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Our File No.: 223536

DELIVERED BY EMAIL

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

Attention: Ray Kallio, City Legal Services

Dear Mr. Kallio,

Re: Without Prejudice: Settlement Proposal
Application No: 22 234848 ECS 21 OZ and 25 202217 ESC 21 OZ
Appeal of Official Plan and Zoning By-law Amendment
OLT File Nos.: OLT-25-000664, OLT-24-000032
2640-2650 Lawrence Avenue East and 1451 Midland Avenue

We are solicitors for First Capital Holdings (Ontario) Corporation (“**First Capital**”), the owners of the properties known municipally in the City of Toronto (the “**City**”) 2640-2650 Lawrence Avenue East and 1451 Midland Avenue that are current operating as the Midland Lawrence Plaza (the “**Midland Plaza**”). First Capital has made application for an Official Plan amendment (“**OPA**”) for the Midland Plaza and a Zoning By-law amendment (“**ZBA**”) for the subject site located at the southwest corner of Midland Plaza (the “**Subject Site**”).

First Capital has appealed its OPA and ZBA applications to amend the City of Toronto Official Plan and Zoning By-law 569-2013 (the “**OPA and ZBA Applications**”) to the Ontario Land Tribunal (the “**OLT**”). The OPA and ZBA Applications were the subject of a productive mediation process that resulted in specific adjustments to the proposed development. We are hereby writing to provide the City with a resulting Without Prejudice Settlement Offer from First Capital (the “**First Capital Settlement Offer**”), which we ask you to submit to City Council on June 24, 2026. Our client greatly appreciates the efforts of City staff in achieving this proposed settlement.

Background:

The Subject Site is part of a larger 2.58-hectare property located at the northeast corner of Lawrence Avenue East and Midland Avenue, containing Midland Plaza, in the Bendale-Glen Andrew neighbourhood in the former City of Scarborough. The Subject Site is approximately 0.79 hectares in size and is located at the southwest corner of Midland Lawrence Plaza.

While the ZBA application applies to the Subject Site, the OPA application applies to the entire Midland Plaza and was submitted out of an abundance of caution.

The OPA and ZBA Applications would permit redevelopment of the Subject Site with:

- a 33-storey (approximately 106.4 metres exclusive of mechanical penthouse) mixed use building above a 6-storey podium (the “**North Tower**”); and
- a 43-storey (approximately 137.2 metres exclusive of mechanical penthouse) building above an 8 storey podium (the “**South Tower**”); with
- non-residential gross floor area of approximately 1,925 square metres; and
- no provision for on-site parkland.

First Capital appealed the OPA and ZBA Applications to the OLT pursuant to subsection 22(7) and 34(11) of the *Planning Act* for the failure of City Council to make a decision within the applicable statutory timeline. The City and First Capital participated in two OLT Case Management Conferences (“**CMC**”), one for each of the OPA and ZBA Appeals. At the second CMC the OPA and ZBA Appeals were consolidated. Hearing dates have been set for the OPA and ZBA appeals to be heard together on November 17, 2026. Throughout the month of May, 2026, the City and First Capital participated in private mediation sessions in an effort to resolve the issues raised by City Staff in regard to the OPA and ZBA Applications. These sessions have resulted in the included First Capital Settlement Offer.

In that respect, we are writing to provide the City with a Without Prejudice Settlement Offer from First Capital which we ask you to submit to City Council on June 24, 2026. If accepted, then First Capital and the City would jointly support the settlement at an OLT hearing of the OPA and ZBA Applications to be requested prior to the November 2026 scheduled hearing dates.

The First Capital Settlement Offer attached as Appendix “A” to this confidential attachment and the associated settlement plan dated June 8, 2026 and sent under separate cover and can be summarized as follows:

- the height of the South Tower was reduced from 43 storeys to 34 storeys (approximately 116.4 metres inclusive of mechanical penthouse) ;
- the height of the North Tower was increased from 33 storeys to 39 storeys (approximately 131.2 metres inclusive of mechanical penthouse) ;
- the increase in the amount of non-residential gross floor area to approximately 1,940 square metres fronting onto Lawrence Avenue East;
- an off-site parkland dedication with a minimum area of 791 square metres with a minimum frontage on Midland Avenue of approximately 29.6 metres will be provided on the larger Midland Plaza lands prior to the issuance of first above-grade building permit for any building on the Subject Site;

- the abovementioned parkland dedication will be:
 - free and clear, above and below grade, of all easements, encumbrances, and encroachments;
 - conveyed to the City in an acceptable environmental condition; and
 - fully removed from the floodplain.
- the regulatory floodplain line on the Midland Avenue frontage of Midland Plaza will be amended and proposed buildings fronting on Midland Avenue will be setback a minimum of 4 metres from the amended floodplain line with a reduced setbacks of 2.5 metres and 3 metres at pinch points located at the northern edge of the Subject Site and at the intersection of Midland Avenue and Lawrence Avenue East; and
- existing private driveways will provide access from Midland Avenue and Lawrence Avenue East with the private driveway from Midland Avenue providing an approximate overall width, including pavement width and edge treatments, of 16.5 metres and a private driveway from Lawrence Avenue East providing an approximate overall width, including pavement width and edge treatments, of 12.0 metres.

Finally, First Capital will provide a demonstration plan, generally illustrating a phased plan for the development of the Subject Site and the potential development of Midland Plaza including: the phasing of the entire Midland Plaza, including the proposed public roads, park and potential park expansion options.

As noted above, this without prejudice settlement offer will remain open until the end of the City Council meeting scheduled to commence on June 24, 2026, unless otherwise indicated, at which point it should be considered as withdrawn if not accepted by City Council.

We would be pleased to submit any further information as required.

Yours truly,

Goodmans LLP



Anne Benedetti

cc. Chris Atkins, First Capital

**APPENDIX “A”
To First Capital’s Settlement Offer Letter**

Support at the Ontario Land Tribunal (“OLT”):

- 1.1** First Capital and the City (the “**Parties**”) each agree,
- (a) to jointly support a settlement (the “**Settlement**”) at the OLT Hearing of First Capital’s zoning appeal, which would allow for its resolution upon the terms and conditions set out in the First Capital Settlement Offer, and
 - (b) to that end, either Party may file the First Capital Settlement Offer at the OLT Hearing.

Site Specific Zoning Amendments

- 1.2** The Parties each agree that an official plan amendments is not required to permit the redevelopment of the Midland Plaza generally in accordance with the drawing dated June 8, 2026 and sent under a separate cover.
- 1.3** The Parties each agree to request the Tribunal approve zoning by-law amendments to permit the redevelopment of the Subject Site generally in accordance with the drawing dated June 8, 2026 and sent under a separate cover.

Built Form and Urban Design Matters:

- 1.4** The Parties each agree that the zoning by-law amendment will incorporate the following built form and urban design matters generally as shown on the drawings dated June 8, 2026 and sent under a separate cover:
- (a) Minimum Setback from Midland Avenue increased to 4 metres and minimum setback from Lawrence Avenue East remains 3 metres with no balcony encroachment below 16-metre street wall height to allow complete street elements such as street tree growths and good pedestrian environment
 - (b) base building heights of 4-storeys with a step back to a 6 storeys podium surrounding the North Tower and base building heights of 6-storeys with a step back to an 8-storey podium surrounding the South Tower as shown on the drawing dated June 8, 2026 and sent under a separate cover;
 - (c) heights of buildings generally as shown on the drawing dated June 8, 2026 and sent under a separate cover subject to appropriate increases to incorporate the number of storeys and built form set out in metric;
 - (d) a combined tower setback of 10 metres from Lawrence Avenue East for the South Tower as shown on the drawing dated June 8, 2026 and sent under a separate cover;

- (e) Maximum Tower Floor Plate for both north and south tower is 750 square metre gross construction area; and
- (f) Tower Separation distance reduced to approximately 25 metres between north and south tower.

Unit Mix

- 1.5** The proposed buildings will meet the unit mix requirements in the Growing Up Planning for Children in New Vertical Communities Guidelines, of a minimum of 25% large units made up of: 10% of the units should be three or more bedroom units and 15% of the units should be two or more bedroom units.

Amenity Space

- 1.6** The proposed development will provide a minimum of 4.0 square metres for each dwelling units of amenity space made up of approximately 1.66 square metres of interior amenity space and approximately 2.44 square metres of exterior amenity space, combined for both the North and South buildings.

Park Land Matters:

- 1.7** An off-site parkland dedication will be provided on the Midland Plaza lands with the first phase of any development of the Subject Site. The off-site parkland dedication shall be:
- (a) located in the northwest corner of the Midland Plaza lands;
 - (b) a minimum area of 791 square metres;
 - (c) a minimum width of approximately 29.6 metres on the Midland Avenue frontage;
 - (d) conveyed to the City prior to the issuance of first above grade building permit for any building on the Subject Site;
 - (e) free and clear, above and below grade, of all easements, encumbrances, and encroachments;
 - (f) conveyed to the City in an acceptable environmental condition; and
 - (g) fully removed from the floodplain; and
 - (h) substantially in accordance with the drawing dated June 8, 2026 and sent under a separate cover.

Flood Plain Matters:

- 1.8** The regulatory floodplain line on the Midland Avenue frontage will be amended as generally as shown on the drawing dated June 8, 2026 and sent under a separate cover.
- 1.9** The proposed buildings fronting on Midland Avenue will be setback a minimum of 4 metres from the amended floodplain line with a reduced setback of 2.5 metres and 3 metres at the northern edge of the Subject Site and at the intersection of Midland Avenue and Lawrence Avenue East all as generally as shown on the drawing dated June 8, 2026 and sent under a separate cover.
- 1.10** The Parties each agree that the setbacks to the amended regulatory floodplain line, are appropriate, generally as shown on the drawing dated June 8, 2026 and sent under a separate cover and will be incorporated into the proposed official plan amendment and zoning by-law.

Access Matters

- 1.11** Access will be provided from both Midland Avenue and Lawrence Avenue West on the Midland Plaza lands outside of the Subject Site:
- (a) Access from Midland Avenue will be provided via a private driveway with a approximate overall width, including pavement width and edge treatments, of 16.5 metres as generally as shown on the drawing dated June 8, 2026 and sent under a separate cover; and
 - (b) Access from Lawrence Avenue West will be provided via a private driveway with an approximate overall width, including pavement width and edge treatments of 12.0 metres as generally as shown on the drawing dated June 8, 2026 and sent under a separate cover.

Demonstration Plan Matters:

- 1.12** First Capital and the City acknowledge and agree that First Capital will provide a demonstration plan generally illustrating a phased plan for the development of the Subject Site and the potential development of Midland Plaza including: the phasing of the entire Midland Plaza, including the proposed public roads, Phase 1 secured parkland, and future phase park expansion options.

Order to be withheld

- 1.13** The Parties also agree to request the Tribunal withhold its order approving the zoning by-law amendment until the Tribunal is advised by the City Solicitor that:
- (a) the final form of the zoning by-law is acceptable to the City Solicitor and Executive Director, Development Review;

- (b) 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, to the satisfaction of the Executive Director, Development Review;
- (c) the owner has submitted a revised Transportation Impact Study, together with satisfactory vehicle manoeuvring diagrams, demonstrating that passenger vehicles, a Single Unit (SU) design vehicle, and City of Toronto front loading refuse collection vehicles can be safely and adequately accommodated on-site and at proposed access points, to the satisfaction of the Executive Director, Development Review;
- (d) the owner has satisfactorily addressed matters from Tree Protection and Plan Review, Urban Forestry Memorandum dated December 11, 2025, or any outstanding issues raised by Urban Forestry, arising from the ongoing technical review (including provision of acceptable reports and studies), as they relate to the Zoning By-law Amendment application, to the satisfaction of the Executive Director of Environment, Climate & Forestry and the owner;
- (e) the owner has submitted a final Site Grading Plan, signed and stamped by a qualified professional engineer, to the satisfaction of the Toronto and Region Conservation Authority and the City;
- (f) the owner has submitted a final floodplain/flood hazard memorandum, signed and stamped by a qualified professional engineer to the satisfaction of the Toronto and Region Conservation Authority;
- (g) the owner has submitted a revised Landscape Plan, to the satisfaction of the Executive Director, Development Review;
- (h) the owner has submitted a revised Functional Servicing and Stormwater Management Report to the satisfaction of the Director, Engineering Review;
- (i) The owner has secured the design and provided financial securities in respect of any upgrades or required improvements to the existing municipal infrastructure identified in the accepted Engineering Reports, to support the development, all to the satisfaction of the Director, Engineering Review, and the General Manager, Toronto Water, should it be determined that improvements or upgrades are required to support the development, according to the Engineering Reports accepted by the Director, Engineering Review, and the General Manager, Toronto Water; and
- (j) the owner has entered into a Municipal Infrastructure Agreement to financially secure the construction of any improvements to the municipal infrastructure in connection with the Functional Servicing Report accepted by the Director, Engineering Review, should it be determined that improvements to such infrastructure are required.

