



January 4, 2021

Our File No.: 00-1810

Metro Hall
Legal Services
55 John Street, 26th Floor
Toronto, Ontario
M5V 3C6

Attention: Mr. Mark Crawford, City Legal

Dear Sir:

Re: 2 CARLTON STREET- Final "WITHOUT PREJUDICE" Offer to Settle the appeal of Council's failure to make a decision on the application for a zoning by-law amendment pursuant to Section 34(11) of the *Planning Act*

LPAT Case No.: PL180291

We are the solicitors for Carlton Tower Limited, the owner of the property municipally known as 2 Carlton Street (the "Site") in the City of Toronto. The Site is located at the northeast corner of Yonge Street and Carlton Street, with a frontage of 41.72m along Carlton Street to the south, 54.83m along Yonge Street to the west, 39.64m along Wood Street to the North and 67.44m along Reverend Porter Lane to the east, with a total site area of 2416.9 square metres. The Site is currently occupied by an 18-storey office building containing ground floor retail and above grade parking on the 2nd, 3rd and 4th storeys, which building is proposed to be demolished and replaced with the proposed mixed-use building.

Existing Planning Framework

Both the *Provincial Policy Statement (2020)* and the "*Places to Grow: Growth Plan for the Greater Golden Horseshoe (2019)*", as amended in August 2020 (the "Growth Plan"), include policies that promote the Site and surrounding area as one where intensification should be optimized. The Site is located within the Downtown Toronto "Urban Growth Centre" and "Intensification Area" in the Growth Plan, and would fall within a "Major Transit Station Area" once delineated by the City. The Site is located within the "Downtown and Central Waterfront" area of the City of Toronto pursuant to the Urban Structure section of the City's Official Plan, and is within a "Mixed Use Area" pursuant to the Land Use Map of that same Official Plan. Both of these designations promote a mix of uses to help attract investment and encourage new development.

The Site is zoned “CR 7.8 (c4.5; r7.8) SS1 (x2022)” pursuant to the City of Toronto Zoning By-law 569-2013, and is zoned “CR T7.8 C4.5 R7.8” pursuant to the City of Toronto Zoning By-law 438-86, as amended. Both zoning by-laws permit the uses proposed on the Site, but contain decades-old standards that are proposed to be amended as part of our client’s application in order to implement the provincial and municipal policies described above.

The Proposed Development

Both prior to and following the submission of our client’s originating application in October 2016, our client and City Staff proceeded through an extremely positive and cooperative consultation process. To highlight the manner in which the positive process has proceeded to date, when our client’s first two-tower scheme was presented, City Staff made the effort of collecting an extremely comprehensive team of City experts to provide our client with clear and definitive direction as to why the original scheme was unacceptable, allowing our client to regroup and resubmit a new development scheme which resulted in significant revisions to the original proposal, including but not limited to the following:

- The number of towers was reduced from two 235m towers to one 251.6m tower;
- In order to address the City’s concerns about shadow on public parks, our client’s architect designed the upper portion of the tower with articulated stepping which created an interesting and elegant design, while providing a practical response to the concerns about shadowing. The revised plans attached hereto as part of this settlement offer have also been designed to not create any additional shadow on the newly protected Breadalbane Park, despite the fact that this application pre-dated the approval of those policies;
- 4100sqm of office space was added to the podium, whereas the original proposal included only retail and residential;
- The building was setback from Carlton Street in order to make room for a full on-site parkland dedication; and
- The tower setbacks were increased to 9m from Yonge Street and to 7.5m from the centerline of Reverend Porter Lane.

Our client filed an appeal of its application in March 2018 due to Council’s failure to make a decision on the application and due to our client’s concern, at the time, with the uncertainty of new legislation governing the planning process. Despite filing an appeal, our client remained committed to proceeding through a cooperative process with the City and the local community, and requested that the LPAT (then OMB) not schedule a hearing date while our client continued working through the planning process.

Since that time, our client has gone through an extensive consultation process with City Staff and the local community, including a community consultation meeting, two working group meetings and a review by the City’s Design Review Panel, resulting in a full redesign of the podium and further significant revisions to our client’s proposal. The full set of revisions agreed to by our client are reflected in the plans dated November 11, 2020 and attached hereto, with the

following providing a description of the settlement proposal which we believe is worthy of City Staff and Council's approval:

1. Building Height

Our client has agreed that the overall measured height of the tower to the top of the mechanical penthouse will not exceed 251.1 metres and the measured height to the top of the last residential floor will not exceed 242 metres. The implementing zoning by-law amendments will reflect this measured height, with no restriction on the number of storeys or number of units within that agreed upon measured height.

2. Tower Setbacks

Our client has agreed to the following tower setbacks: !

West- 10 metre tower setback to the property line abutting Yonge Street; !

East- 11 metre tower setback to the centerline of Reverend Porter Lane; !

North- 3.5 metre tower setback to the property line abutting Wood Street !

South- 5.5 metre tower setback from the new property line abutting the proposed public ! park. !

Our client agrees that there shall be no projecting balconies within the tower setbacks ! agreed to above. !

3. Base Building Setbacks

South - 3.0m setback from main wall of the building to the new property line abutting the proposed public park

West – 2.5m setback from the main wall of the building to the property line abutting Yonge Street

North – 1.3m setback to the property line abutting Wood Street at the ground floor and a 0.8m setback on floors 2 through 10

East – 0m setback to the property line abutting Reverend Porter Lane

For clarity, certain architectural features, including but not limited to canopies, cladding and bay windows as illustrated on the settlement plans, will be permitted to project within these setbacks. The extent of such projections will be specified in the site specific zoning by-laws

4. Public Realm/Sidewalk Clearance

Notwithstanding the above, Our client has agreed to remove the building projections along Yonge Street from floors 2-10 in order to provide the full 6 metre sidewalk clearance along Yonge Street unencumbered above. In addition, a 2.1m pedestrian clearway will be provided along Wood Street.

5. Residential and Retail Gross Floor Area

Our client has agreed to the following minimum and maximum gross floor area requirements in its site-specific by-law:

Total gross floor area: 82,000sqm

Retail gross floor area- Minimum of 800sqm, Maximum of 1800sqm !
 Office gross floor area – minimum 8282sqm, maximum 14,554 sq m
 Residential gross floor area- Maximum of 72,000sqm !

6. ! Office Replacement

Despite the office replacement policies in Official Plan Amendment 231 still being under appeal and, as such, not in force and effect, our client has agreed to replace the entire 170,000 square feet of existing office space through a combination of on-site and off-site replacement. Our client has agreed to provide 89,150 square feet (8,282 square metres) of office space within the 2nd to 6th floors of the podium of the Site. Our client has also committed to exploring providing additional office space at 483 Bay Street through the under-review rezoning application for that site to make up the balance of the 170,000 square feet of existing office space on the Site.

Our client was asked to include permission for additional office gross floor area on the Site in the implementing zoning by-law amendments. Our client has agreed to include a permission for up to 14,554 square metres (156, 658 square metres) of total office gross floor area in the draft by-laws, but with the only requirement being the provision of 8,282 square metres (89,150 square feet) of office gross floor area.

7. Public Park

Our client has agreed to provide an on-site park of 238 square metres, in full satisfaction of its requirements pursuant to Section 42 of the *Planning Act* or any other subsequent or applicable legislation, subject to the following:

- a) The public park will be conveyed to the City in base park condition; and
- b) Our client will agree to provide above-base park improvements on the condition that those improvements are approved by City Council as a credit against the Parks and Recreation component of the development charges applicable to the Site for the lesser of the cost of the above-base park improvements and the entire Parks and Recreation component of the development charges.

Our client has also agreed to provide a 3 metre setback from the main wall of the podium adjacent to the park in order to ensure that our client's proposed building can be maintained without the need to encroach on the future public park lands. Our client agrees that this setback area will be maintained as open space, with allowances for patio and spill-out retail uses. Given that our client's design includes certain architectural features that project into the 3 metre setback, our client agrees that they will not request an encroachment agreement or limiting distance agreement from the City for the purposes of maintaining any of those building projections.

8. ! Section 37/Community Benefits Charge

Our client has agreed to an indexed Section 37 total cash contribution of \$14,750,000 payable upon the issuance of the first above-grade permit for the development to be allocated as follows and in consultation with the local Councillor's office:

1. ! Capital improvements for new or existing affordable housing, cultural or recreation facility in Ward 13;
2. ! Local area streetscape capital improvements; and
3. ! Local area park capital improvements.

This cash contribution is being agreed to on the condition that this represents the total community benefits contribution for the Site.

Our client agrees to remain open to providing a future TTC entrance, lobby and/or connection within its development, on the understanding that a future deal would be made whereby our client is compensated for the fair market value of the space to be provided as well as for the cost of the work required to accommodate such TTC entrance. Please note that based upon the request from Parks to cut back the extent of the "potential" TTC entrance, any future lobby entrance on our client's Site would be reduced in size from what was originally requested by the TTC. Our client agrees to secure the requirement to explore the potential for a future TTC entrance connection deal in its Section 37 agreement.

9. ! Existing Building Commemoration

Our client is committed to exploring opportunities to commemorate the design of the existing building within its new development.

10. Other Matters

- a) Our client agrees to withdraw any outstanding appeals of OPA 183, OPA 231 and OPA 352 once the site-specific zoning by-law amendments for the Site are in full force and effect, with all appeal and/or request for review periods having expired;
- b) Our client will agree to secure 10% of the total units as 3-bedroom and 30% of the total units as 2-bedroom, with no restriction on the size of those units;
- c) A minimum of 0.6 square metres of outdoor amenity space and a minimum of 1.6 square metres of indoor amenity space will be provided per dwelling unit;
- d) A minimum of 0.15 parking spaces will be provided per dwelling unit, including a minimum of 4 carshare parking spaces for the use of occupants of the building;
- e) Our client will agree to provide a revised Hydrogeological Report as a condition of site plan approval for the Site;
- f) Our client will agree to secure a requirement in its Section 37 agreement to complete a Toronto Transit Commission Technical Review as a condition of site plan approval for the Site; and
- g) Our client will agree to secure in its Section 37 agreement a requirement to submit a construction management plan to the satisfaction of the General Manager, Transportation Services and in consultation with the Ward Councillor as a condition

of site plan approval and prior to the issuance of a permit for excavation and shoring work;

Please note, this offer replaces all prior offers and is conditional on City Council accepting the settlement before the end of the February 2, 2021 City Council meeting, failing which, this offer shall be considered formally withdrawn. Our client has agreed to participate in one additional Working Group Meeting with the local Councillor's office prior to the final LPAT settlement hearing for the Site.

Our client confirms that the plans attached to this offer may be treated as "with prejudice" and may be presented to the public at the Working Group meeting. However, our client's offer with respect to its Section 37 contribution is to remain "without prejudice".

Should you have any questions or require any additional information, please do not hesitate to contact the writer or Jessica Smuskowitz, a lawyer in our office.

Yours very truly,



Adam J. Brown

Cc: ! Councillor Wong-Tam
Mr. David Sit, Manager, Community Planning
Mr. Matthew Zentner, Community Planning
Ms. Catherine Bertucci, Carlton Tower Limited