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October 30, 2024

Our File No.: 221252

WITHOUT PREJUDICE

City of Toronto
Legal Services
26th Floor, 55 John Street
Metro Hall
Toronto, ON M5V 3C6

Attention: Jason Davidson/Amrit Sandhu

Dear Sirs/Mesdames:

**Re: 2079-2111 Yonge Street, 9-11, 21, 31, 35 and part of 37 Hillsdale Avenue East, and 12-18 and part of 20 Manor Road East – Without Prejudice Settlement Offer
Ontario Land Tribunal Case No. OLT-24-000572**

We are solicitors for CSG-Yonge Manor Limited and CSG Hillsdale Limited in respect of the properties known municipally as 2079-2111 Yonge Street, 9-11, 21, 31, 35 and part of 37 Hillsdale Avenue East, and 12-18 and part of 20 Manor Road East (the “**Lands**”). After pre-consultation with City staff, on September 15, 2023, our client filed official plan amendment and rezoning applications for the Lands (the “**Applications**”).

On March 21, 2024, City Council refused the Applications (the “**Refusal**”), which our client appealed to the Ontario Land Tribunal (the “**Tribunal**”) pursuant to subsections 22(7) and 34(11) of the *Planning Act*. We are writing on behalf of our client to provide a without prejudice settlement offer in respect of our client’s appeal of the Refusal, which should be considered as open until the conclusion of the City Council meeting scheduled to commence on November 13, 2024, unless otherwise indicated.

As you know, our client engaged in without prejudice discussions with City staff regarding the redevelopment proposal for the Lands. These discussions resulted in a revised set of plans, prepared by Turner Fleisher Architects Inc., which are attached to this letter as Schedule “A” (the “**Revised Plans**”). Our client has also filed alteration and demolition applications to implement the Revised Plans on October 4, 2024, pursuant to Section 33 and 34 of the *Ontario Heritage Act*. Our client greatly appreciates the efforts of City staff in achieving this recommended settlement.

The terms of this without prejudice settlement offer are as follows:

1. The settlement offer is based on the Revised Plans, which would be implemented through approval of the resulting official plan amendment and zoning by-law amendment, to be finalized to the satisfaction of the City in accordance with the Revised Plans.
2. Key aspects of the Revised Plans include:
 - a. The height of the building is now 26-storeys with a resulting gross floor area of approximately 35,525.0 square metres;
 - b. The overall built form has been adjusted in accordance with the Revised Plans to achieve increased setbacks and stepbacks, as well as a sculpted podium and appropriate relationship with the heritage building conserved at the northwest corner of the Lands;
 - c. Public space has been increased through provision of a new on-site public park with an area of approximately 562 square metres, with the opportunity for an expanded public park through City acquisition of additional lands in accordance with paragraph below;
 - d. The proposed unit mix includes a minimum 52 of the units as 3-bedroom units, 132 of the units as 2-bedroom units, and three 4-bedroom units;
 - e. The implementing zoning by-law amendment will secure a minimum amount of combined indoor and outdoor amenity space at a ratio of 4.0 square metres per unit; and,
 - f. The implementing zoning by-law amendment will secure a minimum of three retail units on the ground floor level.
3. The proposed unencumbered public parkland dedication would be conveyed to the City prior to the first above-grade building permit in respect of the development, for nominal consideration in a condition satisfactory to the General Manager, Parks, Forestry and Recreation, free and clear of all physical encroachments and obstructions above and below grade, save and accept for tiebacks, and not encumbered by any easements or interest in land above and below grade, in accordance with all City policies in respect of the environmental condition of lands conveyed to the City. The Owner shall undertake Base Park Improvements at the owner's cost and expense. In exchange for a development charge credit, the Owner shall have the option of constructing the Above Base Park Improvements following conveyance of the parkland dedication to the City, to the satisfaction of the General Manager, Parks, Forestry and Recreation. Further, our client would be permitted to use the lands proposed to be conveyed (or purchased) as public parkland for the purposes of construction staging, subject to entering into the City's standard form agreements, with

insurance, confirmation that the lands remain environmentally clean, release and indemnity provisions. The option for the City to acquire any additional lands for an expanded public park would expire upon the earlier of the first above-grade building permit for the development or three (3) years after final approval of the site-specific zoning by-law amendment.

4. Should City Council approve, the Owner shall receive a development charge credit against the Parks and Recreation component of the Development Charges for the development for the cost of the design and construction of the Above Base Park Improvements by the owner, to the satisfaction of the General Manager, Parks, Forestry & Recreation. The development charge credit shall be in an amount that is the lesser of the cost to the Owner of designing and constructing the Above Base Park Improvements, as approved by the General Manager, Parks, Forestry & Recreation, and the Parks and Recreation component of development charges payable for the development in accordance with the City's Development Charges By-law, as it may be amended from time to time.
5. Subject to City Council approval, the Owner may propose the exception of encumbrances in the form of de-stressed tie-backs, where such an encumbrance is deemed acceptable by the General Manager, Parks, Forestry and Recreation, in consultation with the City Solicitor. Such an encumbrance will be subject to the payment of compensation to the City, with such payment being made prior to issuance of the first Building Permit, in an amount as determined by the General Manager, Parks, Forestry and Recreation and the Executive Director, Corporate Real Estate Management.
6. Our client agrees to secure thirty-three (33) replacement rental units as part of the proposed development. These rental replacement units would replace thirty-three (33) existing residential rental units on the Lands. In the event that the City exercises its option to acquire additional lands for an expanded public park in accordance with paragraph 3 above, our client would agree to replace any residential rental units existing on those lands as part of the development.
7. Our client agrees that, in the event City Council accepts this without prejudice settlement offer, the final order of the Ontario Land Tribunal would be withheld, pending completion of the following pre-conditions, with the Ontario Land Tribunal available to be spoken to in the event that an issue arises as a result of completion of those pre-conditions:
 - a. City Council has approved Rental Housing Demolition Application 23 201074 STE 12 RH under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the City of Toronto Act, 2006, to permit the demolition of the existing rental housing, and the owner has entered into, and registered on title to the lands, an Agreement pursuant to Section 111 of the City of Toronto Act securing replacement of the existing rental dwelling units and all other rental housing related matters, all

to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning;

- b. the Owner shall provide a detailed Conservation Plan, prepared by a qualified heritage consultant that is substantially in accordance with the conservation strategy set out in the Heritage Impact Assessment prepared by ERA Architects dated October 4, 2024, for the Lands, to the satisfaction of the Senior Manager, Heritage Planning;
- c. the Owner shall enter into a Heritage Easement Agreement with the City for the Lands, substantially in accordance with the plans and drawings dated October 2, 2024 prepared by Turner Fleischer Architects Inc. on file with the Senior Manager, Heritage Planning and the Heritage Impact Assessment prepared by ERA Architects dated October 4, 2024, and on file with the Senior Manager, Heritage Planning, subject to and in accordance with the approved Conservation Plan required above, to the satisfaction of the Senior Manager, Heritage Planning, including execution and registration of such agreement to the satisfaction of the City Solicitor;
- d. the Owner has provided a revised Functional Servicing Report and a revised Stormwater Management Report, such reports to be reviewed to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services and has made satisfactory arrangements for the construction of any improvements to the municipal infrastructure in connection with the Functional Servicing and Stormwater Management Report, should it be determined that improvements to such infrastructure are required to support this development;
- e. the form and content of the Official Plan Amendment and Zoning By-law Amendment are satisfactory to the Executive Director of Development Review and the City Solicitor; and,
- f. the Owner has provided a withdrawal letter respecting its appeal of By-law 595-2022 (Midtown Village Character Area) in OLT Case No. OLT-22-004174.

As noted above, this without prejudice settlement offer will remain open until the end of the City Council meeting scheduled to commence on November 13, 2024, unless otherwise indicated, at which point it should be considered as withdrawn if not accepted by City Council.

Yours truly,

Goodmans LLP

A handwritten signature in blue ink, appearing to read "D. Bronskill", is positioned above the printed name.

David Bronskill
DJB/

1378-5816-1167