws 438-86 and 569-2013, as amended, including but not limited to By-law 398-2000) for the Property which would permit the construction and use of a mixed use development substantially in accordance with the Settlement Plans, subject to the following conditions:
 - (a) a maximum height of 21 storeys, not including mechanical penthouse and other typical exclusions, such as parapets, vents, architectural features, etc.;
 - (b) a maximum gross floor area of 23,800 square metres (not including the existing heritage buildings to be retained on the Property), where indoor residential amenity space provided within the development shall be excluded from the calculation of gross floor area up to a maximum of 2.5 square metres per dwelling unit;
 - (c) a minimum of 10% of the dwelling units within the development shall be provided as three or more bedroom units, having a minimum gross floor area of 100 square metres; and
 - (d) parking spaces shall be provided in accordance with the minimum rates required for the Property under By-law 569-2013 (Exception 1952, 12(2)270(a)), where the required non-residential and residential visitor parking spaces may be provided within a commercial or public parking garage on the Property and may be shared on a non-exclusive basis;(the "Development");
2. The Company will enter into an Agreement with the City pursuant to Section 37 of the *Planning Act*, which secures among other matters:
 - (a) a contribution by the owner in the amount of \$4,000,000.00, to be secured in the Amending By-laws, where:
 - A. \$3,250,000.00 in cash is to be paid prior to the issuance of the first above-grade building permit for the Development, excluding demolition permits and any permits associated with the heritage alterations and conservation work (as described below), to be allocated to certain community benefits in the vicinity of the Property with the allocation of such funds to be determined by the Chief Planner and Executive Director, City Planning in consultation with the Ward Councillor; and
 - B. streetscaping improvements to be provided at a minimum cost of \$750,000.00 on adjacent City streets, subject to the following:
 - a) the improvements will be above-base streetscape improvements, the details of which will be determined to

- the satisfaction of the Chief Planner and Executive Director, City Planning, in consultation with the Ward Councillor;
- b) a letter of credit in the amount of \$750,000 shall be provided prior to the first above-grade building permit as described in section 2(a)A. above to secure the improvements; and
 - c) the improvements shall be completed within 6 months of first residential occupancy, subject seasonality extensions, satisfactory to the Chief Planner and Executive Director, City Planning;
- (b) the following as a matter of legal convenience to support the development:
- (i) arrangements and approvals, satisfactory to the TTC and the Company, occur with respect to the new entrance to the TTC Summerhill Subway Station, as well as other conditions identified in the June 1, 2018 comments from TTC and other construction matters identified through the required TTC Technical Review; and
 - (ii) a Phasing and Implementation Plan to be submitted by the Company as part of site plan approval which addresses the timing for the provision of works and matters related to the Development including the road widening, road realignment and potential sewer relocation, to the satisfaction of the Chief Planner and Executive Director, City Planning;
3. The Company shall provide to the City a publically-accessible open space are with pedestrian walkway in the location generally shown on the plan attached in Schedule "C", and which shall be secured through the Section 37 agreement as a matter of legal convenience as follows:
- (a) no later than 6 months following first residential occupancy of the proposed Development, subject to seasonality extensions satisfactory to the Chief Planner and Executive Director, City Planning, the Company shall provide a publically-accessible open space having a minimum area of 380 square metres, the location and configuration of which shall be determined at the time of site plan approval (the "POPS") and a publicly accessible walkway generally having a minimum width of 2.5 metres through the area subject to the POPS easement in order to provide a pedestrian connection between the on-site parkland abutting Yonge Street and Price Street (the "Pedestrian Walkway"), which Pedestrian Walkway may contain encroachments for building canopies, awnings, door-swings and overhead signage, as well as portions of the building which are to the satisfaction of the Chief Planner and Executive Director, City Planning. Temporary closures of the POPS and Pedestrian Walkway may occur on terms and conditions satisfactory to

the Chief Planner and Executive Director, City Planning. The portion of the POPS not subject to the Pedestrian Walkway may contain encroachments including, but not limited to, signage, bicycle parking, benches, building overhangs, door-swings, awnings, outdoor markets and displays and landscape features including water features/fountains and sculptures, and may be used for temporary and permanent commercial uses, including but not limited to outdoor markets and retail/restaurant patio uses, where the sale of alcohol is permitted, and associated displays, fencing, tables and chairs. Additional encroachments in the Pedestrian Walkway and the POPS may be permitted if such encroachment is satisfactory to the Chief Planner and Executive Director, City Planning;

4. The Development shall include the conveyance of a minimum of 277 square metres of the Property, substantially in accordance with the parkland identified on the Settlement Plans (the "Park Land"), to the City for public parkland purposes, which conveyance shall satisfy the parkland dedication requirements in connection with the Development that is currently being proposed based on the Settlement Plans subject to the following (with Additional Recommendations set out in Schedule "B" hereto):
 - (a) the Park Land to be conveyed as parkland shall be free and clear, above and below grade, of all physical obstructions and easements, encumbrances and encroachments, including surface and subsurface easements, unless otherwise approved by the General Manager, Parks, Forestry and Recreation. The owner may propose the exception of encumbrances of caissons and/or tiebacks and such other encumbrances, if any, where such encumbrances are deemed acceptable by the General Manager, Parks, Forestry and Recreation, in consultation with the City Solicitor, and such encumbrances would be subject to the payment of compensation to the City, in an amount as determined by the General Manager, Parks, Forestry and Recreation;
 - (b) prior to the issuance of the first above grade building permit, excluding a permit for demolition or a rental/sales centre, the Owner shall register in form and in priority to the satisfaction of the City Solicitor a Section 118 Restriction pursuant to the Land Titles Act, on the 277 square metre Park Land, as follows:
 - (i) No sale, transfer, lease, disposition, charge or other dealing with Part X on Plan 66R-_____, City of Toronto, or any part thereof, shall be registered without the written consent of the General Manager, Parks, Forestry and Recreation, City of Toronto, or his or her designate; and
 - (c) the Company shall convey, or cause to be conveyed, the Park Land to the City prior to the earlier of first residential occupancy of the proposed Development or 36 months after the issuance of the first above-grade building permit, subject to seasonality extensions satisfactory to the General Manager, Parks, Forestry and Recreation;

5. City Council approve a development charge credit against the Parks and Recreation component of the Development Charges for Development for the design and construction by the Company of the Above Base Park Improvements for the Park Land to the satisfaction of the General Manager, Parks, Forestry & Recreation. The development charge credit shall be in an amount that is the lesser of the cost to the Company of designing and constructing the Above Base Park Improvements, as approved by the General Manager, Parks Forestry & 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;
6. The settlement shall be conditional on the following:
 - (a) the appropriate City authorities declaring a portion of the existing public lane running through the Property (the "Laneway Lands") surplus and authorizing the sale of the Laneway Lands to the owner of the Property, provided that this condition shall not fetter the discretion of the relevant City authorities in considering such matters or impose any obligations on the City in its capacity as owner of the Laneway Lands;
 - (b) City Council approving the permanent closure of the public lane containing the Laneway Lands, provided that this condition shall not fetter the discretion of City Council in determining whether to grant such approval; and
 - (c) prior to a final order of the Tribunal, and in any event, no later than June 28, 2019, subject to an extension satisfactory to both parties, the owner of the Property shall complete the purchase of the Laneway Lands from the City;
7. The Company will either eliminate any encroachments into the existing sewer easement through modifications to the building, where such modifications are satisfactory to the Chief Planner and Executive Director, City Planning, or relocate the subject portions of the sewer as may be necessary to the satisfactory of the Chief Engineer and Executive Director, Engineering and Construction Services and the General Manager, Toronto Water. Cost sharing of the sewer relocation may be considered at the discretion of the General Manager, Toronto Water, in consultation with Finance, and shall be subject to obtaining any required approval(s) from City Council;
8. City Staff report to the Toronto Preservation Board at its meeting scheduled to commence on July 12, 2018 and directly to City Council for its consideration and action at its meeting scheduled to commence on July 23, 2018 (the "Heritage Report") with recommendations regarding, among other things, the approval of the proposed alterations under the *Ontario Heritage Act* as described in the Revised Heritage Impact Assessment prepared by ERA Architects Inc., dated March 5, 2018, and the addendum letter prepared by ERA Architects Inc., dated June 1, 2018 (collectively, the "Revised HIA"), which Heritage Report shall, among other matters, recommend that City Council:
 - (a) permit the alterations to the Property described collectively by the Settlement Plans and the Revised HIA (the "Alterations");

- (b) amend the existing Heritage Easement Agreement dated September 12, 2002, registered on title to the lands municipally known as 1095-1107 Yonge Street as required in order to permit the approved Alterations in accordance with the Settlement Plans and subject to and in accordance with the Conservation Plan required in Item (c) below, all to the satisfaction of the Senior Manager, Heritage Preservation Services including registration of such amending agreement to the satisfaction of the City Solicitor; and
 - (c) require the completion of a Conservation Plan prepared by a qualified heritage consultant that is consistent with the Revised HIA, to the satisfaction of the Senior Manager, Heritage Preservation Services;
9. City Council approve such amendments to the existing Subdivision Agreement registered as Instrument No. CA411545, as amended (the "Subdivision Agreement") necessary to permit the proposed development consistent with the terms herein and substantially in accordance with the Settlement Plans;
 10. The Company and the City will jointly request the Tribunal amend By-law 398-2000 to delete the requirements to enter into a Section 37 agreement to secure certain facilities, services and matters in respect of a portion of the Property through the amending by-law to be put before the Tribunal; and
 11. City Staff will bring forward a report which may be first tabled at Community Council, but which will in any event be brought forward to City Council at its meeting scheduled to commence on July 23, 2018, recommending that City Council accept the settlement in accordance with the terms set out herein (the "Request for Directions Report").

This proposed settlement is conditional on City Council accepting this proposal adopting the recommendations set out in the Request for Directions Report and Heritage Report, with such recommendations being consistent with the terms described herein, at the City Council meeting scheduled to commence on July 23, 2018, and approving the sale of the Laneway to the Company in accordance with Item 5 above, as well as supporting the settlement in any hearing before the Tribunal, including without limitation a hearing resulting from a third-party objector.

Should you require further information please do not hesitate to contact the undersigned.

Yours truly,

McCarthy Tétrault LLP



Cynthia A. MacDougall

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