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April 26, 2022

Our File No.: 160217

With Prejudice

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

Attention: Roman Ivanov

Dear Sirs/Mesdames:

**Re: OLT Case No. PL180387 – 2 Tecumseth Street and 125-133 Niagara Street
Settlement Offer – Affordable Housing Matters**

We are solicitors for TAS Tecumseth Niagara LP in respect of the lands known municipally in the City of Toronto as 2 Tecumseth Street and 125-133 Niagara Street (the “**Property**”).

As you know, pursuant to the settlement with our client accepted by City Council at its meeting on October 2, 2019, our client agreed to provide, at its discretion:

1. affordable rental housing units on the Property, as part of the redevelopment of the Property, equal to a value of six million dollars (\$6,000,000.00), subject to an agreement between our client and the City containing the terms for the provision of any affordable rental housing units; or,
2. an indexed financial contribution of six million dollars (\$6,000,000.00) to the City’s Affordable Housing Capital Revolving Fund, in lieu of the on-site provision of any affordable rental housing units.

In order to provide details for the provision of affordable rental housing units on the Property, our client is pleased to confirm on a with prejudice basis that it could accommodate twenty-six (26) affordable rental housing units, subject to City Council confirming the City financial contributions for these units as part of the City’s Open Door Affordable Housing Program, as follows:

- **Total Gross Floor Area:** The total gross floor area would be approximately 15,000 square feet.

- Unit Mix: The unit mix would comprise eighteen (18) 1-bedroom units, six (6) 2-bedroom units, and two (2) 3-bedroom units.
- Average Unit Size: The average unit size would be approximately 500 square feet for the 1-bedroom units, 725 square feet for the 2-bedroom units, and 875 square feet for the 3-bedroom units, with an overall average unit size of 580 square feet for all units.
- Depth and Length of Affordability: The rents for the units would be based on 80% Average Market Rent with an affordability period of forty (40) years).

Please note that our client would maintain the discretion to provide the above-noted indexed financial contribution in lieu of the on-site provision of any affordable rental housing units.

Our client is also confirming on a with prejudice basis that our client is requesting the support of City Council for the additional residential gross floor area (and dwelling units) as set out in the attached memorandum dated February 9, 2022, and prepared by WND Associates.

We look forward to finalizing any outstanding matters related to the redevelopment of the Property with the City to enable issuance of the final order from the Ontario Land Tribunal as soon as possible

Yours truly,

Goodmans LLP



David Bronskill
DJB/

cc: Client

7266123



PLANNING AND URBAN DESIGN

09 February 2022

Mr. Graig Uens
Toronto City Planning
100 Queen Street West
Toronto, ON
M5H 2N2

Attention: Mr. Graig Uens

Dear Mr. Uens,

**RE: Opportunity for Additional Residential Uses
2 Tecumseth Street & 125-133 Niagara Street
City of Toronto
Our File: 16.582**

We are the land use planning and urban design consultants to TAS Tecumseth Niagara Limited, Owner's of the properties known municipally as 2 Tecumseth Street and 125-133 Niagara Street in the City of Toronto (the "Subject Site"). This Letter has been prepared to evaluate the potential for the Proposed Development to accommodate additional residential gross floor area (and dwelling units) within the overall built form and massing as approved in-principle by the LPAT (now the OLT).

Council Adopted Settlement Offer & Local Planning Appeal Tribunal Approval in Principle

As presented to and approved in-principle by the LPAT, the Proposed Development was assumed to be serviced through traditional heating and cooling mechanical equipment in a roof-top configuration, requiring mechanical penthouses ("MPH") to be provided for each building to house the necessary equipment. As part of the Council-adoption of the Settlement Offer, Council authorized a Gross Floor Area of 88,600 square metres and 4.53 times the area of the lot (FSI). Based on a lot area of 19,795 square metres this results in a Gross Floor Area of 89,671 square metres.

Accordingly, the Zoning By-laws presented to the LPAT and as part of the Council-adopted Settlement Offer included the overall height of the proposed mechanical penthouses within the permitted height ranges identified on Diagram 4, accounting for their extents within the building mass 'envelopes' set out by the Zoning regulations. Accordingly, the By-laws as drafted accommodate the massing required, but not the use of the resulting floor area.

The Wellington Destructor Community Hub & Proposed District Energy System

Since the time of the approval in principle by the LPAT, the Owner's and the project team have continued to advance detailed design work for the Proposed Development in consultation with TransformTO, and in 2021, the City of Toronto announced that TAS was selected as the City's partner and leaseholder for the adaptive reuse of the Wellington Destructor heritage building, located directly adjacent to the Subject Site.

As a component of the adaptive reuse of the heritage building, a district energy system is proposed which will provide clean and efficient heating and cooling energy for the Proposed Development and the Wellington Destructor Community Hub.

Potential for Additional Residential Uses Within the Existing Built Form

With the Proposed Development to be serviced by the proposed district energy system, the extent of this required rooftop mechanical equipment is significantly reduced, reducing the size and extent of the required mechanical penthouses. As the extent of these areas occupied with required mechanical equipment can be significantly reduced, there is an opportunity to "recapture" these areas for additional residential uses without any need to increase the overall massing or visual 'bulk' of the proposed built form. In this sense, the additional residential uses within the proposed built form is imperceptible from what was otherwise previously proposed as part of the Council-adopted Settlement Offer and LPAT Approval in Principle.

Further, taking advantage of the opportunity to service the Proposed Development through a new district energy system and incorporate additional residential is directly responsive to the City of Toronto Official Plan and Provincial land use planning policies, which encourage mixed use growth in a compact urban form that makes efficient use of infrastructure.

In the case of the City of Toronto Official Plan, Section 3.5.1 provides policies relative to the creation of a *"strong and diverse economy"*, noting in subsection (5) that *"investment on the part of public agencies or through partnership agreements will ensure that key infrastructure will be maintained, improved and extended to support current and future needs in the following areas: (c) reliable supply of energy sources including electricity, natural gas, district energy centres and colling systems"*.

In this case, the Proposed Development includes a significant component of non-residential area, including new retail, office and light-industrial employment uses which are compatible with the residential component. Providing for additional residential uses will further support the viability of these new local non-residential uses, and reinforce the importance of the efficient use of planned energy systems.

With respect to the built form policies of the Official Plan, the Proposed Development has been previously reviewed by City Planning Staff and the LPAT and determined to conform to such. As all additional residential uses will be wholly located within the previous built form of the mechanical penthouse areas, there is no additional massing or built form impact resulting from the consideration of this request.

In order to facilitate these additional uses, a minor increase to the permitted residential gross floor area is required, though as noted, no amendments to the previous Council-adopted built form is required. Based on discussions with the project architect, it is our understanding that a permitted Gross Floor Area of 92,600 square metres will accommodate the additional residential uses while remaining with the Council-adopted and OLT approved-in-principle built form and building heights.

In our opinion, the opportunity presented to capture additional residential uses within space previously allocated for mechanical equipment is the appropriate result from the desirable commitment to service the Proposed Development with a new, energy efficient district heating and cooling system, consistent with the goals of Council as identified in the Official Plan.

Yours very truly,

WND associates
planning + urban design

A handwritten signature in black ink, appearing to read 'Sean McGaffey'.

Sean McGaffey, BES
Senior Urban Designer & Planner