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**WITHOUT PREJUDICE & CONFIDENTIAL**

October 19, 2020

Our File No.: 142427

BY EMAIL

**Jessica Braun and Cidgem 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. Braun and Ms. Iltan

**Re: 351, 353, 371 and 373 Queen Street East, 161 and 167 Parliament Street,  
and 80, 82, 90, 92 and 94 Power Street  
Without Prejudice Settlement Offer  
City File No. 18 136695 STE 28 OZ  
Tribunal Case No. PL190470**

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Aird & Berlis LLP acts on behalf of QP Residential GP Inc., (“QP”) the owner of the above noted Site. The Site is located in the King-Parliament neighbourhood, at the southeast corner of Queen Street East and Parliament Street, and extends to Power Street.

**Zoning By-law Amendment, Official Plan Amendment Appeals**

On March 29, 2018, applications to amend the City’s Official Plan and Zoning By-law Nos. 438-86 and 569-2013 were submitted to the City on behalf of QP to permit the redevelopment of the Site (the “**Original Development Proposal**”). The Zoning By-law Amendment and Official Plan Amendment applications were deemed complete as of March 29, 2018.

The Original Development Proposal contemplated a mixed use building incorporating 16-storey and 29-storey elements which stepped down to 6-storeys along Queen Street East. Ground floor retail uses, including a supermarket over 2-storeys, were proposed, together with 584 dwelling units.

City Staff prepared a Request for Interim Directions Report, dated May 29, 2018. The recommendations of the Report included that Council direct Staff to continue to review the applications and resolve any outstanding issues identified in the Report, and to oppose the applications in the event that QP appealed the lack of a Council decision to the Local Planning Appeal Tribunal (“**LPAT**”). Council adopted the staff recommendations at its meeting held on June 26, 2018.

On September 20, 2019 QP appealed its Zoning By-law Amendment and Official Plan Amendment applications, respectively, to the LPAT due to Council's failure to render decisions within the prescribed timeframes in the *Planning Act* (the "**Appeals**"). A 10 day hearing has been scheduled to commence on January 25, 2021.

Notwithstanding the filing of the Appeals, QP continued to work with City Staff in an effort to resolve outstanding issues. In October 2019, QP submitted amended applications to the City for a revised proposal ("**Revised Proposal**") contemplating a building with a 3-storey base, a 12-storey mid-rise element, and a 29-storey tower element. As part of the Revised Proposal, an expanded on-site public park was proposed, along with an expanded pedestrian realm along the adjacent public streets. The proposed unit count was reduced from 584 units to 486 units and the overall density was reduced from 9.18 F.S.I to 7.69 F.S.I.

Since that time our client has continued discussions with the City, including through Tribunal-led mediation held over two days on September 23 and 24, 2020. Resulting from that mediation, our client has prepared a further revised proposal (the "**Settlement Proposal**") which we believe City Staff are prepared to recommend.

We are writing to set out the terms of a without prejudice settlement offer which would resolve the Appeals and enable the parties to jointly ask the LPAT to schedule a one day settlement hearing and allow the Appeals in part, in accordance with the Settlement Proposal.

### **Settlement Proposal**

Our client is prepared, on a without prejudice basis, to proceed to a settlement hearing based on the Settlement Proposal, as reflected in the attached plans and described below:

- 1. Tower Height:** The tower height has been reduced from 29 storeys (97 metres, excluding the mechanical penthouse) to 27 storeys (91.5 metres, excluding the mechanical penthouse). The heights of the mid-rise and base building elements are now 13, 12, and 10-storeys stepping down to the 3-storey base. The base building shall have a maximum height of 16 metres (not including building projections).
- 2. Tower Floor Plate:** The tower floor plate has been reduced from approximately 1,069 m<sup>2</sup> to a maximum of 1000 m<sup>2</sup> gross construction area.
- 3. Gross Floor Area:** The total gross floor area has been reduced from 37,193 m<sup>2</sup> to 35,652 m<sup>2</sup>. The gross floor area in the Original Proposal was 44,361 m<sup>2</sup>. This results in a total reduction in the proposed F.S.I. from 9.18 times the lot area to 7.37 times the lot area.
- 4. Residential and Non-residential Gross Floor Area:** The residential gross floor area has been reduced to 32,191 m<sup>2</sup> and the non-residential gross floor area has been reduced to 3,461 m<sup>2</sup>.
- 5. Building Envelope:** The building will be located within the building envelope (including setbacks and stepbacks) depicted on the attached Block Plan, dated September 24, 2020 prepared by Kirkor Architects (the "**Block Plan**"). As shown on the Block Plan, the south setback of the tower has been increased to 12.5 metres and the south setback of the 12-storey element has been increased to 5.5 metres. The tower element will be set back a minimum of 9.5 metres from Parliament Street, 34 metres from Queen Street East, and 6

metres from Power Street. Subject to the restriction respecting external balconies described in paragraph 6 below, building projections including balconies and canopies will be permitted to project beyond the approved building envelope.

6. **Balconies:** Projecting balconies will not be permitted to project beyond the approved building envelope on the east and south façades of the tower element of the building or on the north façade of the corner unit located at the north east corner of the tower element. Inset balconies will be permitted on the east and south façades within the permitted building envelope. During the site plan approval process the placement of projecting balconies, where they occur, will be randomized to the extent possible in order to avoid a repetitive balcony pattern.
7. **Park Dedication:** The proposed parkland dedication, located on the north east corner of the Site, will be 446 m<sup>2</sup>, with a 21.5 meter frontage on Queen Street East and a 20.75m frontage on Power Street, in full satisfaction of the statutory parkland dedication requirements for the project. The parkland will be free and clear, above and below grade, of all physical obstructions and easements, encumbrances and encroachments, including surface and subsurface easements. Should the project be substantially modified in a way that results in an increase to the parkland dedication requirement, the difference in the parkland dedication shall be met with a cash-in-lieu of parkland.
8. **Setbacks from Park:** The main building wall will be set back above grade 3.5 metres from the west side of the park and 1.75 metres from the south side of the park.
9. **Cantilever along Parliament Street:** The 2 metre deep cantilever along the Parliament Street frontage of the Site has been eliminated, leaving the 3 storey base building wall set back 3.5 metres from the west lot line.
10. **Retail entry setback:** At the north west corner of the Site, the ground and mezzanine levels of the building are inset, generally as depicted on the drawings submitted with the Revised Proposal and as shown on the Block Plan.
11. **Amenity Space:** A minimum of 4 m<sup>2</sup> of amenity space per dwelling unit shall be provided, of which a minimum of 1.5 m<sup>2</sup> per dwelling unit shall be indoor amenity space.
12. **Parking:** The Settlement Proposal shall continue to provide parking, bicycle parking, and loading spaces at the same ratios as in the Revised Proposal.
13. **Unit Mix:** The Settlement Proposal will continue to provide a minimum of 10% three or more bedroom units and 30% two or more bedroom units, for a minimum of 40% of units having two or more bedrooms.
14. **Rental Housing Demolition Permit Application:** City Staff shall continue to process the application submitted on March 29, 2018 for a Rental Housing Demolition permit for the eight rental dwelling units on the Site, and will bring a report forward for Council's direction as soon as possible.
15. **Section 37:** QP shall enter into a Section 37 Agreement with the City to secure the following:

- a) a payment to the City in the sum of \$1,500,000.00, 50 % of which shall be put toward capital improvements in Toronto Community Housing buildings and/or new or existing affordable housing units within proximity of the subject site in the Ward, the remaining 50% of which shall be put towards local streetscape, parkland and/or community facilities within proximity of the subject site in the Ward, all in consultation with the Ward Councillor and in accordance with the policies of section 5.1.1 of the Official Plan;
- b) a construction management plan shall be prepared and submitted by QP as part of the site plan approval process;
- c) provisions relating to the replacement of the 8 existing rental units including rents, tenant assistance and other rental related matters to the satisfaction of the City Solicitor; and
- d) QP shall work with City Staff during the site plan approval process to design and locate projecting balconies in a randomized matter to the extent possible in order to avoid a repetitive balcony pattern, to the satisfaction of the Chief Planner and Executive Director, City Planning.

**16. Finalizing Instruments:** The City and QP shall work together to finalize the form of the Official Plan Amendment and Zoning By-law Amendments (including provisions respecting projections above permitted heights, projections beyond the permitted building envelope, and location of the mechanical penthouse) to permit the Settlement Proposal. Any building projections shown on the Site Plan or Building elevations (prepared by Kirkor Architects, dated October 15, 2020, which accompany this letter) are included for discussion purposes only.

**17. LPAT Hearing:** The City and QP shall jointly ask the LPAT to convene a written or virtual settlement hearing at the earliest opportunity, and shall jointly ask the Tribunal to allow the appeal in part and approve the Official Plan Amendment and Zoning By-law Amendments to permit the Settlement Proposal.

**18. Final Order Withheld:** The City and QP shall ask the Tribunal to withhold its Final Order until the following conditions have been satisfied:

- a) QP has entered into the required Section 37 Agreement with the City, to the satisfaction of the City Solicitor;
- b) The final form of the Official Plan Amendment and Zoning By-law Amendments are provided to the Tribunal in a form and with content satisfactory to the Director, Community Planning, Toronto East York District and the City Solicitor.
- c) City Council has made a decision on Rental Housing Demolition Application (File No. 18 136700 STE 28 RH) pursuant to Chapter 667 of the Toronto Municipal Code to demolish the 8 existing rental dwelling units on the Site;
- d) All outstanding issues identified in Sections A and B of the memorandum from the Manager of Development Engineering, Toronto and East York District, dated

December 2, 2019 have been be addressed by QP to the satisfaction of the Chief Engineer and Executive Director of Engineering and Construction Services.

**19. Costs:** Each party shall bear its own costs in this matter.

In support of this without prejudice settlement offer, please find enclosed the following:

1. Block Plan prepared by Kirkor Architects dated September 24, 2020.
2. Revised Site Plan, prepared by Kirkor Architects dated October 15, 2020.
3. Building elevations, prepared by Kirkor Architects dated October 15, 2020.

It is understood that our client and the City will work together to finalize the terms of the draft Official Plan Amendment, and Zoning By-law Amendments, which reflect the Settlement Proposal, 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 Kovar

KMK/MH/tp

Encl.  
cc. Client

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