

## Quayside Development Project Update

**Date:** June 2, 2026

**To:** Executive Committee

**From:** Deputy City Manager, Development and Growth Services

**Wards:** Ward 10, Spadina-Fort York

### SUMMARY

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The purpose of this report is to obtain various Council authorities to advance the first phase of the Quayside development in the waterfront, and to facilitate the delivery of a Toronto Public Library (“TPL”) branch in the central waterfront.

Quayside will be a master-planned, mixed-use complete community that builds on development in the adjacent East Bayfront lands and the emerging Keating Channel West Precinct. This 4.9-hectare area on Toronto’s waterfront, located at Queens Quay East and Parliament Street (“Quayside Lands”), will include new homes, parks and public spaces, community spaces and new and improved infrastructure, roads, and public realm.

Waterfront Toronto is leading the delivery of Quayside, in partnership with the City of Toronto Housing Development Office, Housing Secretariat, and Waterfront Secretariat. Waterfront Toronto’s development partners, Dream Unlimited (“Dream”) and Great Gulf Group (“Great Gulf”), are responsible for the delivery of purpose-built rental and condominium units, respectively, on Quayside development blocks.

The City, Waterfront Toronto, and Dream have worked on an accelerated plan to maximize the number of affordable and purpose-built rental homes that can be delivered in the first phase of development at Quayside, prioritizing the delivery of affordable and purpose-built rental homes on an expedited basis.

Along with the accelerated plan for affordable and purpose-built rental housing, the community hub space in the Quayside development presents an opportunity to house a new, approximately 1,850 square metre (20,000 square foot) TPL branch. With the accelerated delivery of affordable and purpose-built rental housing at Quayside, a library can be delivered with reduced timing. Further, it would enable the entire Phase 1 Block 1C development block to come into public ownership once the library facility is transferred to the City. This new branch has been approved by the Toronto Public Library Board (“TPLB”). The Toronto and East York Community Council (“TEYCC”) considered zoning and Section 37 amendments to enable the library facility in the first

phase of Quayside development at a statutory public meeting on May 28, 2026 through item 2026.TEY33.2 (the “TEYCC Report”). The recommendations in this report, together with the recommendations in the TEYCC Report, would enable the delivery of a new TPL branch and leverage developer construction obligations and Section 37 funds. The delivery of the TPL branch as the required community hub use in the Quayside development requires Council adoption of the recommendations in this report and the TEYCC Report, both of which are anticipated to be considered at the June 24, 2026 meeting of City Council.

## **RECOMMENDATIONS**

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The Deputy City Manager, Development and Growth, recommends that:

1. City Council endorse development of a new Toronto Public Library neighbourhood branch in the Quayside community hub and direct City staff to coordinate and advance the design and fit out of the library at the site, in coordination with Toronto Public Library, Waterfront Toronto, Housing Development Office, Corporate Real Estate Management, Development Review, and Waterfront Secretariat.
2. City Council direct that Section 37 community benefits obtained in the development at 31 Parliament Street in the amount of \$4,000,000 (Source Account: XR3026-3701366), be committed to support the future fit-out of the Toronto Public Library branch in the Quayside community, subject to the necessary requirements being met for issuance of a building permit for Phase 1 Block 1C2 and 1C3 that includes the Toronto Public Library - Quayside Community.
3. City Council authorize the Director, Community Planning, Toronto and East York South District, in consultation with the Director, Waterfront Secretariat, to provide capital funding in the amount of \$2,500,000 to the owner or a related corporation to allow for the construction, in part, of the base building condition of the Toronto Public Library - Quayside Community as part of the Quayside Development Project with \$500,000 being directed from Section 37 community benefits obtained in the development at 31 Parliament Street (Source Account: XR3026-3701366); and \$2,000,000 being directed from Section 37 community benefits obtained in the development at 141 Bay Street, Block 1 and the portion of the lands between Bay and Yonge Streets (Source Account: XR3026-3701201).
4. City Council direct that the funds referred to in Recommendation 3 be forwarded to the owner or a related corporation upon execution of an Amending Section 37 Agreement or other agreement, to the satisfaction of the City Solicitor, that governs the use of the funds and the financial reporting requirements; and no earlier than after issuance of the first above-grade building permit for Phase 1 Block 1C2 and Block 1C3.
5. City Council authorize the Executive Director, Corporate Real Estate Management or designate, in consultation with the Executive Director, Housing Development Office, to negotiate and enter into with the owner of Quayside Phase 1 Block 1A such crane swing agreements and related or ancillary agreements and any amendments thereto as may be required to facilitate development of the City’s lands and/or Quayside Phase 1

Block 1A on terms satisfactory to the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Development Office, and in a form acceptable to the City Solicitor, and each of the Executive Director, Corporate Real Estate Management and the Executive Director, Housing Development Office or their designate(s) be authorized severally to execute such agreements on behalf of the City.

6. City Council authorize the Executive Director, Corporate Real Estate Management or designate, in consultation with the Executive Director, Housing Development Office, to negotiate and enter into with the owner(s) and/or tenants of Phase 1 Blocks 1B, 1C and 2 any conveyances, easements, leases, licences and other agreements (whether in the City's capacity as transferee, transferor, lessee, lessor, licensee, licensor or otherwise, as the case may be) including without limitation tieback agreements, encroachment agreements, crane swing licences and construction staging licences, and any amendments thereto, that may be required in connection with the development of any lands within Blocks 1B, 1C and 2 or any part(s) thereof, on terms satisfactory to the Executive Director, Corporate Real Estate Management, in consultation with the Executive Director, Housing Development Office, and in a form acceptable to the City Solicitor, and each of the Executive Director, Corporate Real Estate Management and the Executive Director, Housing Development Office or designate(s) be authorized severally to execute such agreements on behalf of the City.

7. City Council authorize the Executive Director, Corporate Real Estate Management or designate, in consultation with the Executive Director, Housing Development Office, Waterfront Secretariat and, where applicable, the Toronto Public Library, to negotiate and enter into with the owner(s) and/or tenants of Quayside Phase 1 Block 1B, 1C, and 2 or any part(s) thereof, such conveyances, easements, leases, licences and other agreements and any amendments thereto (whether in the City's capacity as transferee, transferor, lessee, lessor, licensee, licensor or otherwise, as the case may be) as may be required for the construction and conveyance to the City of the proposed Toronto Public Library neighbourhood branch within the Quayside Phase 1 development, including without limitation tieback agreements, encroachment agreements, crane swing licences and construction staging licences, on terms satisfactory to the Executive Director, Corporate Real Estate Management, and in a form acceptable to the City Solicitor, and each of the Executive Director, Corporate Real Estate Management and the Executive Director, Housing Development Office or their designate(s) be authorized severally to execute such agreements on behalf of the City.

8. City Council, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control), authorize the City Solicitor to amend the retainer with Borden Ladner Gervais LLP on Purchase Order Number 6057271 by increasing the value by \$375,000 excluding all applicable taxes and charges (\$381,600 net of HST recoveries), from \$750,000 excluding all applicable taxes and charges (\$763,200 net of HST recoveries) to \$1,125,000 excluding all applicable taxes and charges (\$1,144,800 net of HST recoveries).

## **FINANCIAL IMPACT**

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The recommendations in this report provide the approvals required to secure a location in the Quayside development for a new, approximately 1,850 square metre TPL branch. Through amendments to the Development Agreement between Dream and Waterfront Toronto and through an amending Section 37 Agreement, the site developer will convey to the City the base building, land, and required easements for the library as part of the Quayside development. The City will provide capital funding of \$2.5 million, fully funded by Section 37 community benefits from 31 Parliament Street and 141 Bay Street developments to support construction of the base building condition for the new library branch. Consideration for the reciprocal crane swing agreements can be satisfied through the mutual exchange of real estate interests, with no cash consideration required.

TPL will be responsible for the fit-out of the library space, and for the ongoing operations of the branch. The estimated cost to complete the fit-out is \$13.0 million, with work expected to commence in 2029, or upon conveyance. Funding has been identified as follows:

- \$4.0 million reallocation within TPL's 10-Year Capital Plan, with no impact to planned State of Good Repair ("SOGR") projects.
- \$4.0 million in Section 37 community benefits received through the development at 31 Parliament Street agreement, to be added to the TPL's 10-Year Capital Plan.
- \$5.0 million donations to be received from the TPL Foundation in support of the fit-out of the new Quayside branch, to be added to the TPL's 10-Year Capital Plan. TPL has worked with the TPL Foundation to seek and secure philanthropic contributions to support the fit-out of a new branch in the Quayside development.

The creation of a new capital project, along with the associated project cost and funding for the fit-out of the TPL branch within the Quayside development will be brought forward for consideration through the 2027 budget process. This will allow sufficient time for TPL to complete the necessary due diligence to validate project cash flow timing. The creation of the project is subject to confirmation that the \$13.0 million in funding required to complete the fit-out, as identified above, has been secured.

Operating budget impacts resulting from the addition of a new neighbourhood branch are estimated to be \$1.5 million to \$2.0 million annually. These financial impacts are not expected to commence until at least 2031, following completion of the fit-out work and as TPL plans to open the branch to the public. TPL will continue to monitor and refine this estimate and will bring forward the associated operating impacts for consideration through future budget processes.

The total value of amendment with the Borden Ladner Gervais LLP retainer on Purchase Order Number 6057271 is \$375,000 excluding all applicable taxes and charges (\$381,600 net of HST recoveries). This will increase the current purchase order from \$750,000 excluding all applicable taxes and charges (\$763,200 net of HST recoveries) to \$1,125,000 excluding all applicable taxes and charges (\$1,144,800 net of HST recoveries), for additional legal support related to the Quayside Development Project. Funding in the amount of \$381,600 net of HST recoveries for this contract amendment is included in the 2026-2035 Capital Budget and Plan for the Housing Secretariat and the Housing Development Office under the capital project CAF003-03.

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

## **EQUITY IMPACT**

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As approved by City Council through the Quayside Business Implementation Plan and the Next Phase of Waterfront Revitalization, the renewed vision for the City's waterfront includes "equity, inclusion and access" as a key priority. The envisioned community hub is a key component of the first phase of Quayside development.

This opportunity strengthens equity outcomes by bringing certainty and momentum to the delivery of a community hub in step with the Quayside housing delivery. By advancing a new library as the anchor community hub space, the City and TPL can ensure residents benefit from inclusive, accessible public services from the earliest stages of neighbourhood growth. Working closely with TPL enables equity objectives embedded directly into the design and programming of the space, supporting a community where everyone is welcomed, included and supported.

## **DECISION HISTORY**

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On May 28, 2026, Toronto and East York Community Council adopted a City-initiated zoning by-law amendment to revise existing zoning permissions to permit the relocation of the community hub from Phase 1 Block 2 to Phase 1 Block 1C and to make amendments to the Section 37 requirements as it relates to Phase 1 Block 1B, 1C, and 2 to enable the community hub development.

<https://secure.toronto.ca/council/agenda-item.do?item=2026.TE33.2>

On December 16 and 17, 2025, City Council adopted TE27.5 "257-259 and 291 Lake Shore Boulevard East, 2 Small Street and 200 Queens Quay East (Quayside Blocks 1 and 2) - Zoning By-law Amendment and Part Lot Control Exemption Application - Decision Report - Approval," to revise prior approval for the first two blocks of the Quayside proposal related to built form, densities, and other development standards, and provide for exemption from part lot control.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.TE27.5>

On October 8 and 9, 2025, City Council adopted item EX26.2 "Advancing Affordable Rental Housing in Quayside - Phase 1" which established the delivery model for the affordable rental homes in Quayside, representing a step in implementing the Public Developer approach and the delivery of approximately 1,750 affordable rental and purpose-built rental homes through a partnership with private, non-profit and government partners.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX26.2>

On April 14, 2025, the Executive Committee received Item EX22.1 "Interim Update - Delivery of Affordable Rental Homes in Quayside - Phase 1" which provided an update

on the delivery model and funding and financing plan for the affordable rental homes proposed in Quayside to maximize the number of affordable and rental homes and prioritize the delivery of purpose-built rental homes.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX22.1>

On December 17 and 18, 2024, City Council adopted Item EX19.2 "Next Phase of Waterfront Revitalization - Update" which among other updates, endorsed a set of priority projects for the Next Phase of Waterfront Revitalization and tri-government funding including Quayside.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX19.2>

On July 24 and 25, 2024, City Council amended the former City of Toronto Zoning By-law 438- 86 for development on Quayside Phase 1 Blocks 1 and 2. The rezoning addressed Phase 1 of the Quayside development and increased the permitted density of residential floor area to include 36,996 square metres of affordable rental housing.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.TE15.5>

On June 26 and 27, 2024, City Council adopted Item PH13.8 - Launching the Rental Housing Supply Program. The report included authorization for the Executive Director, Housing Secretariat to provide capital funding to projects listed in Confidential Attachment 1 to the report. This included up to \$44 million in capital funding to support the delivery of affordable rental homes in Quayside Phase 1.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.8>

On July 19, 20, and 22, 2022, City Council adopted Item EX34.11 "Quayside Business and Implementation Plan" which outlined affordable rental and ownership opportunities across the development, in addition to the infrastructure and parkland improvements, real estate transactions and phasing plans.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.11>

## COMMENTS

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### Background

The Quayside lands, including Phase 1 (Blocks 1A, 1B, 1C and 2) and Phase 2 (Blocks 3, 4 and 5), are comprised of approximately 4.9 hectares (12 acres) located between Lake Shore Boulevard to the north, the Victory Silos development to the east, the Toronto Harbour to the south, and Bonnycastle Street to the west. Once complete, Quayside will be an inclusive and vibrant new waterfront community with approximately 4,700 residential units.

The Quayside lands will create several assets to be transferred to the City across the two phases, including affordable rental housing, new waterfront parkland, the Queens Quay East extension and Parliament Street realignment to open up lands to the east for redevelopment and set the stage for the future Waterfront East Rapid Transit Line service, new public streets, and a reinforced dock wall at Parliament Slip.

The Quayside Project will deliver additional public benefits, including a Zero-Carbon certified community, privately owned, publicly accessible open spaces (including the Community Forest Privately-owned Publicly Accessible Space on Phase 1), supports for aging-in-place, numerous opportunities for Indigenous and equity-deserving groups (including through employment opportunities), and the potential for a Toronto District School Board (TDSB) elementary school and opportunity for co-location with a landmark cultural institution in the second phase of development.

Dream and Great Gulf, together known as Quayside Impact Limited Partnership (“QILP”), became Waterfront Toronto’s Development Partner through a procurement process conducted by Waterfront Toronto to secure a development partner for Quayside. Waterfront Toronto is responsible for the overall coordination of the project and the delivery of infrastructure, with QILP responsible for the delivery within the development blocks.

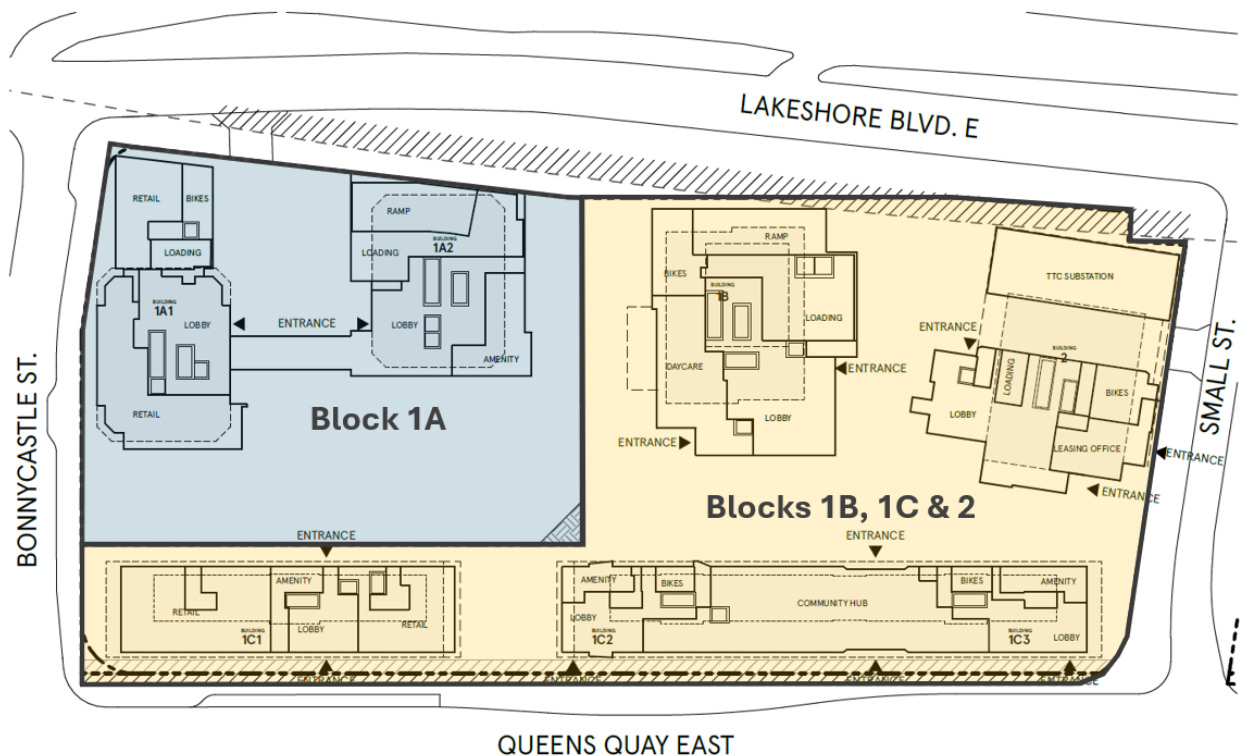
## **Progress/changes since the last Council update in Fall 2025**

### **Advancing Affordable and Market Purpose-Built Rental**

In 2025, an acceleration plan for Phase 1 Blocks 1B, 1C and 2 was introduced to adapt to the changing housing market conditions. As of February 2026, Waterfront Toronto’s Development Partners, Dream and Great Gulf, agreed to restructure the project ownership and delivery. Under the revised arrangement, Dream assumed full ownership and responsibility for the delivery of purpose-built market rental units at Phase 1 Blocks 1B, 1C, and 2. Upon full build-out, this portion of the project is expected to include approximately 1,150 purpose-built market rental units, as well as approximately 550 affordable rental units that are being developed in partnership with the City of Toronto and community housing providers. Great Gulf retained ownership and will lead the delivery of Phase 1 Block 1A, which is expected to include approximately 77,110 square meters (830,000 square feet) of mixed-use residential floor area across two high rise buildings. A rezoning application was approved by City Council on December 16 and 17, 2025 to permit the changes necessary to facilitate the acceleration of the housing plan. The focus on rental housing in the first phase of development reflects current market conditions, allowing the rental housing development blocks to proceed immediately with development of the Phase 1 Block 1A condominium blocks to proceed in the future.

*Figure 1: Illustration of Quayside Phase 1 Blocks 1B, 1C and 2, to be developed with purpose-built affordable and market rental housing in the first phase of development*

(yellow) and Phase 1 Block 1A, to be developed in a later phase of development with condominium buildings (blue).



The City will continue to collaborate with Waterfront Toronto and its development partners on the overall development and delivering on the shared vision for Quayside as a dynamic, inclusive and resilient complete community.

As previously reported in Item EX26.2 the revised plan will accelerate the delivery of approximately 550 affordable rental homes and include a high percentage of family-sized units – about 57% of the affordable homes will be 2-, 3- and 4- bedroom units. The 550 affordable rental housing homes in Phase 1 will be operated by non-profit housing providers selected to own and operate them for 99 years. The City issued a Request for Proposal (RFP) to identify up to four eligible and qualified Affordable Housing Providers in 2025. The City has been working with the highest scoring proponents to advance the project and support their construction financing applications to CMHC. The construction financing applications are well underway and construction is anticipated to start before end of 2026.

**Advancing Waterfront East Rapid Transit Line and TTC Traction Power Substation**

A Traction Power Substation (“TPSS”) to support the Waterfront East Rapid Transit Line is planned to be located within the Quayside development Phase 1 Block 2. Design and coordination of the TPSS is underway in collaboration between the Quayside and Waterfront East Rapid Transit Line projects. As an enabling work for the future TPSS, the delivery of a duct bank on Small Street was added to the Quayside scope in 2025 through item [EX25.3](#), to support the Waterfront East Rapid Transit Line. This work is

projected to be completed in 2026. Through [MM40.40](#) City Council authorized the design and construction of the TBSS building envelope and enabling infrastructure within the Quayside development.

## **Community Hub**

As part of the Quayside Project, Dream is required to deliver a community hub, originally planned for Phase 1 Block 2, to serve Quayside and the wider neighbourhood.

In early planning for the site the hub was envisioned to include community facilities such as a communal kitchen, education spaces, collaborative working spaces, health and wellness spaces, a café and artistic spaces, along with a separate childcare facility. In conceiving the hub, the Toronto Public Library was approached as a potential partner to meet this project obligation.

TPL's Facilities Prioritization Framework ("FPF") and Service Delivery Model ("SDM") outline the service levels for library service across the city. According to TPL's FPF and SDM, the growth and density along with future population estimates in the central waterfront community support the need for a new branch in the Quayside development. As per the FPF and SDM, the proposed branch would be classified as a Tier 3 Neighbourhood branch defined as serving a minimum population of 25,000 people within a 1.6 km radius. The Toronto Public Library Board has approved proceeding with the addition of a new branch in the Quayside development, subject to successful acquisition of a site and obtaining all appropriate approvals.

Located on the ground floor of buildings 1C2 and 1C3, the approximately 1,850 square metre library will front on to Queens Quay East, creating synergies with the nearby East Bayfront Community Centre and making a significant contribution to year-round animation for the neighbourhood. In addition, it will have direct access to the Community Forest Privately-owned Publicly Accessible Space, a 0.41 hectare (1.01 acre) network of vibrant, car-free green spaces between Queens Quay and Lake Shore Boulevard East, spanning Bonnycastle to Small Street. The location of the library is shown in Figure 2.

Integrating the library as the community hub reinforces the objective of building a complete community at Quayside, with public amenities embedded directly into the neighbourhood fabric and within a City-owned asset. The proposed library will be a significant draw to the neighbourhood, creating animation along Queens Quay and supporting other retail and community uses in the area.

*Figure 2: Location of Toronto Public Library branch in Quayside community (blue), located in Quayside building 1C2-1C3, with frontage on Queens Quay East and access to the Community Forest*



Phase 1 Block 1C is being developed as affordable rental housing and is intended to be conveyed to the City, in its entirety, supporting the consolidation of public ownership in the blocks with the library. Advancing the library program with the acceleration of affordable rental housing delivery at Quayside reduces anticipated timing and increases certainty of delivery. Originally the community hub would have been in a privately-owned building and reliant on the developer to manage the tenancy of hub; this opportunity provides for certainty in long-term occupancy and use of the community hub in a City-owned asset.

By advancing a new library as the anchor community space, the City and TPL can ensure residents have access to inclusive, accessible public services from the earliest stages of neighbourhood growth. Working closely with TPL enables equity objectives to be embedded directly into the design and programming of the space, supporting a community where everyone is welcomed, included and supported. With development approvals for Quayside well underway and construction expected to start later this year, securing library space would ensure it is built into the fabric of this neighbourhood from the start.

The library is a critical hub to access resources and services for the most vulnerable people in the city. The new branch will include, among other services, a flexible, multipurpose floor plan that is accessible and inviting to all members of the community. The design will also include options for study, work and collaborative/community spaces for all residents with ample seating, along with programming spaces for branch and

community use. There will also be zoned areas for teens, as well as areas for children, adults and seniors, access to public computers, Wi-Fi, and washrooms.

Dream will continue to provide a 62-space private childcare facility in Phase 1 Block 1B to meet the overall requirements for Quayside.

### **Next Steps**

Staff will continue to advance the design of library with the site development partners and in keeping with overall Quayside project approvals and timelines for the acceleration plan and delivery of rental housing, and report back on Quayside development updates as recommended in the October 2025 Report. Through the 2027 budget process TPL will report back to Council to add the project to the TPL capital plan.

### **CONTACT**

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### **SIGNATURE**

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