

Christopher J. Tanzola
Partner
Direct 416-730-0645
Cell 416-428-7493
ctanzola@overlandllp.ca

Overland LLP
5255 Yonge St, Suite 1101
Toronto, ON M2N 6P4
Tel 416-730-0337
overlandllp.ca



WITHOUT PREJUDICE AND CONFIDENTIAL

May 6, 2024

VIA EMAIL

Jyoti Zuidema and Adam Ward
Solicitors, Planning and Administrative Tribunal Law
City of Toronto, Legal Services Division
Metro Hall, 26th Floor
55 John Street
Toronto, ON M5V 3C6

Dear Ms Zuidema and Mr. Ward:

**RE: 410 Sherbourne Street
Zoning By-law Amendment Appeal
File Nos. OLT-24-000400 & OLT-24-000092
Offer to Settle**

We are the solicitors for the applicant in the matter, Sherbourne Community Clinic Inc., and for its development partner, 410 Sherbourne Street Dev LP (the "**Landlord**"), the landlord of the premises at 410 Sherbourne Street (the "**Site**").

Earlier this year, on behalf of the applicant, we appealed the decision of the City of Toronto to refuse our client's Zoning By-law Amendment application (the "**ZBA Appeal**"), which seeks to permit the development of the Site with a 42-storey mixed use building (the "**Proposed Development**"). We have also appealed our client's related Site Plan Application (the "**SPA Appeal**").

Prior to the appeals, our client had worked closely with City Staff in order to be in a position to have City Staff report positively on the Proposed Development. As you know, the Proposed Development was ultimately supported by City Staff, who authored a positive recommendation report dated October 23, 2023, recommending approval of the Zoning By-law Amendment (the "**Staff-Supported ZBA**"). In refusing the application, City Council cited the status of the existing music venue/night club on the Site, the Phoenix Concert Theatre, as the reason for not following City Staff's recommendations.

A first case management conference ("**CMC**") for both the ZBA Appeal and the SPA Appeal is scheduled for June 6, 2024. In advance of that CMC, we are writing to make the following without prejudice settlement offer, which may address City Council's concerns:

Our client (i.e., the Landlord) is prepared to extend the lease agreement with 2431757 Ontario Inc. (doing business as “The Phoenix Concert Theatre”) (the “**Tenant**”) until January 15, 2025, subject to the following conditions:

1. At the City Council meeting scheduled to begin on May 22, 2024 (the “**Council Meeting**”), instructions are provided to the City Solicitors to attend the Ontario Land Tribunal in support of the attached form of Zoning By-law Amendment (the “**ZBA Instrument**”). The ZBA Instrument is otherwise in the form that was attached to the positive City Staff report dated October 25, 2023 (Attachment No. 8), however it has been modified by City Staff to implement: (i) a correction previously discussed regarding visitor parking rates (“0.01” is the correct ratio, rather than “0.1”); and (ii) a corrected cross-reference to a provision of the parent by-law regarding tower separation.
2. The lease extension shall be in accordance with the attached document (the “**Lease Extension**”), which will be provided to the Tenant (2431757 Ontario Inc.) by the City for execution by the Tenant. The City shall obtain an executed copy of the Lease Extension, which shall be provided to us and held in escrow pending the items below.
3. If Item #1 above occurs (i.e., if City Council provides instructions to the City Solicitors to attend in support of the ZBA Instrument), the applicant and the City will jointly advise the Ontario Land Tribunal that a settlement has been reached, and request that, if possible, the CMC that is scheduled for June 6, 2024 be converted to a 1-day settlement hearing (the “**Settlement Hearing**”). If it is not possible to convert the CMC to a Settlement Hearing on June 6, 2024, the City Solicitors will advise the Tribunal at the CMC that the City supports the ZBA Instrument, and consents to the earliest possible scheduling of a hearing event, and that the City will not be adding issues to any issues list or seeking any preconditions to the issuance of a final Tribunal Order on the ZBA Instrument.
4. In the event of a Settlement Hearing, the applicant would be responsible for leading land use planning evidence in support of the final approval of the ZBA Instrument. As above, the City will not seek any preconditions to the ZBA Instrument coming into force and effect.
5. Once the City Solicitors have attended the hearing event that is scheduled for June 6, 2024 and formally confirmed the City’s support for the ZBA Instrument to the Tribunal, the Landlord shall execute the Lease Extension and the Lease Extension shall be released from escrow and take effect.

Thank you for the opportunity to present this settlement offer to City Council, which we hope will resolve the City's outstanding issues. If you require anything further in order to obtain instructions at the May 2024 City Council Meeting, please do not hesitate to contact us.

This settlement offer shall remain open until the conclusion of the City Council Meeting scheduled to commence on May 22, 2024, following which it shall be immediately withdrawn if not accepted.

Yours truly,
Overland LLP

A handwritten signature in black ink, appearing to be 'CJ Tanzola', written over a horizontal line.

Per: Christopher J. Tanzola
Partner

Encl.