

October 14, 2020

**By E-Mail**

Toronto and East York Community Council  
City of Toronto  
Toronto City Hall, 2nd Floor, West Tower  
100 Queen Street West  
Toronto, Ontario  
M5H 2N2

**Attention: Ellen Devlin, Committee Administrator**

Dear Members of Community Council:

**Re: 60 Mill Street – Zoning By-law Amendment Application – Request for  
Direction Report  
Planning Application No. 19 264586 STE 13 OZ  
Agenda Item TE19.9**

**Background**

We are counsel to 2575867 Ontario Inc. (o/a Easton's Group / Gupta Group), the owner of 60 Mill Street, Toronto (the "Property"), and the applicant in the above matter.

We have reviewed the Request for Direction report prepared by the Director of Community Planning, dated September 21, 2020 (the "Staff Report"), which is to be considered by Toronto and East York Community Council ("TEYCC") at its meeting on October 15, 2020. The Staff Report recommends that the City oppose our client's Zoning By-law Amendment application to permit a 31-storey, 392-suite hotel on the Property, which is located at the northeast corner of the intersection of Mill Street and Trinity Street, within the Distillery District.

**We request that TEYCC reject the recommendations in the Staff Report and, instead, that TEYCC indicate its support for the proposed development of a 31-storey hotel on the Property.**

As noted in the Staff Report, the proposed redevelopment of the Property would retain the existing "Rack House D" building, and incorporate improvements to the building as part of an adaptive re-use while adding a tall building component above. The proposed

addition has been sensitively designed to ensure that the cultural heritage value and interest of the existing building is conserved and, indeed, enhanced.

Despite its heritage significance, the existing building on the Property currently sits vacant, underutilized and inaccessible to the public, as it has for many years. Indeed, we understand that this is the last heritage building within the Distillery District that has not been repurposed. Given the nature of the building and its interior racking system, significant investment is required in order to repurpose the building for an alternative use. Although there have been several previous proposals for redevelopment of the Property that would incorporate the existing building, nothing has materialized to date, which is telling.

For example, the Staff Report references the settlement of an earlier application by a previous owner of the Property for a mixed-use building (including residential permissions) of up to 40 metres in height, which was conditionally approved by the former Ontario Municipal Board in July 2017. That proposal never proceeded, and the Property was sold shortly thereafter. Likewise, the subsequent owner did not advance that development proposal or any other, and instead sold the Property to our client.

### **The Need for a Hotel**

From the outset, our client has had a different vision for the Property than the previous owners, and indeed different from many other projects within and adjacent to the Distillery District, where several residential towers have been proposed and/or constructed. More specifically, from the beginning, our client identified the Property as the potential site of a new hotel, a use that does not currently exist within the Distillery District, nor within the immediate area of this major tourist destination in the city.

Further, according to a report from the City's General Manager, Economic Development and Culture, dated November 3, 2017 (Agenda Item ED25.5), which was adopted by City Council at its meeting on January 31, 2018, the number of available hotel rooms in Toronto has "stagnated since 2000", while Economic Development staff noted that "a strong and vibrant tourism industry with a sufficient number of hotel rooms and meeting space is essential to the economic health of Toronto". That report also observed that a number of factors have contributed to the lack of hotel room growth in Toronto, especially in the downtown area, including high costs associated with building and operating a new hotel, better returns for investments in alternative developments (eg. residential development), and the proliferation of short term rentals, which has been identified by the City as a significant concern.

Thus, the proposed hotel development would meet an identified need in the City, and within the Distillery District in particular, at an unprecedented time when the tourism and hospitality sectors have been especially adversely affected, and would contribute greatly to the City's economic recovery.

### **Economic Benefits of the Proposed Hotel Development**

With respect to the anticipated economic benefits of the proposed hotel development for the City, our client advises as follows:

- Direct construction cost and investment, including the preservation of the existing heritage building, is estimated to be \$250 million;
- The proposed development is expected to create more than 400 new full-time jobs with positions, other than management, which would be unionized, and would include:
  - entry level positions;
  - culinary and food industry positions;
  - mid-level positions in marketing, sales, accounting, building maintenance and operations;
  - mid-management and senior level management positions.
- It is estimated that the new hotel would generate approximately \$4.5 million in annual revenue to the City in property, accommodation and other tax revenue.

Of course, these estimates are based on the proposed development in its current form, as a 31-storey building with 392 hotel rooms.

The Zoning By-law Amendment application pre-dates the economic impact created by COVID-19; however, despite the significant impact, particularly to the travel and tourism industries, our client intends to proceed with this hotel and is committed to investing in Toronto. As noted by the Mayor's Economic Support and Recovery Task Force, the economic impact of the pandemic will take a toll on the livelihood of Toronto residents and businesses, but the City is committed to seeing an economic recovery take place as soon as possible, as is our client. This project will aid in any economic recovery in terms of private investment, job creation and annual tax revenue.

### **Response to Built Form Concerns Raised by City Planning Staff**

Although City staff confirm in the Staff Report that they support the proposed hotel use, they recommend that the City oppose the Zoning By-law Amendment application primarily based on their assertion that the proposed massing of the building “does not fit within its existing and planned context ...”. With respect, we disagree entirely with this assertion.

Both the existing and planned built form context of the Property, and of the Distillery District more generally, consists of a diverse mix of building types and heights, including

low-rise, mid-rise and tall building forms, as well as contemporary towers built adjacent to or above existing heritage buildings.

Within the immediate vicinity of the Property, there are several existing or approved tall buildings, all having more storeys than the proposed 31-storey hotel, as follows:

1. 33 Mill Street: 32 storeys (constructed and occupied)
2. 390 Cherry Street: 37 storeys (constructed and occupied)
3. 70 Distillery Lane: 40 storeys (constructed and occupied)
4. 31R Parliament Street: 49 storeys (OMB approved in 2017)
5. 31 Parliament Street: 37 storeys (LPAT approved in 2018)
6. 33 & 37 Parliament Street: 33 storeys (LPAT approved in 2020)

With respect to potential shadow impacts, although the Staff Report states that the proposed development will cast shadows on surrounding streets and sidewalks, and existing and proposed open spaces in the morning and afternoon periods, City Planning staff confirmed in their comments dated June 24, 2020, that the “net new shadows cast on the surrounding public realm is acceptable”.

Regarding the setbacks for the proposed addition to the existing building, the Staff Report states that the proposed tower’s setbacks along all property lines do not meet the direction for tall building development, citing, in particular, the proposed 0 m setback from the north property line, and the facing condition between the east wall of the tower portion of the proposed hotel and the west wall of the adjacent residential building at 70 Mill Street. However, it is important to note that the proposed tower setbacks on both the north and east sides of the proposed development (at 0 metres and 3 metres, respectively) are the same as for the proposed development that was the basis of the OMB-approved settlement in July 2017, which was supported by the City and was also a “tall building” based on the City’s definition of that term.

Lastly, the Staff Report alleges that the proposal does not meet Guideline 3.2.1 of the City’s Tall Building Design Guidelines by proposing a tower floorplate of 878 square metres, whereas a maximum 750 square metre floorplate is recommended. Meanwhile, the Staff Report fails to mention that this same Guideline expressly contemplates larger floorplates for hotel and other commercial buildings, as follows: “flexibility in the maximum floor plate size may be considered for the tower, or a portion thereof, to make the interior layout of non-residential uses, such as commercial-only buildings, commercial-only floors of mixed-use buildings, institutional buildings, and hotels, economically viable”. [emphasis added]

### **Response to Heritage Conservation Concerns Raised by City Planning Staff**

Finally, with regard to the conservation of the existing Rack House D building, the Staff Report asserts that the Heritage Impact Assessment prepared by our client's cultural heritage expert, ERA Architects Inc., does not describe how the west, south and east elevations will be retained in-situ during excavation, and that an engineering opinion provided by our client to the City fails to provide details on whether returns of the east and west elevations on the north elevation can be achieved. The Staff Report also states that additional supporting material is required in respect of the proposed changes to the racking system within the existing building, in the absence of which staff are unable to provide recommendations in support of the proposed retention strategy and proposed removal of the racking structure.

Again, we note that the earlier proposal for the Property, which was supported by the City and conditionally approved by the OMB in July 2017, involved significant alteration to the existing heritage building, including the racking structure, and the current proposal can be addressed in more detail in a future Conservation Plan for the Property as a condition of approval. This would include representative portions of the racking system being re-constructed and visible throughout the publicly-accessible areas of the proposed hotel, such as restaurants, lobby and other publicly-accessible spaces. This will highlight the heritage attributes of the building, as compared to a private residential condominium where these elements would not enjoy the same level of visibility and public accessibility.

With respect to staff's comments on the engineering opinion, the project's structural engineer, who has considerable experience in high-rise design and heritage facade retention, has developed a preliminary solution and facade retention system design to safely retain the south, east and west walls in-situ, along with returns on each side of the north wall to an approximate depth of one existing bay. The detailed design will be developed as the project proceeds.

### **Conclusion**

We thank the members of the Community Council in advance for their consideration of this submission. As noted above, we request that TEYCC reject the recommendations in the Staff Report and, instead, that TEYCC indicate its support for the proposed development of a 31-storey hotel on the Property.

Kindly ensure that we receive notice of any decision made by TEYCC and/or City Council regarding this matter.

Yours truly,  
**DAVIES HOWE LLP**



Mark R. Flowers  
Professional Corporation

copy: Client  
Michael Goldberg and Todd Trudelle, Goldberg Group