

Response to MM29.11: Status Update on City Activities Related to the Therme Spa Project

Date: May 16, 2025

To: City Council

From: City Manager

Wards: Spadina-Fort York (Ward 10)

SUMMARY

The purpose of this report is to respond to MM29.11: Taking a Stand to Protect Ontario Place and Our City's Public Waterfront, requesting staff to report to the May meeting of City Council with a status update on all City activities related to the Therme spa project.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There are no financial implications resulting from the recommendations included in this report, in the current budget year or in future years.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

On April 23 and 24, 2025, City Council requested that the City Manager, in consultation with relevant divisions, provide a status update at the May 21-23, 2025 meeting of City Council on City activities related to the Therme Spa project at Ontario Place.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MM29.11>

On January 14, 2025, Toronto and East York Community Council adopted TE19.32 - Summary of Traffic Impacts related to the proposed Ontario Place (955 Lake Shore

Boulevard West) Redevelopment, including direction for staff to report back to Toronto and East York Community Council in the fourth quarter of 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.TE19.32>

On December 13, 2023, City Council adopted CC13.2 - Ontario-Toronto New Deal Agreement with amendments. The decision included accepting the Province's legislative authority to advance the Ontario Place Rebuilding Project.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.CC13.2>

On December 5, 2023, Executive Committee received the report on EX10.14 - Preliminary Feasibility Assessment of Siting the Therme Facility at Exhibition Place, which concluded that there was merit in further exploring relocation of the Therme facility, provided there is interest from the Province and/or Therme.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX10.14>

On April 20, 2023, the General Government Committee postponed consideration of GG3.20 - Ontario Place Redevelopment - Declaration of Surplus until such time as:

- City Council approves the Official Plan and Zoning By-law Amendment application for Ontario Place;
- The Province of Ontario has provided Toronto City Council with a copy of the lease with the private tenant on the West Island site of Ontario Place; and,
- The Federal Government has expressed its interest or disinterest in the lands at Ontario Place.

[Agenda Item History - 2023.GG3.20](#)

On April 12, 2023, the report Ontario Place - Official Plan Amendment and Zoning By-law Amendment - Status Report was considered by Toronto and East York Community Council and was adopted with amendments.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.TE4.36>

On February 2, 2022, City Council adopted EX29.5 Ontario Place Redevelopment - Priority Areas for Collaboration and Development Approvals Process, which directed staff to continue negotiations with the Province on a potential transaction related to City-owned lands and water at Ontario Place, subject to a review of conformity with the Official Plan and appropriate compensation to the City, and to report back on:

- A status update on the review of the development applications, which were submitted to the City on November 25, 2022;
- A general update on the Ontario Place Redevelopment; and,
- Continuing outreach to Divisions and Exhibition Place, as well as a robust public consultation and stakeholder engagement process to inform the City's review of the Ontario Place redevelopment.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX29.5>

On June 8, 2021, City Council adopted EX24.3 Ontario Place Redevelopment Update, which directed staff to report back on:

- A formal Toronto-Ontario agreement on priority areas for collaboration on the Ontario Place redevelopment; and,
- The process for Planning Act and Ontario Heritage Act approvals for the Ontario Place redevelopment.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX24.3>

On September 30, 2020, City Council adopted TE18.42 Exhibition Place Master Plan - Phase 1 Proposals Report, which directed City Council to rely on the findings of the Phase 1 Proposals Report to: a) inform future conversations with the Province regarding the joint revitalization of Ontario Place and Exhibition Place; and, b) inform future consultations with Metrolinx regarding the Ontario Line.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.TE18.42>

On May 14, 2019, City Council adopted EX5.1 Ontario Place/Exhibition Place Revitalization, which directed City staff to engage the Province in developing a joint strategy to plan the future of Ontario Place and Exhibition Place in a collaborative, co-operative, and consultative manner with all stakeholders, and adopted guiding principles for the revitalization of Ontario Place.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX5.1>

COMMENTS

Provincial Legislation and Ontario Place Redevelopment Process

As noted in EX29.5, in 2022, Ontario Place Redevelopment - Priority Areas for Collaboration and Development Approvals Process, the Province has always had the ability to use "tools at its disposal to facilitate the timely redevelopment of Ontario Place". The tools that the Province has enacted for the redevelopment of Ontario Place include the Rebuilding Ontario Place Act, 2023, taking ownership of City lands and water by regulation in February 2024, and an enhanced Minister's Zoning Order in 2024 in combination with an amendment to the enhanced Minister's Zoning Order in 2025.

The ways in which various Provincial tools have been applied to the Ontario Place redevelopment are outlined below in each relevant section.

On April 17, 2025, the Province introduced Bill 5, Protect Ontario by Unleashing our Economy Act, 2025. Schedule 8 of Bill 5 proposes to amend the Rebuilding Ontario Place Act, 2023 to exempt works from otherwise required Provincial permits and approvals processes related to or in furtherance of the Ontario Place redevelopment project (including works not within the Ontario Place site) from Part II of the Environmental Bill of Rights, 1993. If passed by the legislature, Bill 5 would no longer require giving public notice and opportunities for comment on proposed works and appeal rights under the Environmental Bill of Rights, 1993 would not apply in respect of the Ontario Place redevelopment project or an enterprise or activity that furthers the project that is not at Ontario Place. At the time of preparing this report, Bill 5 was in second reading in the Provincial legislature.

Real Estate

Through EX29.5 Ontario Place Redevelopment – Priority Areas for Collaboration and Development Approvals Process, City staff were directed to advance negotiations with

the Province on a potential transaction related to City-owned lands and water at Ontario Place, subject to a review of conformity with the Official Plan and appropriate compensation to the City. The Toronto-Ontario Major Terms and Conditions, approved through EX29.5, noted that "if the Parties fail to reach an approved real estate agreement by September 30, 2022, the City acknowledges that the Province may pursue any means available to the Province to acquire the City-owned lands at Ontario Place". Accordingly, City and Provincial staff negotiated a non-binding term sheet for a proposed land exchange, subject to City and Provincial approvals, in early December 2022. The Province would have acquired the City-owned land and water at Ontario Place, discussed above, and the City would have acquired an equal amount of Provincially-owned land in the vicinity. In April 2023, the General Government Committee deferred approval of a necessary preliminary step for the proposed land exchange and the transaction did not proceed.

The Rebuilding Ontario Place Act, 2023, received Royal Assent on December 6, 2023. The Rebuilding Ontario Place Act, 2023 provided that certain City-owned land needed for the Ontario Place redevelopment project could be assumed in Provincial ownership by regulation. The Rebuilding Ontario Place Act, 2023 also provided that market value compensation would be paid by the Province to the City for the taking of the City-owned lands, subject to certain conditions, to be set out in regulations.

By regulation effective February 26, 2024, the Province took ownership of City-owned lands and water at Ontario Place, consisting of approximately six acres of land and ten acres of water. On May 27, 2024, the Province registered an application with the Land Registry Office to be identified as the registered owner of these former City-owned lands and water.

The Rebuilding Ontario Place Act, 2023 requires the Province to pay the City market value compensation for the taking of the City-owned lands. The Province has indicated that discussions on market value compensation will be initiated later in 2025.

The formerly City-owned lands and waters were acquired by legislation, and the City is bound by that legislation and the regulations taking Provincial ownership of the property. Any return of the lands and waters, or any part of them, to the City would have to be by way of a negotiated agreement with the Province.

Planning Application Review

On November 25, 2022, an Official Plan Amendment and Zoning By-law Amendment application was submitted by Infrastructure Ontario on behalf of the Ontario Ministry of Infrastructure. City staff's review of this initial application for the Ontario Place redevelopment project (the "Application") is outlined in TE4.36.

In 2023, the Application was reviewed for consistency and conformity with Provincial and Council approved policies and guidelines that guide how the City grows. Key policies from the Official Plan speak generally to providing a comfortable public realm, how buildings will frame and compliment public spaces and the integration of land use and transportation. The Official Plan offers specific guidance around public use and enjoyment of lands in the Parks and Open Space system along the water's edge

(Section 2.3.2.6). The Central Waterfront Secondary Plan provides waterfront specific guidance for this site and is foundational to the review of the application. Key policies in the Central Waterfront Secondary Plan speak to prioritizing the pedestrian experience, improving waterfront access, ensuring public access to outdoor areas within the Parks and Open Space system and organizing and designing buildings to support the public realm. The Central Waterfront Secondary Plan also has an Ontario Place-specific policy that speaks to improved public access, tourism uses and the celebration of innovative architecture and landscape design.

Typically, staff's review of a development application is an iterative process, with staff and applicants working together towards a supportable development concept. However, the Province enacted the Rebuilding Ontario Place Act in 2023. This ended City Council's and City staff's involvement in the review of the application. City staff did not arrive at a recommendation on the application prior to the Province taking its legislative measures. As such, there is no active Planning Act development application for the Ontario Place redevelopment before City staff.

The Province has withdrawn the City's delegated authority to review and approve applications for site plan control for parts of Ontario Place. In May 2024, the Province issued an enhanced Minister's Zoning Order (eMZO) that listed areas of Ontario Place designated as 'Block 1' (new public realm) and 'Block 4' (west island) as exempt from municipal site plan control.

In January 2025, the Province removed additional lands within Ontario Place from the City's delegated authority for site plan control by amendment to the eMZO. The lands known as 'Block 2' (new Science Centre location) have been added to 'Block 1' (new public realm) and 'Block 4' (West Island) as exempt from municipal site plan control.

Public Benefits

There is no active Planning Act development application for the Ontario Place redevelopment before City staff. Therefore, there is no opportunity to secure the public benefits that are typically secured through Planning Act applications.

The eMZO described above contains provisions for open space around the Therme Spa facility on Ontario Place. The eMZO requires a minimum of 6.4 ha (15.8 acres) of publicly accessible open space, of which 5 ha (12 acres) must be at grade (the remainder may be located on a green roof or on the bridge connecting the mainland to the West Island).

City Permits

The Rebuilding Ontario Place Act, 2023 authorizes the Minister of Infrastructure to notify the City and Infrastructure Ontario that any municipal service and right of way access is required for the Ontario Place redevelopment project after which the City and Infrastructure Ontario are required to negotiate the particulars related to the use of service and right of access. If the parties fail to reach an agreement, the Minister may order the City to provide the service and/or access on terms as set out in the Minister's order.

City staff are working with Infrastructure Ontario in accordance with EX29.5, Ontario Place Redevelopment – Priority Areas for Collaboration and Development Approvals Process to execute and administer non-Planning Act permissions, such as temporary access agreements, licenses, easements or similar permissions, to facilitate the required servicing, site preparation, preliminary testing and design for the redevelopment of Ontario Place, at nominal value.

Infrastructure Ontario has indicated that it will apply for City of Toronto building permits for the redevelopment project. All other approvals outside of the City of Toronto permit process are the responsibility of the Province to identify and obtain. The City has no involvement in any other remaining approvals and/or permits that may be required by other levels of government and/or government agencies and does not monitor what approvals may have been acquired thus far to advance the project.

Parking

As a part of the Ontario-Toronto New Deal agreement, the Province agreed to work with the City on options for an alternative parking solution at Exhibition Place. As a result of that agreement, a technical table with representatives from the Ministry of Infrastructure, Infrastructure Ontario, the City of Toronto, and Exhibition Place was established to advance discussions on the parking solution options for Ontario Place at Exhibition Place.

According to the lease dated May 3, 2022 between the Province and Therme Canada OP Inc., made available to the public on October 3, 2024, the Province must construct a parking facility, at its own cost. This can be one or more facilities, but they must all be located within 650 metres of the Therme entrance pavilion to the Therme spa facility. The parking facility must include at least 1,800 parking spaces, including 1,600 parking spaces dedicated for the users of the Therme spa facility.

On April 25, 2024, the Board of Governors of Exhibition Place approved Foundational Principles for any Ontario Place parking at Exhibition Place. Agenda Item History - 2024.EP9.26

The following principles were approved by the Board of Governors:

- Be completely underground to ensure highest and best use of land;
- Align with City of Toronto's TransformTO Strategy;
- Provide additional public spaces/connections/community enhancements to the site;
- Include public realm investments that accompany the parking solution investment to enhance guest experiences and retain or expand existing programmable space;
- Demonstrate feasibility, a business case and an agreement with the City of Toronto on capital planning and operational maintenance that are at no cost to the City of Toronto;
- Include consideration of revenue sharing;
- Not materially impact Exhibition Place's short or long-term commercial business;
- Minimize construction impact on Exhibition Place's business operations;

- Maintain Exhibition Place's existing parking inventory; and
- Not undermine Exhibition Place parking revenue sources.

Discussions on the parking solution are ongoing. The Ministry of Infrastructure and Infrastructure Ontario are currently undertaking their due diligence on a number of options. The work undertaken by City Staff within the technical table is confidential under the Toronto-Ontario Cooperation and Consultation Agreement.

Site Servicing

The Rebuilding Ontario Place Act, 2023 authorizes the Minister of Infrastructure to notify the City and Infrastructure Ontario that any municipal service and right of way access is required for the Ontario Place redevelopment project after which the City and Infrastructure Ontario are required to negotiate the particulars related to the use of service and right of access. If the parties fail to reach an agreement, the Minister may order the City to provide the service and/or access on terms as set out in the Minister's order.

City staff will not be reviewing proposed water and sewer services within Provincially-owned lands located at Ontario Place, which do not connect to, or impact upon, existing City water and sewer infrastructure as part of a development review exercise. Private infrastructure will be reviewed by Toronto Building Division staff at the time of building permit application to confirm compliance with the Building Code.

As noted through EX29.5, Ontario Place Redevelopment – Priority Areas for Collaboration and Development Approvals Process the Ontario Place servicing renewal program will include off-site municipal water, sewer and storm water works.

A Functional Servicing Report was accepted by City staff in 2023 for off-site infrastructure works (primarily on Exhibition Place grounds) and City staff have been working with the proponent on the detailed design of each of the project components. Service agreements will be required for upgrades to various sewer and watermain infrastructure, located primarily on Exhibition Place grounds.

The plans for Ontario Place include creating a new beach area and lake filling to expand the footprint of the west island. There is an existing combined sewer outfall pipe that is located 110 m from the shoreline at the breakwater, where proposed lake filling is planned. Infrastructure Ontario is pursuing the removal of the outfall pipe such that the combined sewer outfall will temporarily outlet at the shoreline rather than 110 m out from the shoreline. Infrastructure Ontario has indicated that, in the future, it plans to construct an extended outfall pipe located outside the proposed lake-filling area that will direct flows to a point away from the future beach area. Infrastructure Ontario will bring forward detailed plans for review and the Ministry of Environment, Conservation and Parks will be consulted on the appropriate approvals process.

Construction Related Road Closures

The Rebuilding Ontario Place Act, 2023 authorizes the Minister of Infrastructure to notify the City and Infrastructure Ontario regarding any municipal service and right of way

access required for the Ontario Place redevelopment project, after which the City and Infrastructure Ontario are required to negotiate the particulars related to the use of services and rights of access. If the parties fail to reach an agreement, the Minister may order the City to provide the service and/or access on terms as set out in the Minister's order.

Staff and Infrastructure Ontario's construction manager meet regularly through the Strategic Capital Coordination Office to coordinate construction activities to minimize any impact of road or lane closures through staged closures and construction management plans.

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SIGNATURE

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