

Site Licence at the Corner of Allen Road and Transit Road

Date:	Nov 4, 2008
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 10-York Centre
Reference Number:	P:\2008\Internal Services\F&re\Gm08099F&re – (AFS 8844)

SUMMARY

The purpose of this Report is to obtain City Council approval to enter into a license agreement (the “**Licence Agreement**”) with Rogers Wireless Inc. (“**Rogers**”) to permit Rogers to continue to maintain their wireless equipment cabinets and antennas on City of Toronto (the “City”) property at the southeast corner of Allen Road and Transit Road.

The proposed agreement is for five years with renewal right for another 5 years.

RECOMMENDATIONS

The Chief Corporate Officer recommends that City Council:

1. Authorize the City to enter into a License Agreement with Rogers Wireless Inc.(the “**Licensee**”) to use and occupy approximately 48.26 square meters of land area, located on the corner of Allen Rd and Transit Road (the “**Premises**”) for its wireless network services, commencing Jan 1, 2007 and expiring on Dec 31, 2016, substantially on the terms and conditions as set out in “Appendix A” and on such other terms and conditions as approved by the Chief Corporate Officer, or his or her designate, and in a form and content acceptable to the City Solicitor; and
2. authorize the Chief Corporate Officer to administer and manage the License Agreement including the provision of any consents, approvals, notices and notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.

FINANCIAL IMPACT

This licence will generate total revenue of \$113,011.06(net of GST) over the 5 years term starting retroactively from Jan 1, 2007 as follows:

Year	1	2	3	4	5	Total
Annual Fee (2.5% escalation)	\$ 21,500.00	\$ 22,037.50	\$ 22,588.44	\$ 23,153.15	\$ 23,731.98	\$ 113,011.06
Monthly Fee	\$ 1,791.67	\$ 1,836.46	\$ 1,882.37	\$ 1,929.43	\$ 1,977.66	

Rogers is responsible for all other applicable taxes and utility costs. There are no outstanding payments from the existing licence agreement.

This revenue represents an approximate annual increase of \$9,200.00, for a total increase of approximately \$46,000.00 over the five year term.

The Acting Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

By the adoption of Clause No.37 of the Corporate Administration Committee Report No. 19, the former Metropolitan Council, on August 13 and 14, 1997 authorized licensing of the subject property to Rogers Cantel Inc., now Rogers, for a term of 3 years with two renewal options of 3-year terms each for an area of approximately 14.40 square meters, as a site for its wireless network equipment. This license generated net revenue of \$12,263 during its three-year term. By Delegated Authority Form, Tracking No. 2001-141, the Commissioner of Corporate Services approved Rogers Wireless Inc. first right of renewal period rate which generated \$15,000 in net revenue over the three-years term. By Delegated Authority Form, Tracking No. 2004-032, the Commissioner of Corporate Services granted approval for Rogers to add 3 additional antennas and replace another 16.5 metres of antenna pole and to renew the rental rate and \$35,854 in net revenue was generated during this last three-years term.

The license expired on Dec 31, 2006, and the Licensee has remained in an overholding position.

COMMENTS

Rogers proposes to expand its occupancy on the site to approximately 48.26m² in order to add six cabinets and two backup batteries. City Staff have engaged an external brokerage firm to determine the fair market value and City Staff and Rogers have come to agreement to a new rate of \$21,500 per annum, with a 2.5% per annum escalation clause for the five year term, plus one five-year renewal option.

The site is being held for Transportation Services for road-allowance and does not require the property in the immediate term.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Schedule "A"-Major Terms of the License Agreement
Schedule "B" Location Map