

## **Licence Extension Agreement – Road Crossing under Salome Drive**

<b>Date:</b>	May 4, 2010
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward 41 – Scarborough-Rouge River
<b>Reference Number:</b>	P:\2010\Internal Services\RE\Gm10041re – (AFS#12076)

### **SUMMARY**

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The purpose of this report is to obtain authority to enter into an Extension Agreement with the International Group, Inc. (the "Licensee") for the extension of a Road Crossing Licence under Salome Drive. The proposed Licence Extension Agreement (the "Licence") is for a ten (10) year term, commencing as of December 15, 2007 and ending on December 14, 2017.

### **RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. City Council authorize entering into a Licence Extension Agreement with The International Group, Inc. for a term of ten (10) years substantially on the terms and conditions as set out in Appendix "A" and on such other terms and conditions as deemed appropriate by the Chief Corporate Officer, or his or her designate, and in a form and content acceptable to the City Solicitor.
2. City Council authorize the Chief Corporate Officer to administer and manage the Licence 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

The Licence will generate the following revenue, net of applicable taxes, commencing retroactively on December 15, 2007:

Year	Period	Annual Revenue net of taxes
1	December 15/07 – December 14/08	\$1,000.00
2	December 15/08 – December 14/09	\$1,025.00
3	December 15/09 – December 14/10	\$1,050.00
4	December 15/10 – December 14/11	\$1,076.00
5	December 15/11 – December 14/12	\$1,103.00
6	December 15/12 – December 14/13	\$1,130.00
7	December 15/13 – December 14/14	\$1,158.00
8	December 15/14 – December 14/15	\$1,187.00
9	December 15/15 – December 14/16	\$1,217.00
10	December 15/16 – December 14/17	\$1,247.00
	<b>Total Revenue</b>	<b>\$11,193.00</b>

The total revenue to the City over the ten (10) year term is \$11,193.00 plus applicable taxes. There are no outstanding payments under the current terms.

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

## DECISION HISTORY

By adoption of Item 14, Report No. 41 of the Board of Control, the Council of the City of Scarborough on November 30, 1987 approved the request of International Wax Limited for an underground conduit crossing Salome Drive. The permission was granted in the form of a licence agreement for a term of five (5) years which expired on December 14, 1992 for a licence fee of \$975.00 for the term.

By adoption of Item 19, Report No. 5 of the Administrative Committee, the Council of the City of Scarborough on February 22, 1993 approved an extension of the existing licence for another five (5) years commencing on December 15, 1992 and expiring on December 14, 1997 at an annual fee of \$500.00.

By DAF # 98-019S dated October 23, 1998 authority was granted to extend the licence with The International Group, Inc. (the successor of International Wax Limited) for the further term of five (5) years, effective December 15, 1997 and expiring December 14, 2002 on the same terms and conditions, including the annual licence fee of \$500.00.

By DAF # 2003-020 dated February 7, 2003 authority was granted to renew the licence with The International Group, Inc. for the further term of five (5) years, effective December 15, 2002 and expiring December 14, 2007 on the same terms and conditions, except that the annual licence fee was \$625.00.

## **ISSUE BACKGROUND**

The latest licence renewal agreement expired on December 14, 2007. The proposed Licence will commence retroactively on December 15, 2007.

Negotiations were conducted with the Licensee and agreement was reached for another period of ten (10) years. The Licence allows the Licensee to maintain various pipes underneath the public roadway (Salome Drive) which the Licensee requires for their business operations. The Licensee owns the property on the north side (50 Salome Drive) and on the south side (33 Salome Drive) of Salome Drive and maintains the conduit for the purposes of transporting material from their operations at 50 Salome Drive to the opposite side.

## **COMMENTS**

Transportation Services has no objection to this Licence renewal. The tenant is up-to-date with rental payments and is in good standing with the City.

The basic and other terms and conditions of the proposed agreement reflect current market value according to market research and valuation conducted by Real Estate Services staff.

## **CONTACT**

Joe Casali, Director, Real Estate Services  
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## **SIGNATURE**

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Bruce Bowes, P. Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix "A" – Major Terms and Conditions  
Appendix "B" – Location Map