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July 9, 2019

Our File No.: 170992

Without Prejudice

Planning & Administrative Tribunal Law
City of Toronto Legal Services
55 John Street, 26th Floor, Metro Hall
Toronto, ON M5V 3C6

Attention: Laura Bisset/Cigdem Iltan

Dear Sirs/Mesdames:

Re: 400-420 King Street West – Settlement Offer
LPAT Case No.: PL180387

We are solicitors for Charlotte King Residences Corp., who are the owners of the property known municipally as 400-420 King Street West (the “**Property**”). On June 30, 2017, our client submitted a rezoning application (the “**Application**”) to the City to permit the redevelopment of the Property with a mixed-use building in a tower/podium form.

Based on extensive discussions between our client and City staff, we are writing on behalf of our client to provide a without prejudice settlement offer in respect of our client’s appeal of the Application to the Local Planning Appeal Tribunal (“**LPAT**”). The settlement offer is based on the plans prepared by Hariri Pontarini Architects and dated July 4, 2019 (the “**Revised Plans**”), which are attached hereto and form part of the without prejudice settlement offer. Please note that this without prejudice settlement offer will remain open for consideration by the City until the conclusion of the City Council meeting scheduled to commence on July 16, 2019.

The Revised Plans

The fundamental components of this without prejudice settlement offer are based on the Revised Plans. In particular, we note revisions to the Application, which are incorporated into the Revised Plans.

- **Height:** The total height of the building would be 156.9 metres (inclusive of mechanical penthouse), applied to the entire 833 square metre tower footprint, with the zoning by-law amendment drafted to permit standard projections for matters such as parapets and window-washing equipment.

- **Tower Setbacks**: The Revised Plans incorporate tower setbacks in excess of the City's Tall Building Guidelines.
- **Podium**: The Revised Plans implement revised setbacks and stepbacks to sculpt the podium and to provide a generous setback of the building from Charlotte Street and King Street West, including at the corner.
- **Privately Owned Publicly Accessible Space (POPS)**: The open space at the southwest corner of the Property (approximately 115.9 square metres) would be secured as a POPS as suggested by the Draft King-Spadina East Precinct Public Realm Strategy.
- **Non-Residential Uses**: The Revised Plans include a minimum of 35,500 square feet of non-residential gross floor area (including 930 square metres of office space) on the first two levels of the building.
- **Parking**: The Revised Plans note the provision of parking spaces at 0.15 spaces per residential unit.

Other aspects of the without prejudice settlement offer are as follows:

- **Toronto Parking Authority Spaces**: Our client would agree to sell to the City of Toronto freehold space within the building, together with appurtenant Easements for access/egress, support, and operations, containing not less than 22 constructed parking spaces and not more than 25 constructed parking spaces (the "**Public Parking Garage**") to be operated by Toronto Parking Authority ("**TPA**"). The Public Parking Garage will be situated on the first parking level of the building below-grade, as shown on the Revised Plans, with all parking spaces (including accessible spaces) constructed in accordance with Zoning By-law 438-86 for the former City of Toronto, at a price of \$75,000 per parking space payable upon the Public Parking Garage turnover. The parking spaces being purchased by the City/TPA would neither be designed nor built to TPA standards. The Public Parking Garage, however, will include City ownership of a service elevator, ground level lobby and stairwell providing direct street access to the Public Parking Garage at the southeast corner of the building fronting on King Street West, or if it is not physically possible to utilize the King Street West frontage, the Charlotte Street frontage could be chosen, subject to the final location being acceptable to TPA. Access to shared areas (entrance/exit ramps, stairwells, elevators, lobbies, corridors, walkways, mechanical areas) will be granted by our client to the City under registered Easements. Any cost-sharing and maintenance/repair obligations in respect of shared areas of the building will be set out in Reciprocal Agreement entered into on the Public Parking Garage turnover, concurrent with the transfer of the Public Parking Garage and Easements. The Public Parking Garage will not include any ancillary gross floor area space, such as storage rooms or washrooms. The full particulars of the transaction will be set out in an Agreement of Purchase and Sale, subject to TPA Board and City approval processes.

In the event that the first parking level of the building, as currently depicted in the Revised Plans, cannot accommodate a minimum of 22 constructed parking spaces (as a result of the provision of a City-owned service elevator, ground level lobby and stairwell) City Planning Staff will work with the owner to move bicycle lockers currently shown on the Revised Plans on the first parking level to accommodate opportunities for additional vehicle parking spaces, to ensure that the minimum 22 constructed parking spaces are provided on the first parking level of the building.

- **Unit Mix:** The implementing zoning by-law amendment will secure a minimum of 34% of the units as two-bedroom units and a minimum of 10% of the units as three-bedroom units.
- **Parkland:** Our client's parkland contribution will be provided as cash-in-lieu of parkland, with as much of this payment as possible directed to parkland acquisition in the local area.

Section 37

Our client's Section 37 contribution would be satisfied through the design and construction of approximately 930 square metres (~10,000 square feet) of shell space on the second floor, to be conveyed to the City of Toronto at no cost for use by the Toronto Arts Council for offices. The required Section 37 agreement would secure the timing for such construction, as well as the requirements for the shell space:

- concrete, formwork and rebar, with unfurnished floors and ceilings;
- exterior wall system and windows installed on exterior walls;
- life safety system installation (such as sprinklers and emergency lighting); and,
- rough-in for mechanical and electrical service, including distribution from major M&E equipment to the office space only.

These requirements are consistent with the provision of space in another project in the immediate vicinity of the Property.

The Section 37 Agreement would also secure our client's commitment to the Toronto Parking Authority, if required, and any other such matters that the City solicitor determines may be required for legal convenience.

Implementation

As noted above, this comprehensive without prejudice settlement offer is open for consideration by City Council until the conclusion of its meeting scheduled to commence on July 16, 2019.

The intention is to present any settlement of our client's appeal of the Application to LPAT at a settlement hearing as soon as it can be scheduled after this meeting of City Council.

However, as part of this without prejudice settlement offer, our client would agree to request LPAT to withhold any final order pending the following:

- Our client has finalized the form and content of the implementing zoning by-law amendments.
- Our client has entered into a Section 37 Agreement to secure the above-noted space to be conveyed to the City of Toronto for use by the Toronto Arts Council, with such Section 37 agreement registered on title, all to the satisfaction of the City Solicitor. The Section 37 Agreement would also secure the following matters as a legal convenience to support the development:
 - Our client will enter into an Agreement of Purchase and Sale with the City of Toronto for the provision of the Public Parking Garage, as described earlier in this without prejudice settlement offer.
 - Our client will comply with the City's tree by-laws, including a tree planting plan to the satisfaction of the Supervisor, Tree Protection and Plan Review, Urban Forestry, Parks, Forestry and Recreation division.
- Our client has submitted a revised Functional Servicing Report to the City for review and acceptance by Engineering and Construction Services, with such report to review and determine whether the municipal water, sanitary and storm sewer systems can support the development proposed in the Revised Plans and whether upgrades or improvements of the existing municipal infrastructure are required.
- Should it be determined that upgrades to the municipal infrastructure are required by the Functional Servicing Report accepted by Engineering and Construction Services, the owner shall enter into a financially secured agreement for the construction of any such improvements.
- Our client has submitted a revised Noise Impact Study, to the satisfaction of the General Manager of Economic Development & Culture.
- Our client has withdrawn its appeal of Official Plan Amendment 352 and By-laws 1106-2016 and 1107-2016.

Conclusion

Our client and its consultant team appreciate the extensive efforts of City staff to review these matters and provide feedback as part of preparing this without prejudice settlement offer. Our

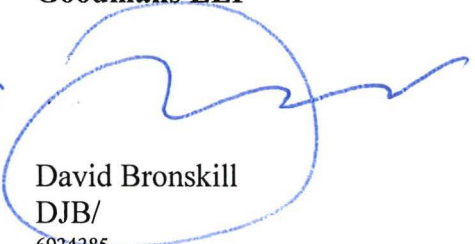
client believes the Revised Plans represent good planning and an appropriate resolution for the Property.

Please let us know if further clarification is required in respect of this without prejudice settlement offer.

Yours truly,

Goodmans LLP

for



David Bronskill
DJB/
6934385