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April 29, 2022

Our File No.: 190065

CONFIDENTIAL AND WITHOUT PREJUDICE

Via Email

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

Attention: Gabe Szobel and Marc Hardiejowski

Dear Sirs/Mesdames:

**Re: OLT Case No. PL210045 – 1134-1140 Yonge Street
Confidential and Without Prejudice Offer to Settle**

We are solicitors for 1140 Yonge Inc. (the “**Appellant**”) in respect of the properties known municipally in the City of Toronto as 1134-1140 Yonge 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 May 11, 2022.

As you know, our client engaged in without prejudice mediation and other discussions with City staff and area residents over the last several months regarding the redevelopment proposal for the Property. These discussions have resulted in revised plans, dated April 5, 2022, prepared by Audax Architecture Inc., which are attached to this letter as Schedule “A” (the “**Revised Plans**”) and have also been filed with the Tribunal. 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 official plan and zoning by-law amendment(s).
2. The Revised Plans incorporate the following revisions:
 - (i) the height of the building has been reduced from 13 storeys and 52m (excluding MPH) to 10 storeys and 39.95m (excluding MPH);

- (ii) the total gross floor area has been reduced from 188,429 square feet (representing a density of 6.10 FSI) to 169,186 square feet (representing a density of 5.48 FSI);
 - (iii) the built form, as reflected in the Revised Plans, has been refined to enhance the relationship between the proposed development and the surrounding properties, particularly those to the south and west;
 - (iv) an enhanced setback has been provided from the eastern façade of the existing heritage building on the Property, as well as the portion of the northern façade most visible from the north of the Property along Yonge Street; and
 - (v) the Revised Plans would preclude vehicular or pedestrian access to the Property through the public lane to the south, which also serves neighbouring properties.
3. Our client would acquire the lands known municipally as 211 Avenue Road for the purpose of providing an off-site parkland dedication to the City, pursuant to section 42 of the *Planning Act*. Our client would convey 211 Avenue to the City as an off-site parkland dedication and provide cash-in-lieu for any remaining balance, in accordance with the following:
- (i) 211 Avenue Road would be conveyed to the City as soon as possible (but no later than issuance of first above-grade building permit), and the City would accept such conveyance once the pre-conditions to conveyance are satisfied, according to the City's policies for parkland dedication.
 - (ii) For the purposes of determining whether any remaining cash-in-lieu is payable:
 - (A) The total value of the off-site parkland dedication would include all hard and soft costs associated with the purchase and conveyance of 211 Avenue Road, including:
 - (1) All hard costs, including the cost of acquiring the land (including land transfer tax), environmental remediation (if any), demolition of existing buildings, and base park improvements; and
 - (2) All soft costs (including reasonable legal fees, consultant fees and project management expenses) and permit fees; and
 - (B) The total value of the off-site parkland dedication based on the items outlined clause (A) above would be subject to indexing based on the Construction Price Index between the date the parkland is conveyed to the City and the issuance of the first above-grade building permit.

4. Our client would agree to provide the following as contributions pursuant to Section 37 of the *Planning Act*:
- (i) An indexed cash payment to the City of \$2,650,000 pursuant to Section 37 of the *Planning Act*, to be paid prior to the first above-grade building permit, and allocated towards projects in the general vicinity of the Property, at the discretion of the local Councillor in consultation with the ABC Residents' Association; and
 - (ii) Either one of the following, at Council's discretion:
 - (A) a letter of credit in the amount of \$100,000 to secure the completion of environmental remediation required to facilitate conveyance of the off-site parkland to the City (if any), to be released upon conveyance of 211 Avenue Road to the City; or
 - (B) if a residential tenant resides in the existing building on 211 Avenue Road at the time our client acquires the property, financial compensation to such tenant based on the following, upon provision of vacant possession:
 - (1) a payment in the amount of 3 months' rent in accordance with the *Residential Tenancies Act*;
 - (2) a payment based on tenure, in accordance with the following:
 - (i) if the tenant's length of tenure is less than 5 years, 5 months' rent;
 - (ii) if the tenant's length of tenure is at least 5 years but less than 10 years, 6 months' rent;
 - (iii) if the tenant's length of tenure is at least 10 years but less than 15 years, 7 months' rent;
 - (iv) if the tenant's length of tenure is at least 15 years but less than 20 years, 8 months' rent;
 - (v) if the tenant's length of tenure is at least 20 years but less than 30 years, 10 months' rent; or
 - (vi) if the tenant's length of tenure is at least 30 years, 12 months' rent; and
 - (3) payment for moving expenses in the amount of \$1,500.

5. Our client would agree to the following, to be secured as matters of legal convenience in the Section 37 Agreement:
- (i) A minimum of 10 percent of the new residential dwelling units in the development will be provided as dwelling units containing at least three bedrooms and a minimum of 15 percent of the new residential dwelling units in the development as dwelling units containing at least two bedrooms, to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
 - (ii) The development will be constructed and maintained in accordance with Tier 1 of the Toronto Green Standard, and the Owner will be encouraged to achieve Tier 2 of the Toronto Green Standard, to be secured as a matter of legal convenience in the Section 37 Agreement;
 - (iii) Prior to final site plan approval, our client shall:
 - (A) Prepare a Construction Mitigation Plan for the proposed development of the Site to the satisfaction of the Chief Planner and Executive Director, City Planning in consultation with the Ward Councillor;
 - (B) Provide final site plan drawings substantially in accordance with the approved Conservation Plan (described in Section 8 below), to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning;
 - (C) Obtain final approval for the necessary zoning by-law amendment(s) required for the subject property, with such amendment(s) having come into full force and effect;
 - (D) Provide a Heritage Lighting Plan that describes how the exterior of the heritage property will be sensitively illuminated to enhance its heritage character to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning and thereafter shall implement such Plan to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning;
 - (E) Provide an Interpretation Plan for the Property, to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning and thereafter shall implement such Plan to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning; and
 - (F) Submit a Signage Plan for the proposed development to the satisfaction of the Senior Manager, Heritage Planning; and

- (iv) Prior to the issuance of any permit for all or any part of the Property, including a heritage permit or a building permit, but excluding building permits for a temporary sales office and permits for repairs and maintenance and usual and minor works for the existing heritage building as are acceptable to the Senior Manager, Heritage Planning, Urban Design and City Planning, our client shall:
 - (A) Provide building permit drawings, including notes and specifications for the conservation and protective measures keyed to the approved Conservation Plan (described in Section 6 below), including a description of materials and finishes, to be prepared by the project architect and a qualified heritage consultant to the satisfaction of the Senior Manager, Heritage Planning; and
 - (B) Provide a Letter of Credit, including provision for upwards indexing, in a form and amount and from a bank satisfactory to the Senior Manager, Heritage Planning, Urban Design, City Planning, to secure all work included in the approved Conservation Plan, Heritage Lighting Plan and Interpretation Plan. Prior to the release of the Letter of Credit, our client shall:
 - (1) Provide a letter of substantial completion prepared and signed by a qualified heritage consultant confirming that the required conservation work and the required interpretive work has been completed in accordance with the Conservation Plan, Heritage Lighting Plan and Interpretation Plan and that an appropriate standard of conservation has been maintained, all to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning; and
 - (2) Provide replacement Heritage Easement Agreement photographs to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning; and
 - (v) Our client shall pay for and construct any improvements to the municipal infrastructure, at its sole expense, in connection with the Functional Servicing and Stormwater Management Reports or other reports accepted by the Chief Engineer and Executive Director, Engineering and Construction Services, should it be determined that upgrades to such infrastructure are required to support this development.
6. The zoning by-law amendments would include a holding symbol on the Property to be released upon satisfaction of the following conditions:

- (i) Provision of a detailed Conservation Plan, prepared by a qualified heritage consultant, that is consistent with the conservation strategy set out in the Heritage Impact Assessment prepared by ERA Architects dated April 27, 2022, to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning;
 - (ii) Execution of a Heritage Easement Agreement with the City in accordance with the Heritage Impact Assessment dated April 27, 2022 prepared by ERA Architects and the Conservation Plan referenced in clause (i) above, to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning including registration of such agreement to the satisfaction of the City Solicitor;
 - (iii) The Owner has addressed all outstanding issues raised by Urban Forestry, Tree Protection and Plan Review as they relate to the development, to the satisfaction of the Supervisor, Tree Protection and Plan Review; and
 - (iv) Provision of updated Functional Servicing and Stormwater Management Reports, to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services.
7. The parties would work cooperatively with the aim of facilitating approval of all permits required to demolish the existing building on 211 Avenue Road, including a permit pursuant to section 33 of the *Planning Act*, before July 18, 2022, to allow for the expeditious conveyance of the off-site parkland dedication to the City in accordance with Section 3 above.
8. The parties would work cooperatively to facilitate issuance of the final order of the Ontario Land Tribunal, including the final official plan amendment and zoning by-law amendment(s) for the Property to implement the Revised Plans, as soon as possible and no later than July 18, 2022.

As noted above, this without prejudice settlement offer will remain open until the end of the City Council meeting scheduled to commence on May 11, 2022, after which it should be considered 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 "Per. [unclear] [unclear]".

David Bronskill
DJB/MXL

cc: Client

SCHEDULE “A” – REVISED PLANS

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