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March 25, 2022

Our File No.: 202165

WITHOUT PREJUDICE

City of Toronto Legal Services
Metro Hall
55 John Street, 26th Floor
Toronto, ON M5V 3C6

Attention: Joanna Wice

Dear Sirs/Mesdames:

**Re: OLT-21-001198 – 234-250 King Street East and 162 Princess Street
Without Prejudice Offer to Settle**

We are solicitors for King Street I GP Inc. in respect of the properties known municipally in the City of Toronto as 234-250 King Street East and 162 Princess Street (the “**Property**”). We are writing on behalf of our client with a without prejudice settlement offer in respect of the above-noted matter. This settlement offer would remain open until the end of the City Council meeting scheduled to commence on April 6, 2022.

As you know, our client engaged in without prejudice discussions with City staff and the St. Lawrence Neighbourhood Association over the last several months regarding the redevelopment proposal for the Property. These discussions have resulted in revised plans, prepared by IBI Group and attached to this letter as Schedule “A” (the “**Revised Plans**”). Our client greatly appreciates the efforts of all parties in achieving this settlement.

The terms of this without prejudice settlement offer are as follows:

1. The settlement offer is based on the Revised Plans, which would be implemented through the resulting zoning by-law amendment(s).
2. The Revised Plans incorporate the following revisions:
 - (i) an increased north tower setback to 10.0 metres from the centreline of the existing public lane, with no projecting balconies (Juliette balconies are permitted);

- (ii) reduced height of the western podium element from 11-storeys to 3-storeys to provide a 10.0 metre setback over the heritage properties at 234 King Street East and 236 King Street East in accordance with the Revised Plans with the minimum 5.0 metre setback maintained for the balance of contributing properties on King Street East (i.e. 240 and 242 King Street East);
 - (iii) reduced height of the podium at the corner of King Street East and Princess Street from 6-storeys to 5-storeys, with design modifications to reflect staff comments including the notch at the northeast corner of the podium as shown on the Revised Plans, to assist with transition from the podium to the adjacent building at 164 Princess Street;
 - (iv) a reduced tower floor plate from 821 square metres to 799 square metres;
 - (v) an increase in the number of storeys from 40-storeys to 43-storeys, with the height, including the mechanical penthouse, not to exceed 140.0 metres;
 - (vi) an increase in the combined interior/exterior amenity space from 3.32 square metres per unit to 3.38 square metres per unit; and,
 - (vii) a gross floor area of approximately 33,845.3 square metres (comparable to the 33,846.9 square metres in the original submission).
3. The zoning by-law amendment(s) would implement the minimum parking supply provided on the Revised Plans.
 4. The zoning by-law amendment(s) would secure a minimum 10% of the units as 3-bedroom units and 15% of the units as 2-bedroom units.
 5. As part of the site plan approval process, our client agrees to work with City staff and the SLNA regarding design matters related to the podium, including but not limited to the brick colour, with any such revisions not impacting the gross floor area as shown on the Revised Plans.
 6. As part of the site plan approval process, our client agrees to work with City staff to ensure appropriate privacy mitigation measures are secured around outdoor amenity areas, particularly areas in close proximity to the adjacent property at 230 King Street East.
 7. As part of the site plan approval process, our client agrees to work with City staff and the SLNA to include high-quality streetscape improvements within the pedestrian boulevards adjacent to the Property along King Street East and Princess Street, including but not limited to relocating curbs, with consideration for the St.

Lawrence Market Neighbourhood Public Realm Master Plan, with our client not being responsible for the costs of any streetscape improvements along King Street East or Princess Street not adjacent to the Property should such improvements be desired.

8. The zoning by-law amendment(s) would include, as a matter of legal convenience to be added to the resulting section 37 agreement, the following two items both to the satisfaction of the Senior Manager, Heritage Planning:
 - (i) The requirement for an updated Cultural Heritage Impact Assessment, along with new or updated lighting, interpretation, and signage plans.
 - (ii) That a heritage easement agreement be entered into, to be registered on title, to manage the proposed alterations and secure the recommendations of the updated Cultural Heritage Impact Assessment.
9. Our client would agree to provide an indexed cash payment of \$3,500,000.00, to be paid prior to the first above-grade building permit, as a Section 37 contribution to be allocated for future capital improvements in the vicinity of the Property, to be determined by the Chief Planner in consultation with the local councillor and our client and secured in the Section 37 agreement.

Our client agrees that, in the event City Council accepts this without prejudice settlement offer, the final order of the Ontario Land Tribunal would be withheld pending:

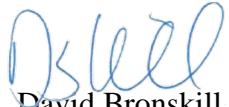
- confirmation that the required zoning by-law amendment(s) are in final form and content, to the satisfaction of the Chief Planner and Executive Director, City Planning;
- confirmation that the owner has addressed all outstanding issues raised by Engineering Construction Services as they related to the zoning by-law amendment application, to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services;
- execution of a Section 37 agreement, to the satisfaction of the City Solicitor, to secure the community benefits outlined above in accordance with the *Planning Act* before it was amended by Bill 108 and Bill 197, as well as any matters of legal convenience.

As noted above, this without prejudice settlement offer will remain open until the end of the City Council meeting scheduled to commence on April 6, 2022, after which it should be considered as withdrawn.

Our client greatly appreciates the hard work of City staff that has enabled the presentation of this settlement offer to City Council.

Yours truly,

Goodmans LLP

A handwritten signature in blue ink, appearing to read 'D. Bronskill', is positioned above the printed name.

David Bronskill
DJB/

cc: Client

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