

Calvin Lantz
Direct: (416) 869-5669
Fax: (416) 947-0866
E-mail: CLantz@stikeman.com

BY E-MAIL
teycc@toronto.ca

March 26, 2026
File No.: 043970.1006

City of Toronto
Toronto & East York Community Council
Toronto City Hall
100 Queen Street West, Floor 2
Toronto, ON M5H 2N2

Attention: Ms. Cathrine Regan, Administrator

Dear Chair and Council Committee Members:

**Re: Item 31.7 – Toronto and East York Community Council – Meeting 31
Zoning By-law Amendment Application File No. 25 258901 STE 10 OZ
1-7 Yonge Street (South Block)
Redpath Sugar Ltd.**

We are solicitors for Redpath Sugar Ltd. (“**Redpath**”), the owner and operator of the sugar refinery, heavy industrial use located at 95 Queens Quay East, kitty-corner to and across Queens Quay East from the property and the existing building that is the subject of the above-noted Rezoning Application (“**Rezoning Application**”). This letter is being submitted in compliance with and in the context of the terms of the Three Party Agreement between the City of Toronto (the “**City**”), Redpath and Pinnacle International (One Yonge) Ltd. and Pinnacle International (Seven Yonge) Ltd. (collectively referred to as “**Pinnacle**”), dated January 30, 2019 (the “**TPA**”), as amended by the Second Amending Agreement (the “**Amending TPA**”), dated May 5, 2024, between the same parties.

We have had to opportunity to review the Decision Report, dated March 13, 2026 (the “**Staff Report**”), and the Rezoning Application materials posted on the City’s Application Information Centre. We make reference to the “Covering Letter and Planning Brief, Application for Zoning By-Law Amendment, Interior Alterations to the Existing Office Building 1-7 Yonge Street (South Block)”, from Bousfields Inc. to George Pantazis, Senior Planner, City of Toronto, dated November 12, 2025 (“**Cover Letter**”), in this letter.

The Rezoning Application is to facilitate the conversion of the existing 25-storey office building (former Toronto Star building) located on the south block of 1-7 Yonge Street (the “**Site**”) into a 468-suite hotel. Given the hotel use is proposed to be interim in nature, Pinnacle is not seeking to make exterior changes to the built form of the building or to the surrounding public realm, with the exception of introducing outdoor amenity space on the roof of the podium element of the existing office building. The complete absence of any exterior changes is proposed to avoid having to undertake a Site Plan Approval application.

Findings

Contrary to the Staff Report:

1. While the “(h)” holding provision is in place under By-law 249-2020, as amended by By-laws 753-2023 and 754-2023, a hotel is not a permitted use of the Site;
2. The zoning by-law amendment permits the introduction of a sensitive land use while the “(h)” holding provision remains in place;
3. The zoning by-law amendment permits the development of a proposed sensitive land use in proximity to Redpath without having determined the adverse effects and adverse impacts of the proposed hotel on Redpath and vice versa and without having secured the necessary mitigation to minimize those effects/impacts;
4. Compatibility must be determined prior to the proposed zoning by-law amendment coming into effect because there is no subsequent development approvals process under the *Planning Act* for the conversion of the existing office building to a hotel use;
5. The zoning by-law amendment allows the development of a proposed sensitive land use even if no changes to the built form of the existing building are needed to accommodate the proposed hotel use; and
6. The proposed zoning by-law amendment is not consistent with the Provincial Planning Statement (2024) (the “PPS”).

The Ask

We respectfully request that Community Council:

- send this matter back to Community Planning Staff for further consideration;
- encourage Staff to consult with Redpath to understand Redpath’s concerns and to work with the applicant and with Redpath to address Redpath’s concerns; and
- request Staff to bring this matter back before Community Council within 3 months, either with an information report on the status of negotiations or with a revised decision report.

Analysis (the Details)

Hotel is Not a Permitted Use

The Cover Letter constantly refers to this Rezoning Application as “operationalizing” a hotel use that is already permitted on the Site under By-law 754-2023, albeit subject to an “(h)” Holding Symbol. The Staff Report similarly states, “[w]hile the Zoning By-law already permits hotel uses in the south block, it has a holding provision.”

Subsection 5 b)(i) of By-law 249-2020, as amended, specifically says that the uses permitted in subsection 5 a) of the By-law, which includes a hotel use, shall not be permitted on all or any part of the lot which the “(h)” Holding Symbol continues to apply to. If Pinnacle does not lift the “(h)” Holding Symbol from the Site and proceed with the development facilitated by By-law 249-2020, as amended, they do not have permission for a hotel use on the Site.

Pinnacle fails to mention that the hotel use is also the subject of the TPA and the Amending TPA, that the hotel use is only permitted in a particular location on the Site with a particular built form, and that the hotel is subject to mitigation requirements that are to be secured through subsequent applications for site plan approval and building permit before construction and occupancy of the hotel is permitted¹.

The TPA had the following prohibition at s. 3.1:

The Owner covenants and agrees with and in favour of Redpath that no portion of the Southern Lands shall be used for Residential Uses or for Non-Residential Uses Analogous to a Residential Use.

According to the TPA, "Non-Residential Uses Analogous to a Residential Use" includes a "hotel" use, so this clause has the effect of prohibiting a hotel on the Southern Lands.

In the Amending TPA, s. 3.1 of the TPA was modified at s.2:

Section 3.1 of the Existing Agreement is amended by adding at the end thereof the words, "other than a hotel in the location shown in bold diagonal hatching on, and constructed substantially in accordance with, the plans attached hereto as Schedule "S" and otherwise constructed and used in accordance with the provisions of this Agreement (the "Hotel") within the lands described in PIN 21384-0166." For greater certainty, the parties acknowledge that the Hotel will be a Sensitive Land Use.

Schedule "S" to the Amending TPA shows the permitted² location of the Hotel diagonally hatched. It is limited to a very precisely designated location within the north half of the "Southern Lands". There is no permission to have a hotel in another location on an interim basis or otherwise.

Introduction of a Hotel Use as an Existing Use Without Determining Compatibility

The Rezoning Application is seeking to amend regulation 5 b)(ii) of By-law 249-2020, as amended, to allow a hotel to be an "existing use" of the Site on the date of the passing of the by-law so that the use will be permitted in all or any part of the existing building on the Site while the "(h)" continues to apply. Because the hotel use is not permitted on the Site while the "(h)" remains in place, the purpose of the zoning by-law amendment is to introduce a change in land use and the rezoning therefore constitutes "development" as defined by the PPS.

All parties (including the City) acknowledged in the Amending TPA that a hotel is a Sensitive Land Use (see s.3.1 of the Amending TPA repeated above).

The Rezoning Application seeks to introduce a Sensitive Land Use as an "existing use" under By-law 249-2020 without any noise, air quality or compatibility studies having been undertaken and no at-receptor mitigation in relation to preventing or minimizing adverse effects and adverse impacts between the proposed hotel and Redpath being considered. The proposed zoning by-law amendment in allowing a hotel use to be an "existing use" under By-law 249-2020 is contrary to the PPS, ss. 3.5.1 and 3.5.2.

¹ "Permitted" contractually as between Redpath and Pinnacle, however, the City of Toronto is also a signatory to the TPA and is aware of these obligations.

² "Permitted" contractually as between Redpath and Pinnacle and not by the applicable zoning by-law.

Compatibility Must Be Determined Prior to the Proposed Zoning By-Law Amendment Coming Into Effect

That “*Pinnacle is aware of obligations triggered under the Three Party Agreement obligations with Redpath Sugar. Pinnacle will ensure these obligations are met through the course of the development review process,*” (page 14 of the Cover Letter) is misleading. We understand that the intent of the statement from the Cover Letter is to provide some assurance that the proposed hotel, as a sensitive land use proposed in proximity to Redpath, will be made compatible with Redpath in accordance with the TPA.

The Amending TPA only permits the hotel use in a particular location on the Site with a particular built form, and that the hotel is subject to mitigation requirements that are to be secured through subsequent applications for Site Plan Approval and Building Permit before construction and occupancy of the hotel is permitted³.

The Cover Letter states in several places that no built form changes are proposed to the existing office building conversion to a hotel use, so that site plan approval is not triggered. Meaning that there is no subsequent development review process where compatibility will be assessed and through which the TPA and Amending TPA obligations will be met.

Since s. 3.5.2 of the PPS speaks to the development of proposed sensitive land uses in proximity to major facilities only being permitted if potential adverse affects to the proposed sensitive land use are minimized and mitigated, and potential impacts to industrial, manufacturing or other major facilities are minimized and mitigated. Compatibility must be determined prior to the proposed zoning by-law amendment coming into effect because there is no subsequent development approvals process under the *Planning Act* for the conversion of the existing office building to a hotel in which compatibility can be assessed. The zoning by-law amendment cannot be approved until consistency with ss. 2.8.1.3, 3.5.1 and 3.5.2 of the PPS is demonstrated.

A Lack of Built Form Change

The Cover Letter states in several places that no built form changes are proposed to the existing office building conversion to the hotel use. The Staff Report echoes this assertion with, “[*t*]he proposal does not include any physical change to the existing building.” The lack of built form changes to accommodate the proposed hotel use does not lessen the obligation to demonstrate that the proposed zoning by-law amendment that introduces a sensitive land use in proximity to Redpath, is consistent with ss. 2.8.1.3, 3.5.1 and 3.5.2 (the land use compatibility policies) of the PPS.

Even though no changes are proposed to the built form of the existing building on the Site, the facade of the building will be removed and remodeled to accommodate the hotel use resulting in (i) changes in the materials of the facade of the existing building; (ii) changes to the type and size of the windows in the façade, including that such windows could be operable; and (iii) new openings in the facades will be implemented, including doors to access the outdoor podium amenity space and air vents and intakes installed for each hotel suite and room. All of these modifications associated with converting the existing office building to a hotel use, if not considered for compatibility and mitigated, have the potential to put Redpath at risk.

³ “Permitted” contractually as between Redpath and Pinnacle, however, the City of Toronto is also a signatory to the TPA and is aware of these obligations.

Path Forward

The Rezoning Application proposed interim hotel use of the Site cannot be permitted as an “existing use”, an interim use, or a permanent use of the existing building unless and until the following conditions are satisfied:

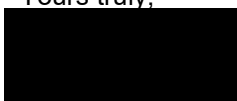
- the TPA is amended to allow for the hotel use in the existing building on the Site;
- compatibility has been assessed (noise and air quality) between Redpath and the proposed hotel use and appropriate at-receptor mitigation is recommended and required to minimize adverse effects and adverse impacts; and
- given that no built form changes are proposed to the existing office building to convert it to a hotel use, the determination of detailed mitigation requirements and securing the mitigation and the maintenance of such mitigation, as currently required through the Site Plan Approval and Building Permit processes by the TPA, must be secured upfront through an amendment to the TPA before a zoning by-law amendment allowing the hotel use comes into force and effect.

The Rezoning Application proposed interim hotel use of the existing office building on the Site is not permitted by the TPA, the Amending TPA or By-law 249-2020, as amended, as long as the “(h)” Holding Symbol remains in effect. The proposed hotel use cannot use or rely on mitigation processes and requirements in the TPA and Amending TPA for compatibility that are not applicable. An amendment of the TPA that secures the above conditions, among others that may be relevant, must be entered into prior to the zoning by-law amendment for the hotel use being enacted. If a by-law amendment permitting the interim hotel use is enacted before a TPA amendment is entered into, Redpath could be put at risk by the interim hotel use.

Please provide us with notice of any upcoming meetings of Council or Committee's of Council where this Rezoning Application will be considered and also provide us with notice of Council's decision on this Rezoning Application.

If you have any questions or require any further information, please contact me to discuss. Thank you for your attention to this matter.

Yours truly,



Calvin Lantz

CWL/na

cc. G. Pantazis, Senior Planner, City of Toronto
J. Park, Kagan Shastri DeMelo Winer Park LLP
B. Sadler, Redpath Sugar Ltd.
A. Lightstone, Valcoustics Canada Ltd.
T. van der Vooren, WSP E&I Canada Limited