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File No. 171748

WITHOUT PREJUDICE AND CONFIDENTIAL

BY EMAIL - Sarah.OConnor@toronto.ca and Lauren.Pinder@toronto.ca

Sarah O'Connor and Lauren Pinder
Planning and Administrative Tribunal Law (Legal Services)
City of Toronto
55 John Street
26th Floor, Metro Hall
Toronto ON M5V 3C6

Dear Ms. O'Connor and Ms. Pinder:

**Re: 685 Lakeshore Boulevard East, Toronto
OLT Case No. OLT-23-000697
Without Prejudice & Confidential Settlement Offer**

Aird & Berlis LLP represents SLH Lakeshore Inc., (our "**Client**") the owner of lands municipally known as 685 Lake Shore Boulevard East, in the City of Toronto (the "**Site**").

This letter is further to our without prejudice and confidential correspondence of September 30, 2024 and the Revised Proposal resubmission made on September 27, 2024 in accordance with the OLT approved Procedural Order. This correspondence is intended to augment the Revised Proposal resubmission made on September 27, 2024 by providing the City with a further response in respect of certain matters which were the subject of on-going discussions and should be reviewed with the updated plans and materials filed on without prejudice basis via email on October 18, 2024 and subject to the below refinements.

To assist in your review, we have enclosed those materials again with this correspondence:

1. Architectural plans prepared by BDP Quadrangle and dated October 18/24, as modified by our comments below in respect of tower floorplates;
2. Landscape plan prepared by Crozier; and
3. Transportation addendum prepared by Crozier.

First, we acknowledge receipt of additional urban design, planning and other comments from the City on September 25, 2024 via email from your office which were in turn informed by further discussions with yourselves and City staff. In response to these comments, we can advise that our Client confirms the following additional built form changes:

1. The average tower floorplates from Level 31 and above will be an average of 850 m2 in each building;
2. Recognizing the City's objective to achieve an average tower floor plate of 950m2 from Level 21 to Level 30 (inclusive) we can advise that:
 - (a) The average tower floorplates from Level 21 to Level 30 (inclusive) on the north building surpass the City's objective at only 900m2; and
 - (b) The average tower floorplates on the south building are currently 1019m2.
3. Our Client commits to working with City staff on refinements to the tower floorplates so as to achieve an average of 950m2 on Levels 21 to Level 30 (inclusive) between both buildings;
4. The separation distance of 40m between tower elements at Level 8 and above has been maintained;
5. The separation distance of 15m or more between the podium elements above the ground floor has been maintained; and
6. Provision of active at grade uses has been expanded to include the entire Lake Shore Boulevard East and Broadview Extension frontages and a new retail space at the south-west corner of Saulter Street and the Villiers extension has been added.

Additionally, our Client is prepared to continue discussions with City staff prior to the Tribunal hearing on possible other refinements including further massing within the podium elements along the future Broadview extension.

Public ROWs

In addition to the built form discussion, this updated settlement offer has also been informed by discussions with City staff in respect of the alignment and configuration of the east/west public road which will serve as an extension of Villiers Avenue, in accordance with the Precinct Planning exercise being undertaken by the City.

The settlement plans now demonstrate how a future east/west 18.5m ROW, at the south end of our Client's site can be achieved over time. Our Client will dedicate 14.5m of the future ROW entirely on its lands. The design for the ROW illustrated in the settlement plans provides a travelled portion 6.6m in width and an all way stop controlled intersection between Saulter, the new Villiers extension and a reconfigured existing Villiers ROW.

This settlement also continues to secure lands for the future Broadview extension, consistent with the latest design drawings. As a result, approximately 40% of our Client's site will be conveyed to the City for transportation infrastructure improvements.

The timing of and conditions to such conveyances is set out in the portion of this correspondence which sets out agreed to Holding (H) provisions, below.

Securing a Minimum of 5000m² of PIC Space

Second, we also acknowledge the ongoing discussion with respect to the delivery of PIC space in accordance with a definition of the types of uses which will be considered PIC uses.

The enclosed plans illustrate the provision of 5000m² of PIC space which has been located within a ground floor, mezzanine and the second floor of the podium buildings and designed with direct elevator access from grade. It is our Client's understanding that PIC uses which can be accommodated within the podium of a mixed use building and co-existing with immediately adjacent residential uses will be located in these spaces.

The modified OPA and ZBLA will secure a minimum of 5,000m² of PIC space in the proposed development with the definition of PIC uses to be to the satisfaction of City staff prior to the instruments being filed in final form with the Tribunal.

Securing Affordable Housing

Additionally, the modified OPA and ZBLA will secure a total of 6.5% of the residential gross floor area of the project as Affordable Rental Housing (ARH) units in accordance with the City's defined terms (set out below) and for a term of 99 years from the first residential occupancy:

1. The operator of the ARH units will use the City's centralized affordable rental housing access system (CARHAS) or an alternative system as may be approved to the satisfaction of the Chief Planner and Executive Director, City Planning and Executive Director, Housing Secretariat;
2. Unit mix and unit sizes of the ARH units will be consistent with the unit mix and average size by unit type of the gross floor area of the market residential units;
3. ARH units will be provided as per the City's Official Plan definition of affordable rental housing, where the total monthly shelter cost (i.e. gross monthly rent, inclusive of utilities for heat, hydro, hot water and water) is at or below the lesser of one times the average City of Toronto rent, by dwelling unit type, as reported annually by the Canada Mortgage and Housing Corporation, or 30% of the before tax monthly income of renter households in the City of Toronto as follows:
 - (a) Studio units: one-person households at or below the 50th percentile income;
 - (b) One-bedroom units: one-person households at or below the 60th percentile income;
 - (c) Two-bedroom units: two-person households at or below the 60th percentile income;
and
 - (d) Three-bedroom units: three-person households at or below the 60th percentile income;
4. The specific distribution and location of the ARH units will be identified through a Housing Issues Report provided at the time of Site Plan Approval for any proposed building containing ARH units;

5. The ARH units shall be made ready and available for occupancy no later than the date by which 70 percent of the market units in the proposed development are made available and ready for occupancy, subject to any revisions to the satisfaction of the Chief Planner and Executive Director, City Planning;
6. The ARH units will be provided in a contiguous group(s) of at least six (6) units, with no associated vehicular parking; and
7. The ARH units will satisfy one hundred percent of the 4% Community Benefit Charge requirement for this development and will be secured in an agreement pursuant to Section 37(7.1) of the Planning Act and registered on title in priority.

Additional City Interests Secured in Settlement

In addition to these matters which we understood to be requirements of the City for any settlement to be recommended to Council, we also wish to confirm the following within the context of this without prejudice offer.

Our Client's development will be subject to cash-in-lieu of a parkland dedication pursuant to Section 42 of the *Planning Act*.

The residential units provided in the proposed development will deliver a unit mix in accordance with the current Growing Up Guidelines and, for greater certainty, will include the provision of 10% of the units being 3 bedrooms and 25% of the units being 2 bedrooms or 2 bedrooms capable of being converted to 3 bedrooms. This requirement will be secured in the ZBLA to be finalized with City staff as a condition to a final order by the Tribunal.

Additionally, our Client acknowledges the obligation to consult with NavCan as a result of the proximity of Billy Bishop Airport regarding the ultimate building heights proposed in the enclosed draft instruments.

Implementation of Settlement Offer

This without prejudice settlement offer is being provided at this time on the understanding that it will be the subject of an in-camera report to City Council for its meeting commencing on November 13, 2024 and that a decision from City Council on this without prejudice offer will issue from that meeting.

In the event that City Council accepts this offer, it is our Clients' expectation that the City will advise the Ontario Land Tribunal (the "Tribunal") and the parties to the Tribunal proceeding that a full settlement of our clients' appeals has been reached, subject to the conditions set out below. Additionally, the City shall attend at any Tribunal proceeding including any hearing on the merits should one or more of the parties to the proceeding object to the settlement, and shall not oppose the settlement proposal as reflected in this offer.

Our Client agrees to work with the City on the final form of the instruments in advance of a final order being issued by the Tribunal. A condition of this without prejudice offer is that City staff receive direction from City Council at its meeting commencing on November 13, 2024 to support the OPA to implement this settlement package, in the event it is appealed to the Tribunal and to consent to the consolidation of the OPA with the current ZBLA appeal before the Tribunal.

Our Client agrees that any Final Order of the Tribunal will be withheld until the following conditions are addressed:

1. The Zoning By-law Amendment is in a final form satisfactory to the Executive Director, Development Review, and the Owner, which shall include Holding conditions as set out in the Settlement Offer (as set out below);
2. Any Official Plan Amendment relief required by the settlement proposal has been approved and is in force and effect or will be in force and effect through the same final order;
3. To the extent the final order includes an Official Plan Amendment, joint ministerial approval pursuant to the Lower Don Special Policy Area and Lower Don Protocol has been obtained;
4. The owner has entered into and registered on title an agreement with the City to secure the provision of Affordable Rental Housing, to the satisfaction of the City Solicitor;
5. A revised Pedestrian Level Wind Study including a Wind Tunnel Study, with recommendations implemented as part of the Zoning By-law Amendment and the City has advised that any building envelope changes to address the findings of the studies have been made, to the satisfaction of the Executive Director, Development Review;
6. City Council has received a final report on the Precinct Plan for the McCleary District provided that such report is issued no later than six (6) months following the issuance of an Interim Order of the Tribunal.

Our Client is prepared to agree to propose condition six (6) above on the express understanding and expectation that no changes will be sought to the site specific approval provided for in this settlement offer through the Precinct Plan for the McCleary District and that the City will not seek to amend, without the consent of our Client, the interim Approval issued by the Tribunal.

7. In the event the Ontario Land Tribunal allows the appeals in whole or in part, City Council request the applicant, in consultation with the Ward Councillor, to commit to the following measures in addition to the implementation of the standard City of Toronto Construction Management Plan, to the satisfaction of the Chief Building Official and Executive Director, Toronto Building, the Executive Director, Development Review, including but not be limited to the following:
 - (a) Establish a Construction Liaison Committee made up of local representatives to the satisfaction of the local Councillor; the Committee is to meet monthly and notes from the meetings are to be shared with the members and the Councillor's office in a timely way following each meeting;
 - (b) Sweep the construction site as needed to be cleared of any construction debris and made safe;
 - (c) Pressure wash the construction site and adjacent sidewalks, laneways and roadways as needed to be cleared of any construction debris and made safe;

- (d) Ensure that the existing sidewalks and all pedestrian walkways have proper lighting to ensure safety and visibility at all times of the day and night;
- (e) Consult and communicate all construction, parking and road occupancy impacts with local businesses and residents in advance of any physical road modifications;
- (f) Install appropriate signage and converging mirrors where necessary to ensure that pedestrians, cyclists and motorists' safety is considered at all times;
- (g) Post a 24 hours a day/7 day contact number for the site superintendent on the construction hoarding;
- (h) Create a publicly accessible website with regular construction updates and post the website address on the subject site; and
- (i) Include a minimum of 75 percent of advertisement surface area on the construction hoarding facing Lake Shore Boulevard East to be allocated to artwork at their sole cost, in collaboration with the Steps Initiative and to the satisfaction of the Ward Councillor.

Holding Provisions

As noted in condition 1, above, the final form of the Zoning By-law will include a holding ("H") symbol, to be removed in whole or in part, when the implementation of the following conditions at the owner's sole expense have been secured to the satisfaction of the Executive Director, Development Review through the execution and registration on title of an agreement, or agreements:

1. A Functional Servicing Report demonstrating satisfactory arrangements to secure the provision of local municipal infrastructure, and/or acceptable interim arrangements and infrastructure including sewer, water, and stormwater networks to service the proposed development, has been submitted to the satisfaction of the General Manager, Toronto Water and the Executive Director, Development Review;
2. Sanitary servicing capacity issues have been addressed through completion of any necessary capital improvements, or through any interim improvements and arrangements as detailed by the owner, to the satisfaction of the General Manager, Toronto Water and the Executive Director, Development Review;
3. A revised noise study, air quality study, and a detailed design plan for any sensitive land use which demonstrate that appropriate noise and/or air quality mitigation works will be implemented and the noise and air quality studies have been peer review at the owner's expense. The owner may be requested to provide a copy to industrial operators within the Port Lands.
4. The requirements of Ministry of Environment, Conservation and Parks regulation and guidelines, including NPC-300, in accordance with the July 11, 2022 Ontario Land Tribunal Decision approving the Port Lands Area Specific Policies, have been satisfactorily addressed;

5. The requirements of any agreements with the City and third parties, and the July 11, 2022 Ontario Land Tribunal Decision respecting noise and air quality mitigation have been satisfactorily addressed;
6. The location, design, and provision of transportation infrastructure to support the redevelopment have been secured to the satisfaction of the Executive Director, Development Review, including:
 - (a) The conveyance of lands to the City of Toronto required for the extension of Broadview Avenue south of Lake Shore Boulevard East and the submission of plans demonstrating consistency with the most recent designs available from the City of Toronto Transportation Services, as of the date of the Settlement Offer, for the future extension of Broadview Avenue along the eastern frontage of the site;
 - (b) The conveyance of lands to the City of Toronto required for the extension of Villiers Street east of Saulter Street South; and
 - (c) All lands conveyed to the City of Toronto are free and clear of all obstructions and encumbrances, save for tie backs as determined to be necessary during the site plan approval process, and subject to a temporary easement above and below ground in favour of the owners of 685 Lakeshore at no cost to provide for pedestrian and vehicular access purposes, including construction access, construction staging, and crane swings, until such time as the said lands have been laid out and dedicated for public highway purposes, all to the satisfaction of the Executive Director, Development Review and the City Solicitor;
7. The owner has provided written confirmation from the Toronto and Region Conservation Authority that:
 - (a) Any necessary flood protection infrastructure is complete and functional, and the Special Policy Area designation is removed; or
 - (b) That the requirements of the Protocol Regarding the Lower Don Specific Policy Area have been satisfied;
8. Acceptance by the Chief Planner and Executive Director, City Planning and the Executive Director, Housing Secretariat, of a Housing Plan that identifies:
 - (a) The percentage of dwelling units that will be two and three bedrooms in size for both the market units and for the affordable housing units;
 - (b) The proposed number, unit types, unit sizes, unit mix, layouts, location of affordable housing units, and all related facilities to support the affordable rental housing units in a development; and
9. Approval by the Executive Director, Toronto Emergency Management, or their designate, of emergency servicing, including fire, paramedic, and fire service capacity for the proposed development.

As noted above, this offer shall remain open for consideration until the end of the City Council meeting scheduled to commence on November 13, 2024. This offer may only be disclosed following the City's acceptance of the offer and with our Client's consent.

In the event that City Council elects to not accept this without prejudice settlement offer by the close of that meeting the offer shall be considered revoked.

Should you have any questions or require clarification to the above, please do not hesitate to contact the undersigned.

Yours truly,

AIRD & BERLIS LLP



Eileen P.K. Costello
EPKC/gg

Encl.

cc: Client