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# TORONTO STAFF REPORT

July 10, 2006

To: Etobicoke York Community Council

From: Director, Community Planning, Etobicoke York District

Subject: Supplementary Report  
 Dundas Street West Avenues Draft Zoning By-law and Urban Design Guidelines  
 Etobicoke Centre (Ward 4)  
 Etobicoke Lakeshore (Ward 5)

Purpose:

The purpose of this report is to present the draft Zoning By-law and Urban Design Guidelines for the Dundas Street West Avenues study that were not available to be inserted in the June 27, 2006 report on the findings of the study and the Official Plan policies.

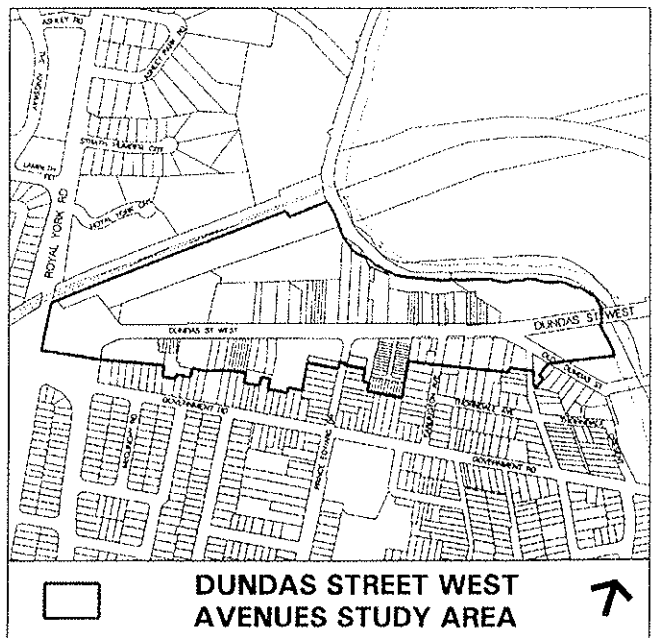
Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that City Council:

- (1) amend the former City of Etobicoke Zoning Code substantially in accordance with the draft By-law Amendments attached as Attachment No. 1; and
- (2) adopt the Urban Design Guidelines attached as Attachment No. 2, to serve as a framework for growth along this section of Dundas Street West.



Background:

An Avenues study was carried out for both sides of Dundas Street West between Royal York Road and the Humber River in 2005. The final consultant's study was submitted in March 2006 and a report, dated June 27, 2006, was prepared by City Planning to discuss the study and recommend implementation of the recommendations.

The staff report is on the July 11, 2006 Community Council agenda. The proposed Zoning By-law Amendment and Urban Design Guidelines were still being finalized at the City Clerk's agenda deadline and while they were described and discussed in the report, the final documents were not attached. The documents have now been prepared in draft form and will be part of the tool kit for implementing the recommendations in the study.

Comments:

Further to the comments in the June 27, 2006 report on the study, staff has determined that in addition to the setbacks, angular plane and heights outlined in the attached proposed Zoning By-law (Attachment 1), a maximum floor space index is proposed in the CG-AV-H zones. This creates a density and height cap for the area and provides greater clarity of what to expect of new development in the study area.

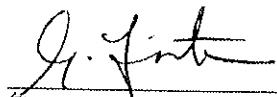
The Urban Design Guidelines have been formatted in order to be attached to the new Official Plan as part of the overall design guidelines for the City of Toronto. They are based on the study recommendations.

Conclusions:

The proposed Zoning By-law and Urban Design Guidelines implement the recommendations of the consultant's study. They are recommended to be adopted by Council.

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Gregg Lintern, MCIP, RPP  
Director, Community Planning  
Etobicoke York District

List of Attachments:

Attachment 1: Dundas Street West Avenues Zoning By-law  
Attachment 2: Urban Design Guidelines

Attachment No. 1: Dundas Street West Avenues Zoning By-law

Authority: Etobicoke York Community Council Report No. ~, Clause No. ~,  
as adopted by City of Toronto Council on ~, 2006

Enacted by Council: ~, 2006

**CITY OF TORONTO**

Bill No. ~

**BY-LAW No. ~-2006**

**To amend Chapters 318 and 320 of the Etobicoke Zoning Code with respect to certain lands fronting on the north and south side of Dundas Street West between Royal York Road and the Humber River, to introduce Avenues (AV) zoning with associated development standards.**

WHEREAS authority is given to Council by Section 34 and Section 36 of the Planning Act, R.S.O. 1990, c.P. 13, as amended, to pass this By-law; and

WHEREAS the matters herein set out are in conformity with Official Plan Amendment No. , as adopted by the Council of the City of Toronto

WHEREAS Council of the City of Toronto has provided adequate information to the public and has held at least one public meeting in accordance with the *Planning Act*;

Therefore the Council of the City of Toronto HEREBY ENACTS as follows:

1. THAT the Zoning Map referred to in Section 320-5, Article II of the Zoning Code, be and the same is hereby amended by changing the classification of the lands located in the former Township of Etobicoke as described in Schedules "A1", "A2", "A3", "A4", "A5" and "A6" attached hereto from General Commercial (CG) and Second Density Residential (R2) to General Commercial – Avenues (AV).
2. Where the provisions of this By-law conflict with the provisions of the Etobicoke Zoning Code, the provisions of this By-law shall apply, otherwise the commercial provisions of the Etobicoke Zoning Code shall continue to apply.
3. The following development standards shall now be applicable to the (AV) and CG lands described on Schedules "A1", "A2", "A3", "A4", "A5" and "A6" attached hereto.

A. Permitted Uses

Residential: apartment houses; dwelling units above a business use, retail and/or office use; and live-work units. Townhouses are not permitted on the north side of Dundas Street West and in the first 60 metres of depth on the south side of Dundas Street West.

All Business, Institutional and Public Uses permitted under the General Commercial (CG) zone.

The following uses shall be prohibited: all vehicle related uses with the exception of public parking lots; service stations, public garages and car rental agencies; new and used car sales rooms and lots; drive-thru facilities; monuments related to cemeteries; and massage parlours.

#### B. Building Heights

- (1) For the purposes of the By-law, the maximum building heights permitted on lands zoned General Commercial – Avenues (AV) on Schedules “A1”(the first 60 metres of depth), “A2”, “A3”, “A5”and “A6” attached hereto shall not exceed 5 storeys and 14 metres in height.
- (2) For the lands on “A1” beyond 60 metres in depth, the maximum height shall be 3 storeys and 11 metres in height.
- (3) Despite the provisions in B(1) and D(2), a development can have the lesser of a floor space index of 3.0 or height of 18.5 metres and 6 storeys, provided that the owner enters into an agreement satisfactory to the City of Toronto pursuant to Section 37 of the Planning Act, as amended, authorizing an increase in height and density in exchange for the Section 37 benefits described below.
- (4) All buildings and structures shall maintain a minimum building height of two (2) storeys and 7.5 metres in height, excluding the mechanical penthouse. Notwithstanding Section 320-95 of the Etobicoke Zoning Code, accessory structures for the purpose of parking attendant booths garbage storage areas and monuments dedicated as art or a memorial shall be excluded from this requirement.
- (5) One mechanical penthouse shall be permitted having a maximum size of 25 square metres. Notwithstanding Section 304-3 of the Etobicoke Zoning Code the said mechanical penthouse shall not encroach within the 45-degree angular plane of the property.

#### C. Angular Plane

- (1) All buildings and structures shall maintain a 45-degree angular plane, as defined, beyond which no building or structure shall be permitted from any lot line of abutting properties that are zoned Second Density Residential (R2).

#### D. Lot Coverage and Floor Space Index

- (1) Notwithstanding Section 320-79 D, there shall be no minimum or maximum lot coverage, provided the maximum floor space index is not exceeded.
- (2) The maximum floor space index shall be 2.0 and 2.5 as shown on Schedule “A6”.

## E. Parking

Notwithstanding Section 320-18 of the Etobicoke Zoning Code:

- (1) Where a development consists of a mix of residential and commercial uses, parking for residential uses shall be required on the basis of one (1) parking space per residential dwelling unit with 2-bedroom units or less, and 1.20 spaces per residential dwelling unit with three or more bedrooms.
- (2) A minimum of 0.2 visitor parking spaces shall be required per residential dwelling unit.
- (3) Notwithstanding (1) above, where a development is residential only or live/work, parking shall be provided on the basis of 1.25 spaces for a 1 bedroom unit and 1.4 spaces for a 2 bedroom unit, and subject to 320-19 of the Etobicoke Zoning Code.
- (4) Where a development consists of townhouses, parking shall be required on the basis of one (1) parking space per residential dwelling unit with 2 bedrooms or less, and 1.4 parking spaces per dwelling unit with 3 bedrooms or more. Notwithstanding Section 320-18C, parking for commercial uses (excluding restaurants (subject to Section 320-23 of the Etobicoke Zoning Code), hotels, theatres, undertaking establishments, athletic/fitness establishments, bowling alleys/curling rinks, nursery schools/day nurseries, race tracks, stadia and animal hospitals) shall be required on the basis of 2.5 parking spaces per 93 square metres of gross floor area.
- (5) Notwithstanding Section 320-18 D of the Etobicoke Zoning Code, parking for medical/dental offices shall be required on the basis of 4.0 parking spaces per 93 square metres of gross floor area.
- (6) For the purposes of this by-law, residential visitor and commercial parking may be shared. The total number of residential visitor and commercial parking spaces shall be the greater of either the residential visitor parking requirement or the commercial parking requirement on the same parcel of land and/or situated within the same building or structure.
- (7) Parking stall sizes shall be required to comply with Section 320-18 of the Etobicoke Zoning Code.
- (8) Parking at grade shall be prohibited between the building face and street line.

## F. Indoor and Outdoor Amenity Space

- (1) Buildings containing 20 or more dwelling units shall be required to provide two (2) square metres of indoor residential amenity space, as defined, for each dwelling unit.
- (2) Buildings containing 20 or more dwelling units shall be required to provide two (2) square metres of outdoor residential amenity space for each dwelling unit, of which at least 40 square metres is to be provided in a location adjoining or directly accessible from the indoor residential amenity space.

#### G. Site Access

- (1) Where a lot abuts a major street, flanking street, or laneway, all vehicle access shall be restricted to the flanking street or laneway.

#### H. Treatments at Grade

- (1) Entrances that provide access to the entire building shall front onto, and be directly accessible from, the primary street frontage.
- (2) 50 percent of the front building facade at grade shall be in live/work, retail, commercial, restaurant or service commercial uses for the area west of Prince Edward Drive.
- (3) Buildings shall be constructed with a minimum 3.6 metre high floor-to-ceiling height on the first floor.
- (4) Buildings with commercial or live/work units on the main floor shall be directly accessible from grade.
- (5) The finished main floor area of residential only uses shall be constructed at a minimum of 0.6 metres and no greater than 0.9 metres above grade.

#### (I) Build-to-Area

- i. The build-to-area, as defined herein, for lands shown on Schedules "A1", "A2", "A3", "A4", "A5" and "A6" shall be a minimum of seventy percent of the lot frontage abutting a public street.

#### (J) Loading and Service Areas

- (1) Every building containing more than 400 square metres of gross floor area shall provide a loading space with minimum dimensions of 15 metres in length, 4.0 metres in width and with a vertical clearance of 4.5 metres.
- (2) Loading spaces shall be located within rear or side yards, not abutting a street.
- (3) Garbage storage areas shall be wholly contained within a building and not subject to setback requirements.

#### (K) Site Plan Control

- (1) The entire AV and CG zones shall be subject to Site Plan Control.

#### (L) Building Setbacks and Yard Requirements

- (1) Within Area 1, the south side of Dundas Street West, as shown on Schedule "A1":
  - i. Front Yard:
    - (a) The minimum front yard setback shall be 0 metres, except for

residential only buildings where the minimum setback shall be 2 metres, and in all cases the maximum front yard setback shall be 3 metres.

- (b) Any building with a 13 metres and 4 storeys or greater height shall be set back 1.5 metres at that height.

ii. Rear Yard:

(a) The required rear yard setback shall be determined by the 45 degree angular plane requirements, but in no case shall be less than 7.5 metres where properties abut an R2 zone.

(b) A landscape strip having a minimum width of three (3) metres shall be provided at the rear property line, where the site abuts a Second Density Residential (R2) zone.

iii. Side Yard:

(a) No side yard setback is required, except where the side yard abuts a street, in which case the side yard setback shall equal the average setback from the street line for the block.

- b. Within Area 2, the first 80 metres of lot depth on the north side of Dundas Street West, west of 4210 Dundas Street West, shown on Schedule "A2":

i. Front Yard:

(a) The minimum front yard setback shall be 0 metres, except for residential only buildings where the minimum setback shall be 2 metres, and in all cases the maximum front yard setback shall be 3 metres.

(b) Notwithstanding (a) above, for the lands located at 4242 Dundas Street West, the front yard setback for the buildings located on this property on the date of passing of this By-law shall be considered legal non-conforming as they existed on the date of passing of this By-law.

(c) Any building with a 13 metres and 4 storeys or greater height shall be set back 1.5 metres at that height.

- ii. Rear Yard: No rear yard setback is required, except where the rear yard abuts a street, in which case the rear yard setback shall equal the required front yard setback.

iii. Side Yard:

No side yard setback is required, except where the side yard abuts a street, in which case the side yard setback shall equal the required front yard setback.

- c. Within Area 3, the north side of Dundas Street West, from 4174 Dundas

Street West up to and including 4210 Dundas Street West, shown on Schedule "A3":

- i. Front Yard:
    - (a) The minimum front yard setback shall be the average of the front yard setbacks of the properties within Area 3.
    - (b) Any building with a 13 metres and 4 storeys or greater height shall be set back 1.5 metres at that height.
  - ii. Rear Yard: 5 metres from the existing property line or property limits as determined through review of the valley limits in conjunction with the TRCA.
  - iii. Side Yard: No side yard setback is required, except where the side yard abuts a street, in which case the side yard setback shall equal the required front yard setback.
- d. Within Area 4, the remaining lot depth on the north side of Dundas Street West, west of Prince Edward Drive, as shown on Schedule "A4":
- i. The regulations in Chapter 320 and the CG General Commercial Zone shall apply.
- e. Within Area 5, the north side of Dundas Street West, east of 4174 Dundas Street West, as shown on Schedule "A5":
- i. Front Yard:
    - (a) The minimum front yard setback shall be 0 metres, except for residential only buildings where the minimum setback shall be 2 metres, and in all cases the maximum front yard setback shall be 3 metres.
    - (b) Notwithstanding the above, the front yard setback at 4180, 4174 and 4160 Dundas Street West shall be consistent with the existing front yard setback at the time of passing of this By-law, provided that the existing trees on private property are preserved.
    - (c) Any building with a 13 metres and 4 storeys or greater height shall be set back 1.5 metres at that height.
  - i. Rear Yard:
 

The rear yard will be determined through a review of the valley limits in conjunction with the Toronto Region Conservation Authority.
  - ii. Side Yard: No side yard setback is required, except where the side



yard abuts a street, in which case the side yard setback shall equal the required front yard setback.

M. Balconies and architectural elements are permitted provided they comply with L, above.

N. Section 37

In addition to developing the Dundas Street West Avenues Area in accordance with the provisions above, the owner of any development that requires an increase in height and density shall enter into an agreement pursuant to Section 37 of the *Planning Act* to secure the following facilities, services and matters. Such Agreement shall be in a form satisfactory to the City and to the extent and on the terms set out in the Section 37 Agreement.

(a) The Owner agrees to provide parkland and streetscape improvements abutting and beyond the development site including: trees, planters, benches, pedestrian level street lighting, walkways, landscaped medians and public art.

O. Bicycle Parking

(a) Buildings containing 10 or more dwelling units, other than senior citizens' housing, shall be required to provide 0.175 bicycle parking spaces for each dwelling unit, or a fraction thereof equal to or greater than 0.5, to a maximum of 200 bicycle parking spaces.

(b) The bicycle parking spaces shall be provided in the following proportions: 80 percent of bicycle parking spaces for occupants and 20 percent for visitors.

(c) Bicycle parking spaces shall not be provided within a dwelling unit or a balcony, nor within commercial suites.

P. Miscellaneous

(1) For the purpose of the Avenues (AV) zone lawful non-conforming uses shall be subject to Section 320-13 to 320-15.3 inclusive of the Etobicoke Zoning Code.

4. Lands subject to Holding (H) Symbol

i. Notwithstanding the provisions of this by-law, lands located within Areas 1, 2, 3, and 5 on Schedules "A1", "A2", A3" and "A5" shall be subject to a Holding (H) symbol until such time as the Council is satisfied as to the availability of all road improvements, infrastructure,

servicing and school capacity, to accommodate the proposed development.

5. For the purposes of this By-law, the following definitions shall apply:
  - i. **Minor projections** shall mean minor building elements which may project from the main wall of the building into required yards, including, but not limited to: roof eaves, window sills, railings, cornices, guard rails, balustrades, porches, balconies and bay windows.
  - ii. **Height** shall mean the vertical distance between grade and the highest point of the roof surface of the building but shall exclude mechanical equipment, parapets, stairs and stair enclosures located on the roof of the building.
  - iii. **Build-to-area** shall mean the area of the lands within which a streetwall of a building or structure shall be located.
  - iv. **Streetwall** shall mean any exterior wall of a building abutting a public street.
  - v. **45 Degree Angular Plane** shall mean a point originating at a residential lot line and projecting at a 45 degree angle towards the Dundas Street West street line.
  
6. By-law No. 12231, as it applies to lands located on the south side of Dundas Street West, west of Old Dundas Street, shall continue to apply.
  
7. By-law No.4321, as it applies to lands on the north side of Dundas Street West, west of Prince Edward Drive, shall continue to apply
  
8. By-law No. 1990-155 as it applies to lands located on the south side of Dundas Street West, east of Royal York Road, shall continue to apply.
  
9. By-law No. 1993-7 as it applies to the lands located on the south side of Dundas Street West, east of Royal York Road, shall continue to apply.
  
10. By-law No 328-1998 as it applies to lands located on the south side of Dundas Street West, east of Prince Edward Drive, shall continue to apply.
  
11. Chapter 324, Site Specifics, of the Etobicoke Zoning Code, is hereby amended to include reference to this By-law by adding the following to Section 324-1, Table of Site Specific By-laws:

BY-LAW NUMBER AND ADOPTION DATE	DESCRIPTION OF PROPERTY	PURPOSE OF BY-LAW
_____ -2006 _____, 2006	Lands located on the north and south side of Dundas Street West between Royal York Road and the Humber River,	To rezone the lands from General Commercial (CG) and Second Density Residential (R2) to General Commercial – Avenues (AV).

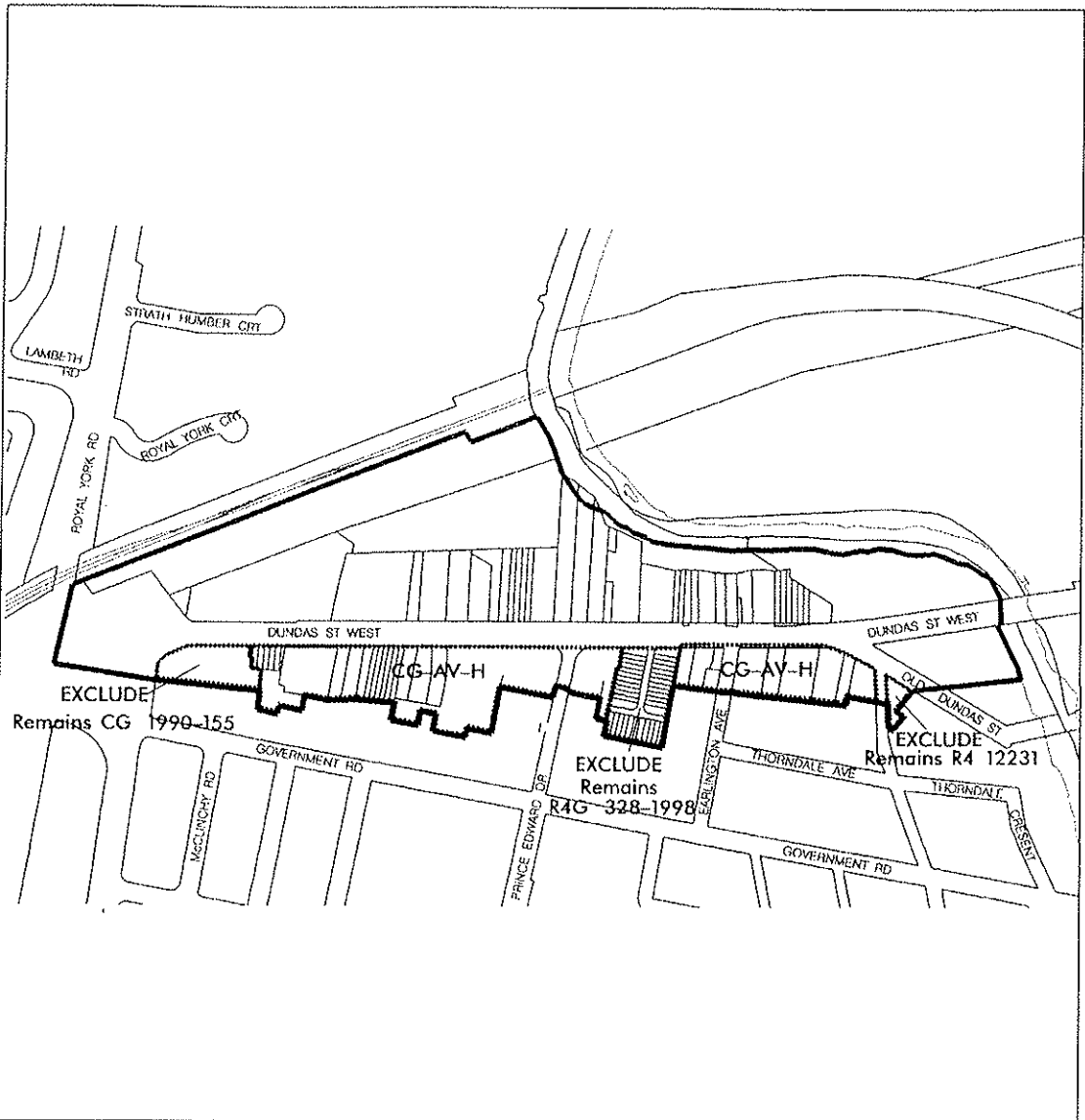
ENACTED AND PASSED this ~ day of ~, A.D. 2006.

DAVID R. MILLER,  
Mayor

ULLI S. WATKISS,  
City Clerk

(Corporate Seal)

**TORONTO** Schedule 'A-1' BY-LAW



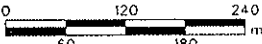

**THE AVENUES – DUNDAS STREET WEST  
AREA 1  
CG-AV-H**

Applicant's Name:		CITY OF TORONTO	
Assessment Map D10	Zoning Code Map/s D10	scale:	
File No. 05_101508	Drawing No. 05_101508_A-1		

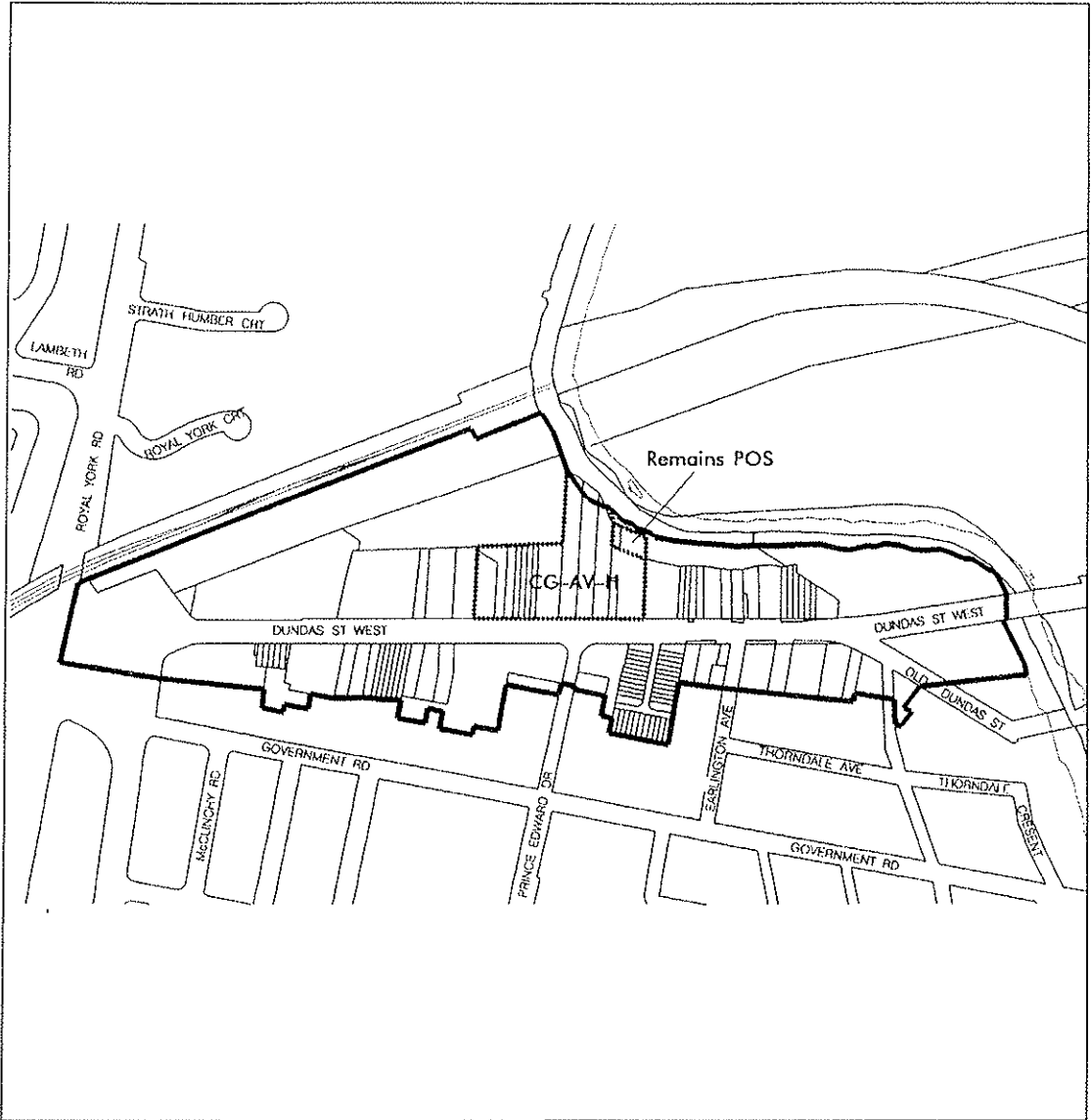
**TORONTO** Schedule 'A-2' BY-LAW



**THE AVENUES - DUNDAS STREET WEST**  
**AREA 2**  
**CG-AV-H**

Applicant's Name:		CITY OF TORONTO	
Assessment Map D10	Zoning Code Map/s D10	scale: 	
File No. 05_101508	Drawing No. 05_101508_A-2	Drawn By: K.P.	

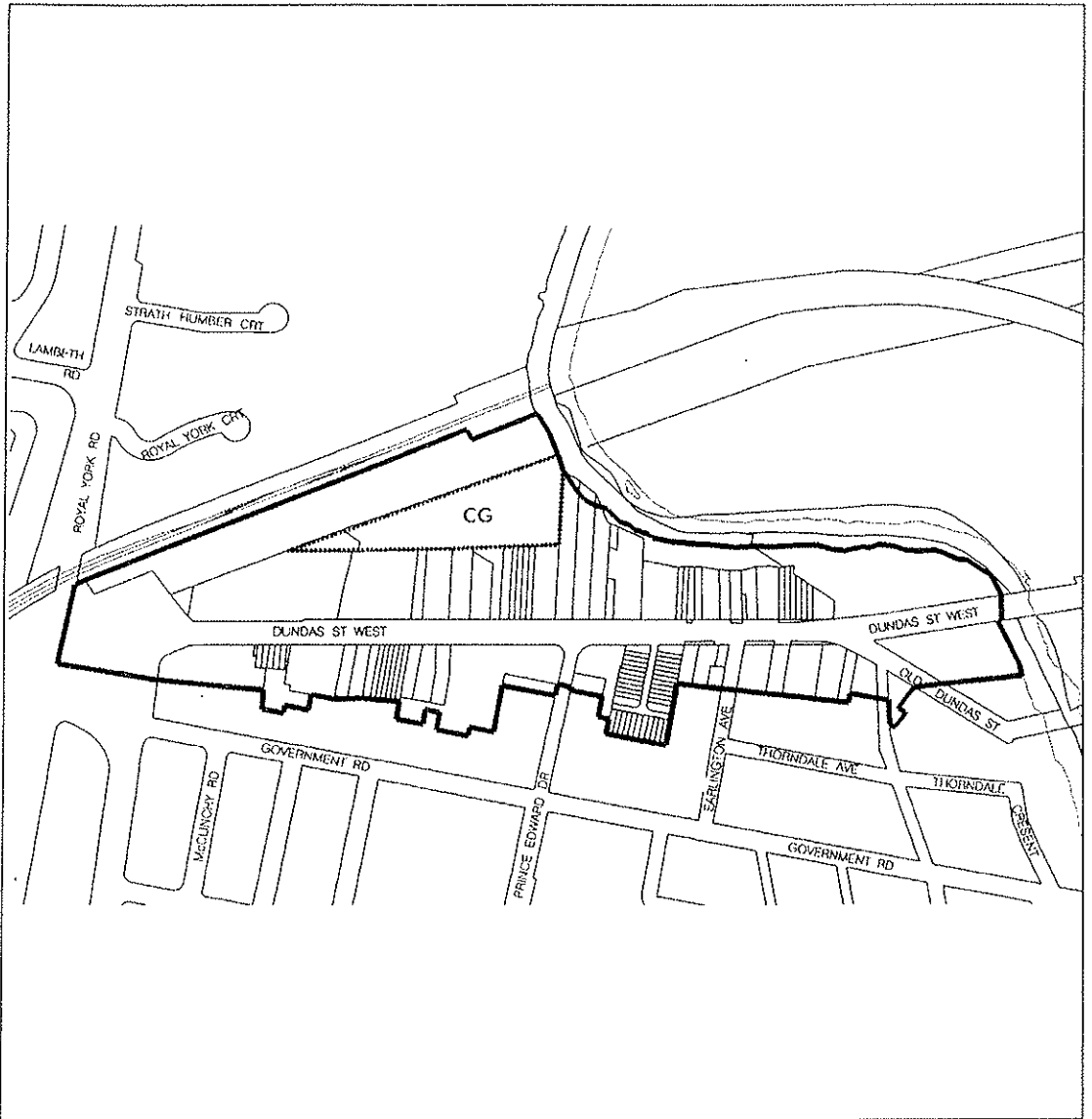
**TORONTO** Schedule 'A-3' BY-LAW



<b>AREA 3</b>		<b>THE AVENUES – DUNDAS STREET WEST</b>	
<b>CG-AV and CG-AV-H</b>			
Applicant's Name:		CITY OF TORONTO	
Assessment Map D10	Zoning Code Map/s D10	scale:	
File No. 05_101508	Drawing No. 05_101508_A-3		



**TORONTO** Schedule 'A-4' BY-LAW



<b>THE AVENUES – DUNDAS STREET WEST</b>			<b>CG</b>	
<b>AREA 4</b>				
Applicant's Name:		CITY OF TORONTO		
Assessment Map D10	Zoning Code Map/s D10		scale:	
File No. 05..101508	Drawing No. 05..101508_A-4	Drawn By: K.P.		

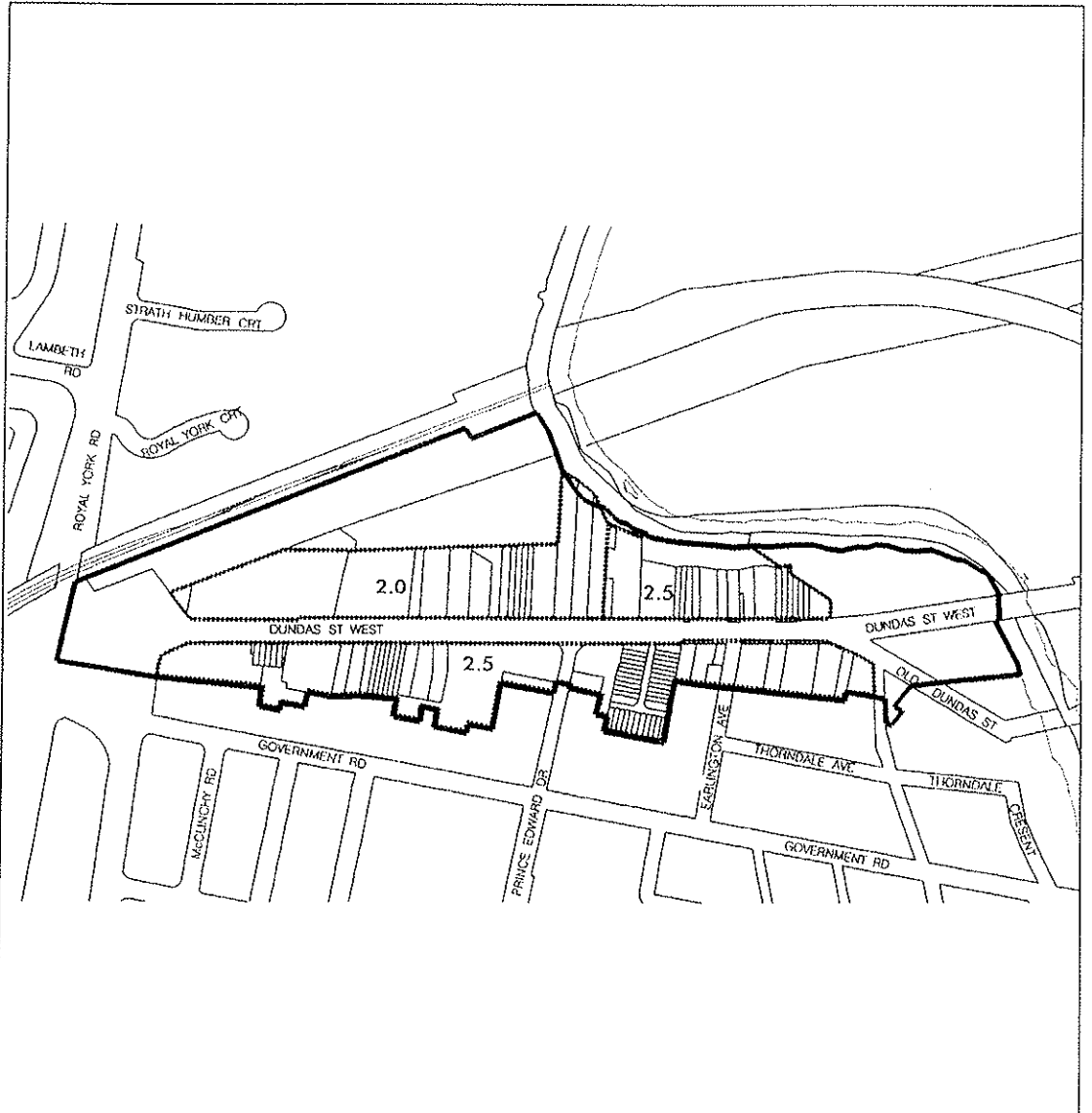
**Toronto** Schedule 'A-5' BY-LAW



<b>THE AVENUES – DUNDAS STREET WEST</b>			<b>CG-AV-H</b>
<b>AREA 5</b>			
Applicant's Name:		CITY OF TORONTO	
Assessment Map D10	Zoning Code Map/s D10		scale:
File No. 05_101508	Drawing No. 05_101508_A-5	Drawn By: K.P.	



**TORONTO** Schedule 'A-6' BY-LAW



**THE AVENUES – DUNDAS STREET WEST  
CG-AV-H  
MAXIMUM FLOOR SPACE INDEX**

Applicant's Name:		CITY OF TORONTO	
Assessment Map D10	Zoning Code Map/s D10	scale:  0 60 120 180 240 m	
File No. 05_101508	Drawing No. 05_101508_A-5	Drawn By: K.P.	

## Attachment 2: Urban Design Guidelines

**Dundas Street West Urban Design Guidelines**

Development at the portion of Dundas Street West from Royal York Road at the west end to Humber Bridge at the eastern end will be consistent with the following Urban Design Guidelines.

**Location and Organization Relative to Streets and Open Spaces****Building Siting and Organization**

- Locate building frontages at or near the property line to create a street wall.
- Locate main entrance along Dundas Street and any proposed new public streets.
- Promote a diversity of active ground floor uses such as retail, office and community services that generate pedestrian activity.
- Encourage Live-work units along Dundas Street.
- Encourage architecture and landscaping that is consistent with the high level of quality in the Kingsway neighborhood
- Surface parking should not be sited within the front yard.
- Access driveways should not be located between the building façade and the street line.
- Private outdoor amenity spaces should not be located along the street edge. Use rear yards and flat roofs for outdoor amenity spaces.

**Building Entrance**

- Building main entrances should front onto the public streets and be directly connected to the public sidewalk with walkways uninterrupted by driveways.
- Architectural elements such as canopies should be used to enhance and articulate the building entrances at ground level
- Ground floor level of at-grade residential units should be elevated from the sidewalk level by a minimum of 0.60-meters but not greater than 0.90-meters.

**Driveways/Vehicular Site Entry**

- Minimize the number interruptions to the Dundas Avenue public sidewalk by limiting the number and width of driveway curb cuts along this public street.

- Provide vehicular access to site from a secondary street when available.
- Create a network of interconnected secondary roads and laneways at deeper sites in order to reduce the dependence on Dundas Avenue West for access.
- Encourage combining driveway access to adjoining sites.

#### Parking and Servicing Layout and Organization

- Surface parking and site servicing should be at the side or rear of the building.
- Bicycle parking should be provided near the building entrances.
- Provided underground parking garages whenever possible and limit the amount of surface parking.
- Garbage storage areas should be integrated within the building envelope in all new developments.
- Garbage storage areas located outside of the building should be setback from the adjoining low density residential areas by a minimum of 1-meter from the property line and fully enclosed (i.e. roof, solid walls and door panels). The garbage enclosures should be constructed and finished with the same details and finishes as the main building and provided with the appropriate landscape treatments to reduce its visual impact.
- Ramps to underground parking areas should be integrated within the mass of the building and not within the open space.
- Service and parking access to a building should be integrated to provide a single vehicular access zone within the façade.
- Encourage the inclusion of municipal parking lots or U/G garages within large developments to support parking needs within the area.

#### Pedestrian Linkages

- Review the existing and potential location of pedestrian crossings on Dundas Street. Provide additional crossing points or relocate existing ones as necessary to improve connectivity between developments at the north and south side of Dundas Street.
- Provide a new recreational pathway along the hydro corridor.
- Improve access and signage to the recreational trails in the Humber Ravine

- Encourage through block pedestrian connections to the recreational pathway along the Hydro corridor and to the recreational trails in the Humber Ravine.

#### Grading Relationships

- Finished grades along Dundas Avenues and along new streets should not exceed 0.9-meters to maintain visual connection between the public realm and the building interiors.

### **Building Massing**

#### Street enclosure and Continuity

- Provide a minimum building height of 2 storeys (7.5-meters measured from the public sidewalk level adjacent to the building main entrance) and maximum building height of 6-storeys (18.5 -meters measured from the public sidewalk level adjacent to the main building entrance) along Dundas Street West.
- Provide a minimum ground floor height of 3.6-meters for buildings along Dundas Avenues West in order to create the opportunity for commercial uses at grade in new development, be able to elevate residential units by 3-5 steps from the sidewalk level and allow for future conversion of residential units at-grade into commercial or community serve uses.
- Provide a minimum 70% of building façade along the Dundas Avenue West frontage should be provided.
- Residential developments should have a minimum 2-meter setback from the street edge.
- Buildings are to be stepped back 1.5-meters at the fourth storey.
- Use the building massing and landscaping to accentuate street corners.
- Maximize the amount of building entrances and glazing along streets, open spaces and walkway edges.

#### Relationship to Neighboring Development

- Any proposed building on sites abutting the existing R2 Zoning in the Kingsway neighborhood should not project beyond the 45 degree angular plane drawn perpendicular to the rear property line.
- Provide the appropriate transition of height and building setback.
- Built form and landscaping should be used to screen parking and service areas from adjacent sites.

- Locate and screen noise generating areas and installation such as ventilation units and loading/unloading areas from the existing R2 zone and noise sensitive new developments.

Lands between the Railway Corridor and beyond 80-meter distance from the Dundas Street northern edge

- This land should be subject to a separate review process because of its distance from the Dundas Street edge and the opportunities for greater building heights and densities.

**Landscape Elements and Pedestrian Amenities**

Landscape Plans and Details

- Landscape strips should be provided along the Dundas Street edge of existing surface parking areas as part of any proposal for partial redevelopment or renovation/conversion works of existing buildings on these sites as an interim measure to improve the street edge.
- Existing trees in good condition should be retained whenever possible.

Streetscape Improvements

- Provide a minimum 5-meter wide pedestrian zone at the curb to accommodate a continuous sidewalk and distinctive streetscape treatment.
- Plant street trees along Dundas Street West and any new local roads at 6 to 8-meter intervals that conform to the City of Toronto Urban Design Streetscape Manual and the current Urban Forestry street tree planting standards.
- Plant a double row of street trees on the north side of Dundas Street West where the building setback is greater.
- Replace existing street lighting standards with new lighting standards that integrate pedestrian scale lighting.
- Provide landscaped medians at the east and west entry points to the Dundas Street Avenue area as gateway features.
- Provide coordinated streetscape furniture i.e. light standards, benches, and waste receptacle details that is definitive to the area.
- Locate overhead utility wiring underground in coordination with streetscape improvements.

Public Open Spaces

- Create a new public open space through the development of large sites particularly at the north side of Dundas Street.
- Improve public sidewalk and public open space linkages to the Humber ravine trail system.

#### Public Art

- Create a public art program that will give identity and character to the area and relate it with the Kingsway neighborhood.
- Use public art with landscaping to define the entrances and heritage sites within the area e.g. mural on the existing Bruno's blank western façade and a free-standing public art near the heritage buildings at the eastern end of the area.

July 12, 2006

Mr. Craig Smith  
Ashlar Urban Realty Inc.  
4 King Street West, Suite 1305  
Toronto, Ontario  
M5H 1B6

Dear Craig:

**Re: 193 Yonge Street, Toronto (the "Property")**

We are a wholly owned subsidiary of Allied Properties REIT (the "REIT"), an unincorporated closed-end real estate investment trust created under the laws of the Province of Ontario. We wish to express interest in purchasing the Property from your client (the "Owner"). On closing of the contemplated transaction, the Property would be owned by a single-purpose entity for the benefit of the REIT. The REIT has the financial and operational capacity to complete the contemplated transaction on a rapid and efficient basis.

In evaluating the Property and arriving at the proposed terms set forth below, we have assumed the following:

- i. the Property is comprised of approximately 49,318 square feet of rentable area and 22 underground parking stalls;
- ii. the 33,000 square feet of rentable office area and 19 of the 22 underground parking stalls are leased to Corby Distilleries pursuant to a lease that will expire on September 30, 2008, and not be renewed;
- iii. the 16,318 square feet of rentable retail area and three of the 22 underground parking stalls are vacant; and
- iv. the Property is, or on closing will be, free and clear of all encumbrances other than customary permitted encumbrances.

We are prepared to enter into a fully elaborated agreement of purchase and sale (the "Agreement") having the following essential terms:

<b>Price:</b>	\$8 million, subject to normal adjustments.
<b>Deposits:</b>	\$50,000 on execution of the Agreement and an additional \$200,000 upon the expiry of the Conditional Period and the Buyer's election not to terminate the Agreement. The Deposits shall be held by Ashlar Urban Realty Inc. and earn interest in the normal manner.
<b>Payment:</b>	Release of the Deposits with earned interest, assumption of the Mortgage and a certified cheque for the balance.

<b>Conditional Period:</b>	Prior to 5:00 p.m., August 15, 2006, we may, in our sole and unfettered discretion, elect to terminate the Agreement and recover the initial component of the Deposit with earned interest and without deduction.
<b>Documents for Inspection:</b>	<ol style="list-style-type: none"> <li>1. Copy of current realty tax assessment and bills for 2005 and 2006.</li> <li>2. Copy of contracts affecting the Property, if any.</li> <li>3. Copy of environmental reports on the Property, if any.</li> <li>4. Copy of engineering reports on the Property, if any.</li> <li>5. Copy of the relevant property survey.</li> </ol>
<b>Inspection:</b>	We and our duly authorized representatives shall have reasonable access to the Property for the purpose of inspection.
<b>Representations and Warranties:</b>	We will satisfy ourselves as to the income-producing potential and physical integrity of the Property and will require only minimal representations and warranties, all of which will merge on closing.
<b>Closing:</b>	September 4, 2006, with an effective date of September 1, 2006.

Except as expressly stated to the contrary below, neither this letter of intent, nor any response to it, is binding upon the Owner or us. However, if an understanding in principle is reached, we will instruct our legal counsel to prepare a draft of the Agreement for mutual review.

Notwithstanding the foregoing, we undertake to maintain confidentiality with respect to this letter of intent and any ensuing negotiations leading to the execution of the Agreement.

Yours very truly,

**ALLIED PROPERTIES REIT ACQUISITION CORPORATION**

Michael R. Emory  
President & CEO

Acknowledged in principle this \_\_\_\_ day of July, 2006, with no binding obligation other than to maintain confidentiality with respect to this letter of intent and any ensuing negotiations leading to the execution of the Agreement.

\_\_\_\_\_  
**NAME OF OWNER**

By: \_\_\_\_\_  
Name and Title of Director and/or Officer