

February 2, 2021

Councillor Josh Matlow, City of Toronto  
Denise McMullin, Planning & Policy Advisor to Councillor Matlow  
Kevin Friedrich, Planner, Community Planning, City Planning, City of Toronto  
City Clerk, Attention: Ellen Devlin, Administrator, Toronto and East York Community Council

**RE: One Delisle and 15 Delisle Avenue**

This letter represents the views of the Boards of Directors of 10 Delisle Avenue (226 suites), 33 Delisle Avenue (108 suites) and 55 Delisle (64 suites).

Last week on January 27, 2021, at a meeting arranged by Councillor Matlow's office, we learned for the first time that the developer of the One Delisle project, Slate, was proposing to acquire the adjacent land at 15 Delisle and incorporate that land into its 44-story One Delisle condominium project. There are obvious benefits to Slate in that it will be able to use the sub-surface under 15 Delisle to make its construction much more efficient, less costly and enable the project to be completed sooner. This is of significant value to Slate. We were presented with drawings proposing a mixed use of retail and live/work in a structure to be built on the present site of 15 Delisle.

Representatives of the Boards of 10, 33 and 55 Delisle met on Thursday, January 28, 2021 to further discuss this proposal. One of the Board members of 10 Delisle, Ron Wratschko, participated and provided his expert opinion. Ron has many years of experience in the retail industry and recently retired as Executive Vice President of Cadillac Fairview, one of Canada's leaders in the retail industry.

We unanimously oppose this retail development. Delisle should remain a residential street without retail.

We have a number of reasons for our opposition:

1. Delisle Avenue is a busy residential street with a park. There is currently no retail on Delisle Avenue with the exception of the buildings facing Yonge Street.
2. The industry would characterize this as "**orphan retail**". What is the viability of this proposed retail location? Given that it is located in the mid-block and that it is orphaned from other nearby retail, it must operate as a sole destination location. The opportunity for walk-by traffic from the community at large is extremely limited (unlike the locations fronting on Yonge Street).
3. Fierce competition from Yonge Street retail will include One Delisle on Yonge (indeed Slate's own drawings show a restaurant on the SW corner of Yonge and Delisle), the proposed Wittington development, existing retail at the subway entrances, Delisle Court, the new development immediately south of St Clair, as well as the existing street retail within the area, including on St. Clair Avenue West just south of the development. As you know, Yonge and St. Clair has a great deal of retail including storefronts, bars and restaurants/coffee shops all along both Yonge and St. Clair.
4. Bricks and mortar retailers are experiencing challenging times due to competition from e-commerce generally, and more particularly from *Amazon*, *Shopify*, and from within their own

e-commerce sites. This is resulting in ever more scrutiny in decisions about bricks and mortar locations, both existing and new. In other words, locations, when chosen, need to have all possible advantages to succeed.

5. The proposed retail location on Delisle Ave does not have advantages that retailers, service providers, and even restaurant operators are seeking out. At best, the adjacent park may be the only benefit which might appeal to a restaurant / food operator. However, this is more than offset by the lack of foot traffic and co-tenants. This location offers little or no impulse sales opportunities. (Think about impulse sales as the way you may decide to grab a coffee, a smoothie, eat, or stop at the hardware store, when leaving the doctor's office, your bank, or getting off the subway.)
6. The location will not appeal to national and international retail operations such as *Starbucks*, *Aroma Café*, *Timothy's*, *Aritzia*, *Lulu Lemon*, *Banana Republic*, etc. Therefore, this will likely be a local independent operator which presents higher risk. The math is as follows: 2500sf at a minimum of \$50psf or an annual rent of \$125,000. With rent at this level, together with all other operating expenses, the retailer will have to achieve sales in the range of \$1million to \$1.5 million in sales. To put this into perspective, *Starbucks* at Yonge and St. Clair likely does approx. \$1.2 million out of about 1800sf. They, however, have full advantage of strong footsteps past their store and great impulse sales generation.
7. The location has operational challenges due to its lack of connection to the rest of the building. Therefore, it likely has to front load at street level with delivery trucks parked on Delisle. Customers will park curb side to run in to pick up items congesting traffic on Delisle. This happens now with Starbucks on both Delisle and Yonge.
8. If the retail space includes a restaurant, as proposed, then there will be issues around venting with cooking odors. It will also create late evening dining with patio or open sliding summer doors with considerable chatter and hum, and boisterous conversations and laughter which will be heard by residential owners fronting Delisle and particularly those at 1, 10 and 33 Delisle.
9. Restaurants, bistros and food services have the highest failure rate of all retail operations. If they can't generate top line sales with a decent margin they will fail. This location will not generate sufficient sales volumes due to poor location and high competition and, thus, we can expect this location to turn over multiple times and likely result in a less than desirable tenant, long-term.
10. Will the Landlord hold true to the concept of a bistro on the park when the concept fails multiple times? What will end up occupying the space long term?
11. Where else in the city do we see commercial use and particularly restaurants added to a high density residential street? In most cases, where it does exist, the residential came after the existing retail commercial.
12. How many noise, odor, and congestion complaints does the city receive from a community where they are adjacent or close to successful restaurants? Many we would expect.
13. If approved, we believe that there is significant risk in the unknown long-term use that could be successful within the proposed retail location. How it operates and the lingering image of a 3<sup>rd</sup> rate retail operation on our residential street will reflect on the values of Delisle properties.
14. We might have a landlord with no vested interest in the community once the project is complete. Indeed, despite Slate's assurances, there is no guarantee that they will still be the landlord years down the road. How diligent will any future landlord be on the proper tenant mix for the residents of Delisle?

We are very much in favour of this land being used to extend the park further to the east, while enabling Slate's valuable use underground for its One Delisle project. It is by far the best use of this land and will ensure that Delisle will remain a residential street with a beautiful park for use by the community.

We encourage the City to revisit discussions with Slate in that regard and note that the City and Slate have agreed to a s.37 agreement which provides that Slate will pay to the City \$1,500,000.00 towards capital improvements for new or existing cultural and/or community space and a further \$1,500,000.00 towards local area park or streetscape improvements. Surely there is a deal to be made, especially since both the City and Slate have told us that an expanded park with the added value to Slate of the land below is the first choice of both parties.

If expanding the park is not viable for some sufficient reason, our alternative suggestion is to use the 15 Delisle land for residential. Slate has indicated this is its preferred second choice. We encourage the City to explore this option more fully as we do not believe that the apparent issue of the set-back between the park and the residential building is worrisome enough to eliminate this option. We believe a solution could be found to facilitate this option and retain Delisle as a residential street.

If neither of these options are truly feasible, the only other viable option to which we can agree at the current time is to permit the land at 15 Delisle to be used for medical, dental, or other office use.

The live/work option has not yet been clearly defined but we can state that it is not acceptable to us if it includes use of the lower level for retail space for the reasons noted above.

You advised us during our discussion last week that it is proposed that Slate's revised application to include 15 Delisle be brought back to the Community Council on February 24, 2021. This is just over 3 weeks away. Indeed, we all received the Notice of Public Meeting in the mail on Monday February 1, 2021. Clearly this has been in the works for some time without disclosing it to our Working Group, despite the close relationship we have all had regarding this project.

We are very concerned that the meeting notice characterizes the application as a "minor modification" to the previously approved application. This is absolutely not correct. It proposes a significant and fundamental change to our neighbourhood, one which we believe will have a negative impact on the community. We suggest that more time be spent in finding an appropriate solution that will benefit all concerned before the Community Council is asked to consider this matter.

We remain available for further discussion and consultation.

Sincerely,

The Delisle Condos Working Group



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