



**STAFF REPORT  
ACTION REQUIRED**

**Renewal of Encroachment Agreement on a City  
Easement at Signal Hill Ave and Steeles Ave West**

<b>Date:</b>	October 3, 2011
<b>To:</b>	Etobicoke York Community Council
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward No. 1 (Etobicoke North)
<b>Reference Number:</b>	P:\2011\Internal Services\RE\Ey11030re – (AFS# 14545 )

**SUMMARY**

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The purpose of this Report is to obtain authority to renew an Encroachment Agreement between the City of Toronto (the “City”) and Sherfam Inc. (“Sherfam”) to maintain an existing ground sign on the City’s Easement at the south-western corner of Signal Hill Avenue and Steeles Avenue West. Community Council has delegated authority to make a final decision, provided that it is not amended so that it varies with City Policies or By-Laws.

**RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that Council:**

1. Grant authority to renew an Encroachment Agreement with Sherfam to maintain an existing ground sign on the City’s Easement at the south-western corner of Signal Hill Avenue and Steeles Avenue West substantially on the terms and conditions outlined in Appendix “A” of this Report, and in a form acceptable to the City Solicitor.
2. Grant authority to the Chief Corporate Officer to administer and manage the Encroachment 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 matter (including their content) to City Council for its determination and direction.

## Financial Impact

The Encroachment Agreement will generate the following annual revenue, net of all applicable taxes including HST, commencing on June 1, 2011:

Year	Period	Annual Revenue net of all applicable taxes including HST
1st	June 1, 2011 to May 31, 2012	\$752.00
2nd	June 1, 2012 to May 31, 2013	\$775.00
3rd	June 1, 2013 to May 31, 2014	\$798.00
4th	June 1, 2014 to May 31, 2015	\$822.00
5th	June 1, 2015 to May 31, 2016	\$847.00
6th	June 1, 2016 to May 31, 2017	\$872.00
7th	June 1, 2017 to May 31, 2018	\$898.00
8th	June 1, 2018 to May 31, 2019	\$925.00
9th	June 1, 2019 to May 31, 2020	\$953.00
10th	June 1, 2020 to May 31, 2021	\$982.00
	Total Revenue	\$8,624.00

The total revenue to the City over the ten year term is \$8,624.00 plus all applicable taxes including HST. 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

The City obtained a Permanent Easement from Sherfam, which was required as a condition of a Site Plan approval. The Permanent Easement was registered on July 18, 2002 as Instrument No. E570022. The purpose of the Permanent Easement was for the operation and maintenance of a storm and sanitary sewer within Lands described as Block A, Plan 66M-2260, designated as Parts 2, 3 and 4 on Reference Plan 66R-19699 (the "Easement Lands")

The Permanent Easement Agreement between the City and Sherfam contains a clause which prohibits the building of any structure within the City Easement. Notwithstanding this restriction, in 2006 Sherfam erected a ground sign (the "Encroachment") which encroaches onto the City Easement.

As authorized by Clause No. EY31.43 on November 10, 2009 of the Etobicoke York Community Council Meeting, an Encroachment Agreement was entered with Sherfam for a five year period commencing from June 1, 2006 to May 31, 2011. The City retains the right to terminate the Encroachment Agreement upon giving 6 months written notice to Sherfam.

## **COMMENTS**

The Encroachment is situated on the south-western corner of Signal Hill Avenue and Steeles Avenue West, and consists of approximately 434.54 sq. ft. The Encroachment does not impact upon the City's requirements at this time.

The 5 year Encroachment Agreement expired on May 31, 2011. As a result of negotiation, the Encroachment Agreement is to be renewed for 10 years commencing from June 1, 2011 to May 31, 2021 at the annual rates as outlined above. Upon signing of the letter agreement for the renewal proposal, Sherfam has prepaid its obligations for the 10 year renewal term as well as \$491.55 for the legal administration fee. The basic net encroachment fee and other terms and conditions of the Encroachment Agreement reflect current market value according to market research and valuation conducted by Real Estate Services staff.

## **CONTACT**

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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