



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

254-266 King Street East, 427-435 Adelaide Street East and 157 Princess Street – Ontario Land Tribunal Hearing – Request for Directions

Date: September 25, 2024

To: City Council

From: City Solicitor

Wards: Ward 13 - Toronto Centre

REASON FOR CONFIDENTIAL INFORMATION

This report contains advice or communications that are subject to solicitor-client privilege. This report contains information regarding potential litigation.

SUMMARY

The City initially received a Zoning By-law Amendment application for a mixed use development at 254-266 King Street East, 427-435 Adelaide Street East and 157 Princess Street (the "Site") in 2016. The proposed development consisted of two 32-storey residential towers connected by two multi-storey bridges, a base building with retail space on the ground floor and second floor and a new public parkette. The matter was appealed to the OLT in 2017 and the City settled the appeal in 2018. In the intervening time, the property has changed ownership and the development proposal has undergone some changes, requiring further Council instructions.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council adopt the recommendations contained in Confidential Attachment 1 to this report from the City Solicitor.
2. City Council authorize the public release of the confidential recommendations contained in Confidential Attachment 1 and Confidential Appendix "A" to this report from the City Solicitor, if adopted by City Council.

3. City Council direct that all other information contained in Confidential Attachment 1 to this report from the City Solicitor is to remain confidential at the discretion of the City Solicitor, as it contains advice which is subject to solicitor-client privilege.

FINANCIAL IMPACT

There is no financial impact arising from the adoption of the Confidential Recommendations beyond what has already been approved in the current year's budget.

DECISION HISTORY

In October 2016, the applicant submitted a Zoning By-law amendment application proposing a mixed-use development on the Site, comprising two 32-storey residential towers. The applicant submitted a revised proposal on January 17, 2017, which made minor revisions to the proposal, increasing the proposed GFA marginally.

At its meeting on January 31, 2017, City Council refused the application to amend the Zoning By-law because the proposal did not satisfy urban design and heritage preservation objectives, nor did it provide sufficient replacement of office space, contrary to policies in the Official Plan and Provincial Policy Statement. City Council authorized the City Solicitor and appropriate City staff to appear before the OLT (then OMB) in support of City Council's decision:

<https://www.toronto.ca/legdocs/mmis/2017/te/bgrd/backgroundfile-99364.pdf>

On February 27, 2017, the applicant appealed City Council's decision to refuse the proposed Zoning By-Law amendment to the OLT (then OMB). At its meeting of March 26, 2018, City Council adopted Item CC38.8, accepting a settlement offer from counsel for the proponent and instructing the City Solicitor and appropriate City Staff to attend at the OLT in support of the settlement:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.CC38.8>

At its meeting on April 26, 27 and 28, 2017, City Council stated its intention to amend City of Toronto By-law 855-88 to update and revise the reasons for designation under Part IV of the *Ontario Heritage Act* for 260 King Street East to include 254, 256, and 266 King Street East, 427 and 435 Adelaide Street East, and 157 Princess Street in accordance with the Statement of Significance in Attachment 4 to the staff report dated March 9, 2017:

<https://www.toronto.ca/legdocs/mmis/2017/te/bgrd/backgroundfile-101805.pdf>

At its meeting of May 5 & 6, 2021, City Council adopted Item CC32.8, accepting a further settlement offer from counsel for the proponent and instructing the City Solicitor and appropriate City Staff to attend at the OLT in support of the settlement. The revised proposal allowed for several small changes to the original settlement, including a small increase in height and GFA and an increase to the Section 37 quantum. A Section 37

agreement was entered into by the parties in June 2021, following which a final order was issued by the tribunal. The recommendations as adopted are at the following link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.CC32.8>

At its meeting in June 2022, City Council adopted item CC45.10, accepting a further settlement offer from counsel for the proponent and instructing the City Solicitor and appropriate City Staff to attend at the OLT in support of the settlement. The revised proposal allowed for several small changes to the original settlement, related to permissions for an onsite daycare and private school and a change to the mix of units. The proponent has not yet brought these changes forward to the OLT. The recommendations as adopted are at the following link: <https://secure.toronto.ca/council/agenda-item.do?item=2022.CC45.10>

Further information has been received which has resulted in the need for direction from City Council.

COMMENTS

The City Solicitor requires further instructions on this matter. This report is about ongoing litigation before the OLT and contains advice or communications that are subject to solicitor-client privilege.

CONTACT

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SIGNATURE

Wendy Walberg
City Solicitor

ATTACHMENTS

1. Confidential Attachment 1 - Confidential Information
2. Confidential Appendix "A" - Confidential Information