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**With Prejudice**  
**By E-mail**  
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City of Toronto  
Legal Services Division  
Metro Hall, 26th Floor  
55 John Street  
Toronto ON M5V 3C6

Attention: Messrs. Ray Kallio and Michael Mahoney

Dear Messrs. Kallio and Mahoney:

**Re: OLT-22-003289 (Legacy Case No. PL170622)**  
**28 River Street & 550 Queen Street East**  
**With Prejudice Settlement Offer**

We are counsel to 1979351 Ontario Inc. and Queen River Limited Partnership by its general partner 1979351 Ontario Inc., the respective owners of the properties municipally known as 28 River Street and 550 Queen Street East, Toronto (collectively, the “**Owners**”).

Our client maintains an appeal at the Ontario Land Tribunal (the “**Tribunal**”) of the Zoning By-law Amendment application made in December 2016 for the property at 28 River Street (the “**Application**”), the appeal for which is currently proceeding under Case No. OLT-22-003289 (Legacy Case No. PL170622) (the “**Appeal**”). The next case management conference for the Appeal has been scheduled for July 13, 2022.

Over several years of without prejudice discussions with City staff, considerable efforts have been made by our client and the City in reaching a settlement.

In December 2021, our client filed a formal resubmission of the Application in support of a revised development scheme, which incorporated the lands at 550 Queen Street East and reflected the feedback that our client received from City staff over the course of the past several years. This revised development scheme was the subject of a community consultation meeting held by the City on May 2, 2022. On May 17, 2022, an additional scoped resubmission was filed by our client to address remaining staff comments.

Further to these settlement discussions and comments received from City staff, we are pleased to present our client's final with prejudice settlement offer with respect to the Appeal. This letter and the attached drawings summarize the terms of our final offer as the basis for resolving the Appeal (the "**Settlement Offer**"):

1. The City consents to the expansion of the development site within the context of the Appeal to include the lands municipally known as 28 River Street and 550 Queen Street East (the "**Property**").
2. The redevelopment of the Property will be substantially in accordance with the Revised Architectural Drawings, prepared by BDP Quadrangle, dated May 6, 2022, and attached as Appendix "A" to this letter (the "**Revised Scheme**"). The Revised Scheme shall feature the following:
  - (a) A total maximum building height of 60 metres above an established grade of 81.50 Canadian Geodetic Datum, exclusive of mechanical penthouses, elevator overruns, and other functional structures or screening;
  - (b) Balcony projections on the portion of the 18-storey component facing Queen Street East and River Street shall be:
    - (i) limited to a depth of approximately 1.5 metres;
    - (ii) limited to 30% of the area of each façade; and
    - (iii) limited from the 3<sup>rd</sup> through 6<sup>th</sup> storeys to inset balconies only;
  - (c) Office replacement to be provided across parts of the first 3 storeys to a total of approximately 1,405 m<sup>2</sup> (~15,123 ft<sup>2</sup>) in gross floor area;
  - (d) Approximately nine 2-storey live-work units to be provided, to a total of approximately 1,105 m<sup>2</sup> (~11,894 ft<sup>2</sup>) in gross floor area;
  - (e) A dwelling unit mix comprised of the following:
    - (i) a minimum of 15% of the total number of dwelling units shall be 2-bedroom units;
    - (ii) a minimum of 10% of the total number of dwelling units shall be 3-bedroom units; and
    - (iii) an additional 15% of the total number of units will be a combination of 2-bedroom and 3-bedroom units, or units that can be converted to 2- and 3-bedroom units through the use of accessible or adaptable design measures;
3. The Owners and the City will seek the Tribunal's approval of a proposed zoning by-law amendment(s) to permit the Revised Scheme, with such instrument(s) being in a form satisfactory to the Owners and the City.
4. A cash contribution of \$2,500,000 shall be made to the City pursuant to Section 37 of the *Planning Act* for local improvements in the immediate vicinity of the Property.
5. The Owners will not contest or object to designation of 550 Queen Street East as a building of cultural heritage value or interest, pursuant to Part IV of the *Ontario Heritage Act*, R.S.O. 1990, c. O.18 (the "**OHA**").

6. The owner of 550 Queen Street East will seek permission for heritage alterations in accordance with the Revised Scheme pursuant to section 33 of the *OHA*.
7. Should City Council accept the Settlement Offer, in the event that one or more of the following matters has not yet been completed by the time the Revised Scheme is considered by the Ontario Land Tribunal, the Owners and the City will request that the Tribunal approve the Zoning By-law Amendment to permit the Revised Scheme but subject to a holding (H) symbol, which will be lifted upon the satisfaction of the following pre-conditions:
  - (a) A Section 37 Agreement securing the cash contribution referenced in Paragraph 4 above has been executed and registered on title to the Property;
  - (b) A by-law under Part IV of the *OHA* has been enacted designating the property at 550 Queen Street East as being of cultural heritage value or interest;
  - (c) The owner of 550 Queen Street East has applied pursuant to section 33 of the *OHA* for heritage alterations to 550 Queen Street East to facilitate the Revised Scheme;
  - (d) The owner of 550 Queen Street East has entered into a Heritage Easement Agreement with the City for the property at 550 Queen Street East, to the satisfaction of the Senior Manager, Heritage Planning, Urban Design, City Planning, including execution and registration of such agreement on title to the satisfaction of the City Solicitor;
  - (e) The Owners have provided a satisfactory Functional Servicing Report(s) and resolved any remaining engineering issues, to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services and the General Manager, Toronto Water; and
  - (f) In the event it is determined that improvements or upgrades are required to support the development as may be identified in the accepted Functional Servicing Report, the Owners have entered into an agreement or have otherwise secured the design, construction, and provided financial securities for such upgrades to the existing municipal infrastructure to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services and the General Manager, Toronto Water.

The Settlement Offer presented under this letter supersedes and replaces all prior offers, agreements, negotiations, and understandings in respect of these matters.

This Settlement Offer will remain open until the end of the City Council meeting scheduled to commence on June 15, 2022.

We trust that you will forward the terms of this final Settlement Offer for City Council's review and consideration at its meeting commencing on June 15, 2022. We look forward to receiving your response. Please contact the undersigned if you wish to discuss further.

Yours truly,



For: Calvin Lantz

CL/jsc

Enclosures

cc. Jonathan S. Cheng, *Stikeman Elliott LLP*