



## REPORT FOR ACTION

# 4050 Chesswood Drive - Designation of a Portion of the Property Used by North York Harvest Food Bank Toronto as a Municipal Capital Facility

Date: November 18, 2025

To: Economic and Community Development Committee

From: Executive Director, Finance Shared Services; Executive Director, Social Development

Wards: All

### **SUMMARY**

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This report responds to [MM31.12](#) and will support the North York Harvest Food Bank in meeting rising food scarcity needs in Toronto. This report seeks City Council's authority for the adoption of the necessary By-law to designate a portion of the property owned by TK Group Ltd and leased to North York Harvest Food Bank as a Municipal Capital Facility and to provide an exemption for municipal taxes and education taxes. The Municipal Capital Facility Agreement authorized by the By-law will provide an exemption for approximately 31,830 square feet plus ancillary parking at 4050 Chesswood Drive. This property is eligible to be deemed as a Municipal Capital Facility due to the provision of social and health services.

### **RECOMMENDATIONS**

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The Executive Director, Finance Shared Services and the Executive Director, Social Development recommend that:

1. City Council pass a by-law pursuant to Section 252 of the City of Toronto Act, 2006, providing authority to:
  - a. enter into a Municipal Capital Facility Agreement with North York Harvest Food Bank (the "Operator") for the property known as 4050 Chesswood Drive, with respect to approximately 31,830 square feet of space, (the "Leased Premises") owned by TK Group Ltd. (the "Landlord") for the provision of social and health services; and

b. exempt the Leased Premises from taxation for municipal and school purposes, with the tax exemption being effective from the latest of:

1. the commencement date of the lease;
2. the date the Municipal Capital Facility Agreement is entered into; and
3. the date the Tax Exemption By-law is enacted.

2. City Council direct the City Clerk to give written notice of the By-law to the Minister of Finance, the Municipal Property Assessment Corporation, the Toronto District School Board, the Toronto Catholic District School Board, le Conseil scolaire Viamonde and le Conseil scolaire catholique MonAvenir.

## **FINANCIAL IMPACT**

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Based on the 2025 Current Value Assessment and tax rates, the annual property taxes for the 31,830 square feet of space at 4050 Chesswood Drive, currently taxable and to be occupied by the North York Harvest Food Bank, are estimated at \$43,234. This includes:

- \$26,514 in municipal property taxes
- \$16,720 in provincial education taxes

If this space is designated as a Municipal Capital Facility, it will be exempt from property taxes. This exemption will lead to a total annual reduction in property tax revenue of \$43,234, with \$26,514 being the net impact to the City, as shown in Table 1.

Table 1: Financial Implication of Property Tax Exemption - 4050 Chesswood Drive

<b>Location</b>	<b>Municipal Taxes</b>	<b>Education Taxes</b>	<b>Total Property Taxes</b>
4050 Chesswood Drive 1908-03-3-410-01803	\$26,514	\$16,720	\$43,234
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$26,514
Reduction in Education Taxes Remitted			\$16,720

Providing an exemption from taxes will reduce costs to the landlord which will be passed on to North York Harvest Food Bank as a rent reduction. This reduction allows the City to support the food access, workforce development, and social programming led by North York Harvest. This is work that aligns strongly with existing City strategies and policies noted below.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

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On June 25 and 26, 2025, City Council adopted MM31.12 - Supporting the North York Harvest Food Bank in meeting rising food scarcity needs in Toronto. This decision directed the City Manager, in consultation with the Chief Financial Officer and Treasurer, to report back to City Council by the third quarter of 2025 on options to support North York Harvest Food Bank's capital investment requirements need, in order to bring their new warehouse space and skills development Centre located at 4050 Chesswood Drive into operation to meet regional demands.

[Agenda Item History - 2025.MM31.12](#)

On Jue 25 and 26, 2025, City Council adopted EX24.3 - A vision and strategy for a Universal School Food Program in Toronto, which includes a phased implementation plan for a universal morning meal program by the 2026/2027 school year.

[Agenda Item History - 2025.EX24.3](#)

On December 17 and 18, 2024, City Council adopted MM24.42 - Declaring Food Insecurity an Emergency. This decision directed the City Manager to consider this emergency declaration in ongoing and future work related to food insecurity such as the City of Toronto's Poverty Reduction Strategy, Food Charter, and School Food Program.

[Agenda Item History - 2024.MM24.42](#)

## COMMENTS

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In June 2025, City Council passed [MM31.12](#) - Supporting the North York Harvest Food Bank in meeting rising food scarcity needs in Toronto. The motion directs the City Manager, in consultation with the Chief Financial Officer and Treasurer, to report back by the third quarter of 2025 on options to support North York Harvest Food Bank's capital investment requirements, to bring their new food distribution hub warehouse and skills development centre located at 4050 Chesswood Drive into operation. The options considered are:

- a. one-time non-repayable grant;
- b. low-interest loan and/or financing; and
- c. property tax exemption.

After reviewing the options above, City staff recommend a property tax exemption to exempt the landlord from annual property taxes estimated at \$43,234. The reduced costs to the landlord will be passed on to North York Harvest Food Bank as a rent reduction. North York Harvest can direct the funds towards capital expansion.

## **Overview of North York Harvest Food Bank**

Founded in 1985, North York Harvest Food Bank (“North York Harvest”) is the leading provider of food assistance in North York. In response to rising food insecurity, the organization now serves approximately 316,000 people annually.

To meet growing demand, North York Harvest signed a 10-year lease at 4050 Chesswood Drive, with options to extend. The new space will expand its impact across food access, community support, and policy advocacy.

Its food programs support 38 agencies and 77 initiatives, delivering emergency food to those in need. The Leadership in Logistics program trains cohorts of 25 in warehouse operations, connecting graduates to stable, well-paying jobs.

Through FoodReach, a social enterprise, North York Harvest supplies affordable food to 254 organizations, distributing 2.3 million pounds annually. Revenue supports its broader mission.

The organization also advocates for policy changes to address the root causes of food insecurity and build a more equitable food system.

## **Capital Investment Needs and Expansion Plans**

North York Harvest plans to move into the new space by June 2026. Cost estimates prepared in April 2025 by A.W. Hooker Associates Ltd. range from \$4 million for basic upgrades to \$6 million for enhanced amenities, including an upgraded kitchen.

The retrofit will expand their space from 10,000 to 32,000 square feet, increasing storage capacity from 250 to 700 skid spaces and adding 10–15 delivery vehicles with truck parking. Emergency food assistance capacity will grow by 1,200%, enabling receipt and distribution of trailer loads of surplus produce from farms across Ontario through the regional food bank network.

## **Skills Training and Workforce Development**

The Leadership in Logistics workforce development program is expected to grow in the larger space from 25 (current) to 75 individuals who are placed directly in full-time material handling jobs with benefits upon graduation. North York Harvest also plans to partner with Working for Change, an organization that provides supportive jobs and training for people far removed from the labour market, and other employment social enterprises, to develop on-site kitchen training programs. These programs are expected to train and employ 25 additional participants annually who face barriers to employment.

## Local Food System Infrastructure

An expanded space will increase the potential for bulk purchasing, processing, and distribution for city-supported programs and agencies such as the City's Universal School Food program, CampTO, and the Toronto Public Library. Expanded bulk purchasing also allows additional savings to be passed on to smaller organizations that lack sufficient scale to leverage bulk purchasing volumes through the FoodReach program. North York Harvest plans to promote local farm products by offering cold storage and processing space, and by creating direct pathways to sales through anchor customers.

The expanded space is expected to enable a range of activities, as summarized in Attachment A. A proposed floor plan can be found in Attachment B.

## Access to Space for Food Organizations and Farmers

Access to space is a significant challenge for non-profit food organizations and farmers in Toronto<sup>1,2</sup> limiting their ability to provide food access programming, to store, or to process food.

North York Harvest's development of 4050 Chesswood Drive has the potential to improve access to space for organizations and local farmers. Urban farmers and community organizations consulted by North York Harvest during their design engagement reported being limited by access to processing and storage space.

Improving access to space increases the opportunity for fresh fruits and vegetables to be stored until ready for distribution, or to be processed before being sold. Storage space access also allows multiple growers to pool their harvests to sell to larger local purchasers such as the Ontario Food Terminal or Student Nutrition Program, increasing farmers' earning potential.

## Alignment with City Strategies and Priorities

Plans for 4050 Chesswood Drive align with key City strategies, including the Inclusive Economic Development Framework and the Poverty Reduction Strategy. The site will serve as a hub for inclusive employment, entrepreneurship, and food access, core priorities in both frameworks.

As outlined in [\*From Sidewalks to Skylines: Action Plan for Toronto's Economy\*](#), the City is working with partners to advance inclusive economic development. North York Harvest's vision for the site directly supports this work.

Following City Council's December 2024 declaration of food insecurity as an emergency ([MM24.42](#)), the proposed food distribution hub will help improve access to nutritious food and mitigate the impacts of food insecurity across Toronto.

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<sup>1</sup> Ontario Nonprofit Network. (2023). State of the Sector: At a tipping point - policy report.

<sup>2</sup> Toronto Social Purpose Real Estate Reference Group. (2022). Community space survey report.

## School Food Program

In June of 2025, Council adopted a vision and strategy for a Universal School Food Program in Toronto ([EX24.3](#)), including a morning meal provided in all school communities by the 2026/2027 school year, and a universal lunch program no later than 2030. City staff is currently working on this initiative, including with North York Harvest and the Toronto Foundation for Student Success, to explore the potential role for food distribution hubs in procurement, delivery and logistics efficiency. Using a hub model also presents an opportunity to meet the City's Coolfood Pledge commitments, reducing the miles travelled from farm to plate and further supporting climate-friendly food options in student nutrition programs.

## Financial Options

Of the three options explored to support North York Harvest's capital investment needs, the most feasible is a property tax exemption, which will provide the landlord with annual savings of \$43,234 to be passed on to North York Harvest as a reduction in rent. Over the term of their current lease, this will save the organization \$432,340, and more if the lease is extended. This option follows existing City policy and provides savings to the organization that can support infrastructure costs during the construction phase, and lower ongoing operating costs for as long as the organization occupies this site.

Further details on the options explored by staff in consultation with other City Divisions are provided below.

### a. One-time non-repayable grant

Guided by the [Toronto Grants Policy](#), the City ensures a transparent and accountable process for issuing community grants.

A core principle of the Policy is transparency, which requires grants to be issued through transparent and open application processes. As this Report for Action does not include an open application process, a one-time non-repayable grant cannot be issued.

### b. Low-interest loan and/or financing

North York Harvest Food Bank is not eligible under the City's policy for [Direct Capital Loans](#), as it is restricted to City agencies and corporations.

North York Harvest Food Bank is also not eligible under the City's [Loan Guarantee Policy](#). Eligible entities for capital loan guarantees are non-profit sporting, recreational and community entities, seeking to acquire or upgrade their facilities.

Additionally, eligible entities must have an existing financial relationship with the City. This means that where the entity might default on its loans, such that the City would be required to repay the financing, the City would be able to recover amounts paid either through the budget process, or by withholding operating grants.

Since the intention is to provide supportive financial relief to the North York Harvest Food Bank, the route of a repayable capital loan, or a potentially recoverable capital loan guarantee is not recommended. Rather, the City should be providing direct financial assistance to the entity as per the recommendations of this report.

### **c. Property tax exemption**

The North York Harvest Food Bank will be occupying space located at 4050 Chesswood Drive. Designating this space as a Municipal Capital Facility and exempting it from property taxes will reduce the monthly rental amount paid by the organization.

### **Municipal Capital Facility Designation**

Section 252 of the *City of Toronto Act, 2006* allows City Council to exempt from taxation for municipal and school purposes land or a portion of land on which a Municipal Capital Facility is or will be located once the City enters into an agreement with the landlord or tenant for the provision of the Municipal Capital Facility.

Ontario Regulation 598/06 prescribes facilities providing social and health services as eligible for section 252.

### **Next Steps**

Upon the passing of the by-law authorizing the Municipal Capital Facility agreement and the municipal and school tax exemption, the City Clerk, pursuant to the *City of Toronto Act, 2006*, must give written notice of the by-law to the Minister of Finance, the Municipal Property Assessment Corporation, the Toronto District School Board, the Toronto Catholic District School Board, le Conseil scolaire Viamonde and le Conseil scolaire catholique MonAvenir.

Following the adoption of the report recommendations, the City of Toronto shall notify North York Harvest of the date the tax exemption is effective.

### **CONTACT**

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### **SIGNATURE**

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## **ATTACHMENTS**

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Attachment A: Current and Future Projected Impact

Attachment B: Floorplan