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June 5, 2025

Our File No.: 242063

**WITHOUT PREJUDICE**

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

**Attention: Sarah O'Connor/Jessica Amey**

Dear Sirs/Mesdames:

**Re: Lead Case No. OLT-24-001246 – Without Prejudice Settlement Offer  
586 Eglinton Avenue East**

We are solicitors for Sanderling Developments Limited in respect of the property known municipally in the City of Toronto as 586 Eglinton Avenue East (the “**Lands**”). We are writing on behalf of our client to provide a without prejudice settlement offer in respect of the above-noted matter, which should be considered as open until the conclusion of the City Council meeting scheduled to commence on June 25, 2025, unless otherwise indicated.

As you know, our client engaged in without prejudice mediation with City staff, followed by direct without prejudice discussions with City staff. This process has resulted in a revised set of plans, prepared by architectsAlliance and dated May 27, 2025, which are attached to this letter as Schedule “A” (the “**Revised Plans**”).

Our client greatly appreciates the efforts of City staff in achieving this proposed 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 the resulting official plan amendment and zoning by-law amendment
  - a. The tower floor plate has been reduced to approximately 655 square metres (gross construction area) through the provision of tower setbacks of 10.0 metres to the west, north and east, with no balconies projecting into those tower setbacks;
  - b. The height of the building is now 46-storeys with a resulting gross floor area of approximately 27,970 square metres; and,

- c. The overall built form has been adjusted in accordance with the Revised Plans to include a sculpted podium with an enhanced at-grade setback and retail gross floor area.
2. As part of any settlement in this matter, the implementing zoning by-law amendment would also secure the following:
  - a. Unit Mix – a minimum of 10 per cent of the total number of units as 3-bedroom units, a minimum of 15 per cent of the total number of units as 2-bedroom units, and an additional 15 per cent of the total number of units will be a combination of 2-bedroom and 3-bedroom units, or units that can be converted to 2- and 3-bedroom units through the use of accessible or adaptable design measures;
  - b. Amenity Space – indoor and outdoor amenity space shall be provided at a combined minimum rate of 3.5 square metres per unit; and,
  - c. Replacement of Office Gross Floor Area – Twenty-five percent (25%) of the existing office gross floor area on the Lands would be replaced in the form of at-grade retail and affordable rental housing, currently shown at 201 square metres of at-grade retail gross floor area and 804 square metres (8,654 square feet) of affordable rental housing to be secured as affordable for 25-years (the “**Affordability Period**”).
3. All affordable rental housing units above (the “**Affordable Rental Housing Units**”) shall be provided in accordance with the terms outlined in Appendix “A”, to the satisfaction of the Chief Planner.
4. Our client is prepared to have discussions with City staff, in consultation with the local councillor, to explore the potential for delivery of additional affordable units within the development as an in-kind community benefit pursuant to section 37(6) of the *Planning Act*.
5. 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, with the Ontario Land Tribunal available to be spoken to in the event that an issue arises as a result of completion of these pre-conditions:
  - the proposed Official Plan and Zoning By-law Amendments are in a final form and content satisfactory to the Chief Planner and Executive Director, Development Review and City Solicitor;
  - the owner has submitted a revised Transportation Management Plan acceptable to, and to the satisfaction of, the Chief Planner and Executive Director, City Planning and the General Manager, Transportation Services;

- the owner has submitted a Methane Gas Investigation Report acceptable to, and to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services, and that such matters arising from such study be secured if required;
- the owner has submitted a revised pedestrian level wind study, including the identification of any required mitigation measures to be secured in the Zoning By-law amendment and through the site plan control process, to the satisfaction of the Chief Planner and Executive Director, City Planning;
- the owner has submitted an updated complete Toronto Green Standards Checklist and Statistics Template, to the satisfaction of the Chief Planner and Executive Director, City Planning;
- the owner has entered into one or more agreement(s) with the City to secure the Affordable Rental Housing Units comprising a minimum residential gross floor area of 784 square metres on the terms and conditions in Appendix “A”, and has registered on title to the site a s.118 restriction under the Land Titles Act agreeing not to transfer or charge any of the lands without consent of the Chief Planner and Executive Director, City Planning, all to the satisfaction of the Chief Planner, and Executive Director, City Planning and the City Solicitor;
- the owner has satisfactorily addressed the Zoning By-law, Official Plan Amendment and applicable Site Plan Control matters in the Engineering and Construction Services Memorandum dated May 30, 2022 and November 7, 2024 or as may be updated, in response to further submissions filed by the owner, all to the satisfaction of the Chief Engineer and Executive Director of Engineering and Construction Services, and the General Manager, Transportation Services;
- the owner has provided vehicle maneuvering diagrams (VMDs) in respect of the proposed loading, parking and pick-up/drop-off spaces, as well as a pick-up/drop-off study, to the satisfaction of the General Manager, Transportation Services;
- the zoning by-law for the lands may include a holding provision and that an amending by-law to remove the holding symbol be enacted when the following are fulfilled:
  - the owner and/or the applicant, at their sole cost and expense has submitted a revised Functional Servicing and Stormwater Management Report to demonstrate that the existing sanitary sewer system and watermain and any required improvements to them, have adequate capacity and supply to accommodate the development of the lands to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services; and

- if the accepted Functional Servicing and Stormwater Management Report require any new municipal infrastructure or upgrades to existing municipal infrastructure to support the development, then either:
- the owner or applicant has secured the design, construction, and provision of financial securities for any new municipal infrastructure, or any upgrades or required improvements to the existing municipal infrastructure identified in the accepted Functional Servicing and Stormwater Management Report, to support the development, in a financial secured agreement, all to the satisfaction of the Chief Engineer and Executive Director, Engineering and Construction Services; or,
- the required new municipal infrastructure or upgrades to existing municipal infrastructure to support the development in the accepted Functional Servicing and Stormwater Management Report are constructed and operational, all to the satisfaction to the Chief Engineer and Executive Director, Engineering and Construction Services; and
- all necessary approvals or permits arising from the above are obtained, where required, to the satisfaction to the Chief Engineer and Executive Director, Engineering and Construction Services.

As noted above, this without prejudice settlement offer will remain open until the end of the City Council meeting scheduled to commence on June 25, 2025, unless otherwise indicated, at which point it should be considered as withdrawn if not accepted by City Council.

Yours truly,

**Goodmans LLP**



David Bronskill  
DJB/

**APPENDIX “A”****TERMS REGARDING THE AFFORDABLE RENTAL HOUSING UNITS**

1. The Affordable Rental Housing Units shall be provided in accordance with the terms outlined below, to the satisfaction of the Chief Planner:
  - a. the unit mix shall be consistent with the overall unit mix in the development;
  - b. the Affordable Rental Housing Units shall be provided in a contiguous group of at least six (6) rental dwelling units;
  - c. the average unit size shall be no less than the average unit size of the market units, by unit type;
  - d. the minimum unit size shall be no less than the minimum unit sizes of the market units, by unit type;
  - e. The size, location and layout of the Affordable Rental Housing Units shall be indicated in the approved drawings for the Site Plan Control application for the site, subject to minor modifications at the detailed design stage prior to the issuance of the first Above Grade Building Permit for the lands;
  - f. tenants of the Affordable Rental Housing Units shall be provided with access to, and use of, all indoor and outdoor amenities in the development at no extra charge, with access to, and use of, these amenities on the same terms and conditions as any other resident of the building without the need to pre-book or a pay a fee, unless specifically required as a customary practice for private bookings;
  - g. rent shall be determined through an income approach based on the City’s definition for “affordable rental housing and affordable rents” in the City of Toronto Official Plan, implemented through OPA 558. During the Affordability Period, increases to initial rents charged to tenants occupying any of the affordable rental housing units shall be in accordance with the Residential Tenancies Act and shall not exceed the Provincial rent guideline, regardless of whether the Provincial rent guideline applies to the affordable rental housing units under the Residential Tenancies Act;
  - h. the Owner will use the City's Centralized Affordable Housing Access System to advertise and select tenants for the Affordable Rental Housing Units, provided it is in place, unless otherwise agreed to by the Executive Director, Housing Secretariat; and at least six (6) months in advance of any Affordable Rental Housing Unit being made available for rent, the owner shall develop and

implement an Access Plan which will outline how the affordable rental housing units will be rented to eligible households in consultation with, and to the satisfaction of, the Executive Director, Housing Secretariat;

- i. all Affordable Rental Housing Units will be provided with ensuite laundry facilities and central air conditioning at no extra charge;
- j. tenants of the Affordable Rental Housing Units will be provided with access to permanent and visitor bicycle parking/bicycle lockers in accordance with the Zoning By-law and on the same basis as other units within the development; and
- k. the Affordable Rental Housing Units shall be made ready and available for occupancy no later than the date by which seventy percent (70%) of the new dwelling units erected on the site as are available and ready for occupancy.