



June 14, 2024

WITHOUT PREJUDICE AND CONFIDENTIAL

Via Email: Jason.Davidson@toronto.ca
Nathan.Muscat@toronto.ca;
Michelle.LaFortune@toronto.ca

sleisk@cassels.com
tel: +1 416 869 5411
file # 008156-02643

Jason Davidson, Nathan Muscat & Michelle LaFortune
Solicitors, City of Toronto Legal Services,
Planning & Administrative Tribunal Law Section

Metro Hall
55 John Street,
26th Floor
Toronto, ON M5V 3C6

Dear Mr. Davidson, Mr. Muscat and Ms. LaFortune:

Re: 2681 Danforth Avenue, Toronto
City of Toronto Application No. 22 241654 STE 19 OZ
OLT Case No. OLT-23-001243
Without Prejudice Settlement Offer

We are counsel to Canadian Tire Real Estate Limited and Canadian Tire Corporation, Limited (collectively, "**Canadian Tire**") the owner and interested party respecting 2681 Danforth Avenue (the "**Subject Property**"). The above-noted application to amend the City of Toronto Official Plan, former City of Toronto Zoning By-law 438-86, and City of Toronto Zoning By-law 569-2013 (the "**Canadian Tire Applications**") were appealed to the Ontario Land Tribunal (the "**Tribunal**") on November 29, 2023 ("**Appeals**").

Following mediation of the Canadian Tire Applications, as well as those made by surrounding landowners, we are pleased to present a confidential, without prejudice offer to settle Canadian Tire's Appeals as set out below.

Background

Site Description

The Subject Property is located on the south side of Danforth Avenue approximately 190 metres east of Main Street, in the City of Toronto. The Subject Property is approximately 11,619.9 sq. m. in area, with approximately 103.27 metres of frontage on Danforth Avenue. The Subject

Property is currently improved with an existing Canadian Tire retail store building, a 1-storey garden centre, a private driveway and a surface parking lot.

The existing Canadian Tire retail store and associated parking spans the Subject Property's eastern and southern property boundaries, into adjacent lands municipally known as 2721 Danforth Avenue, Toronto, owned by Tri-Metro Investments Inc. (the "**Tri-Metro Lands**") and 2575 and 2625 Danforth Avenue, owned by Jacob's Tent (the "**Jacob's Tent Lands**"). The Tri-Metro Lands and Jacob's Tent Lands are subject to separate site-specific appeals to the Tribunal. Through this offer, Canadian Tire agrees to postpone their leasehold interests in favour of the City's Section 37 Agreement with Jacob's Tent and any Section 118 restriction on the Jacob's Tent Lands, which will be a requirement of the resolution of their site-specific appeal.

Official Plan and Zoning designations

The Subject Property is designated *Mixed Use Areas* within Map 21 to the City Official Plan. The Subject Property is further located within Character Areas "C" and "D" of Site and Area Specific Policy ("**SASP**") No. 577 added to the City Official Plan through Official Plan Amendment 478.

Character Area "C" within SASP 577 applies to a majority of the Subject Property, while Character Area "D" within SASP 577 applies to the Subject Property along its Danforth Avenue frontage to a depth of 37.5 metres. Character Area "C" contemplates the development of tall buildings on the Subject Property, subject to various built form policies regarding compatibility, floor plate size, shadowing, setbacks and stepbacks and appropriate tower separation. Lands within Character Area "D" are exempt from the application of the policies of SASP 552, except that development will have regard for the Danforth Avenue Urban Design Guidelines and are to maintain certain streetwall heights and sidewalk widths.

OPA 478 and SASP 577 confirmed, among other matters, the general location of a new extension of Dawes Road, general provisions related to timing of conveyance and cost sharing requirements, and the location of a new, consolidated park for the Main and Danforth community.

The Subject Property is within the boundaries of SASP 552 added to the City Official Plan through Official Plan Amendment 420. The Subject Property is further within the adopted Main Street and Danforth GO Protected Major Transit Station Area boundaries outlined in SASP 621 and 623, which are proposed to be added through Official Plan Amendment 540. The Minister of Municipal Affairs and Housing has not made a decision respecting Official Plan Amendment 540 to date.

The Subject Property is zoned Mixed-Use District (MCR T3.0 C2.0 R2.5) (northern portion of Subject Property) and Class 1 Industrial (I1 D1) (Southern portion of Subject Property), under the Former City of Toronto By-Law 438-86. The Subject Property is further subject to a site-

specific provision 12(2)238 under By-law 438-86, as introduced by By-Law 249-2000, which adds site specific uses for the Subject Property. As such, a retail store, automobile service and repair shop and motor vehicle repair shop, Class A, are the only permitted uses on the Subject Property. The Class 1 Industrial (I1) zone permits a non-residential density of 1.0 and a maximum height of 12.0 metres. The Subject Property is not presently zoned under City Zoning By-law 569-2013.

Original Application

Following resolution of the Official Plan Amendment 478 appeal, Canadian Tire submitted the Canadian Tire Applications. At the time of submission in December 2022, the Canadian Tire Applications proposed the redevelopment of the Subject Property with 33- and 44-storey mixed use buildings connected by an 8 – 9 storey podium. The Canadian Tire Applications also contemplate 11,066 sq. m. of non-residential gross floor area to be dedicated to a new Canadian Tire Retail Store. The Canadian Tire Applications further contemplate the conveyance of lands to facilitate the Dawes Road extension and the dedication of a park to the south of the Subject Property. Modifications have been made in response to comments received from City staff.

Settlement Proposal

In resolution of its Appeals, Canadian Tire offers to revise the Canadian Tire Applications in accordance with the plans attached hereto (the “**Settlement Plans**”), which includes:

- A reduction of the ground level massing along Danforth Avenue;
- Inclusion of a new public realm and POPS area at the southeast corner of Danforth Avenue;
- An on-site dedication of 10% of net site area to establish a consolidated centralized parkland dedication at the southern frontage of the Subject Property. The exact dimensions of the 10% parkland contribution will be determined at site plan once all final details for such calculation are known;
- Reductions to and simplification of the base building massing, with a decrease in height of the central portion from 3-9 storeys to 2-8 storeys and a refinement of the Tower A base;
- Increase in the setbacks of the base building to the east lot line to achieve 5.5-11.7 metres setback to the property line;
- Decrease in tower podium heights to generally maintain a consistent 2 to 4 storey element along all public streets and the new public park;

- Reorientation of the towers to provide for additional separation distances with those proposed by Tri-Metro to the east. Setbacks to the east lot line are 21 metres and 15.5 metres for Towers A and B, respectively. These setbacks are more than the 12.5 metre setback required in order to maintain 25 metre tower separation and exceed the recommended standards in the Tall Building Design Guidelines. Twenty-five metre tower separation between Towers A and B has been maintained;
- A minor increase in tower floorplates to 850 sq. m. (approximately 791.4 sq. m. GFA) for Tower A and 800 sq. m. (approximately 741.9 sq. m. GFA) for Tower B, in line with other approved tower floorplates in the immediate area;
- Increased building height of Tower B from 44 to 48 storeys while maintaining the building height of Tower A at 33 storeys with a 37.5 metre setback from the current Danforth Avenue property line (prior to the requested road widening). The mechanical penthouse for Tower B is further setback 6.5 metres to limit shadow impacts on Coleman Park;
- At the ground level, consolidation of underground parking ramps from 2 to 1 to service both the retail and residential uses;
- Addition of a 4 metre by 4 metre pedestrian connection rounding area at the southeast corner of the building to provide for the continuation of the mid-block connection through the site to the east;
- Prohibiting wraparound balconies on the southwestern and southeastern corners of Tower A and the northwestern and northeastern corners of Tower B;
- Providing ground floor amenity space adjacent to the new park together with permissions for potential future ground floor retail adjacent to the proposed future park; and
- Canadian Tire offers to provide an in-kind contribution pursuant to subsection 37(6) of the *Planning Act* in the form of twenty-one (21) units of affordable rental housing (the “**Affordable Rental Units**”), in accordance with the City’s income based affordable rent definition as provided in Official Plan Amendment 558, in accordance with the following terms:
 - City Council attribute the value of the Affordable Rental Units to be 100 percent (%) of 4 percent (%) of the value of the Subject Property, in full satisfaction of applicable community benefit charges;
 - the Affordable Rental Units shall be provided in contiguous groups of at least six (6) rental dwelling units;

- the Affordable Rental Units shall be secured for 40 years, subject to the waiver of fees, charges, and taxes pursuant to section 4.1 of the Open Door Affordable Housing Program Guidelines, 2021, and in all cases a minimum of 25 years;
- the average unit size of the Affordable Rental Units will generally be in keeping with the average unit size of all the market units, by unit type, in each phase of the proposed development;
- the minimum unit size of the Affordable Rental Units will generally be in keeping with the minimum unit sizes of all market units, by unit type, in each phase of the proposed development;
- the unit mix, configuration and layout of the Affordable Rental Units will generally be in keeping with the market units, to the satisfaction of the Chief Planner and Executive Director, City Planning;
- the Affordable Rental Units shall include ensuite laundry and air conditioning in each affordable rental unit at no additional cost to tenants, except for applicable utilities;
- the owner shall provide an access plan addressing how the affordable rental units will be occupied, including the use of the City's Centralized Affordable Rental Housing Access System or, where the system is not yet in place, to tenants who have demonstrated that they are in need of affordable rental housing through a fair and transparent process developed in consultation and to the satisfaction of the Chief Planner and Executive Director, City Planning and Executive Director, Housing Secretariat;
- the residents of the Affordable Rental Units will have access to the amenities of the development including indoor and outdoor amenity space, access to rent vehicle parking spaces, as applicable; and
- the residents of the Affordable Rental Units will have access to bicycle and visitor vehicle parking on the same terms and conditions as any other resident of the development.

Collectively, (the “**Settlement Proposal**”).

Canadian Tire agrees that, in the event that City Council accepts this settlement offer, the final Order of the Ontario Land Tribunal with respect to the Appeals would be withheld, pending satisfaction of the following conditions:

- a) the final form of the Zoning By-law and Official Plan Amendment are to the satisfaction of the Director, Community Planning, Toronto East York District, and the City Solicitor, in consultation with other appropriate divisions;
- b) the owner has, as applicable and at their own expense:
 - i. provided confirmation of water, sanitary and stormwater capacity (and conformity with the accepted MFSR respecting Character Area C in OPA 478) to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services, or the determination of whether holding provisions are required in the zoning by-law amendment;
 - ii. secured the design and the provision of financial securities for any upgrades or required improvements to the existing municipal infrastructure and/or new municipal infrastructure identified in the accepted Engineering Reports to support the development, all to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services, should it be determined that improvements or upgrades and/or new infrastructure are required to support the development;
 - iii. submitted a pedestrian level wind tunnel study acceptable to, and to the satisfaction of, the Chief Planner and Executive Director, City Planning and that such matters arising from such study, be secured if required;
 - iv. submitted a revised Transportation Impact Study, and a Parking and Loading Study acceptable to, and to the satisfaction of, the General Manager, Transportation Services and that such matters arising from such studies, be secured if required;
 - v. submitted a revised Landscape Plan which includes a notation that a volume of 30 cubic metres of soil will be provided for each tree, with utilities shown to Quality Level A (QL-A), if required, and provides any necessary financial securities, to the satisfaction of the Chief Planner and the General Manager, Parks, Forestry and Recreation and that such matters arising from such study, be secured if required;
- c) the owner has received draft plan approval for a draft plan of subdivision application, as applicable at the discretion of the Chief Planner, Executive Director, City Planning to secure, among other matters, the conveyance of land for and construction of new public roads and parkland;

This Settlement Offer is conditional on:

- (a) City Council accepting this Settlement Offer during its meeting scheduled to commence on June 26, 2024;

(b) the Affordable Rental Units being included in the City's Open Door Affordable Housing Program upon receipt of an application for same and receiving the program's financial incentives; and,

(c) the City consenting to Canadian Tire requesting a settlement hearing for the Appeals, to be held on a day to be scheduled by the Tribunal, and to the issuance of an interim order by the Tribunal approving the Settlement Plans in principle.

Request

In accordance with the Settlement Proposal above, we are requesting that City Council accept this settlement offer, which will expire at the end of the City Council meeting commencing on June 26, 2024. Should the settlement offer be accepted by City Council, it may be released publicly. Until such a time as City Council accepts this settlement offer, it remains confidential and without prejudice.

Yours truly,

Cassels Brock & Blackwell LLP



Signe Leisk

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Encls.

cc: Jennifer Evola, Counsel, Canadian Tire Real Estate Limited (jevola@cassels.com)