

MEETING DATE: May 15, 2002

SUBJECT: Mississauga Transit - Agreement Renewal (Islington Station)

RECOMMENDATION

It is recommended that the Commission approve:

1. the execution of a Licence Agreement between the City of Mississauga and the TTC for the use by Mississauga Transit (MT) of Bus Platforms 4 (two-thirds), 5, 6, and 7 at Islington Subway Station (as shown on Appendix "A") and for a Ticket Booth (as shown on Appendix "B"), under the general terms and conditions outlined herein; and
2. authorize staff to undertake such action as is necessary to give effect to the foregoing.

FUNDING

The expected revenue from the renewal of the lease of Islington bus platforms to Mississauga Transit is reflected in the TTC's 2002 Operating Budget.

BACKGROUND

Due to various operating issues associated with MT routes travelling along Burnhamthorpe Road and the restrictions imposed upon MT for use of the Islington Station bus platforms over the past several years, the negotiations for a renewal agreement had been deferred until all operating and access issues to the station could be resolved. At its meeting of September 25, 2001, the Commission approved the full reinstatement of MT buses including those travelling along Burnhamthorpe Road back to Islington Station and MT's use of the previously designated bus platforms, specifically Platforms 4 (two-thirds), 5, 6, and 7. Negotiations to extend the lease including rent increases have been ongoing and have recently been resolved.

DISCUSSION

A five-year renewal Licence Agreement with MT has been tentatively reached commencing January 1, 2002 and expiring on December 31, 2006, including an option to renew for an additional five (5) years.

The City of Mississauga has agreed to pay to the Commission for the use of the bus platforms at Islington Station based on the following fee structure:

Year	Licence Fee	Maintenance Costs	Total Annual Fee*	Monthly Fee*
1	\$124,301	\$169,851	\$294,152	\$24,513
2	\$124,301	\$174,946	\$299,247	\$24,937
3	\$124,301	\$180,195	\$304,496	\$25,375
4	\$124,301	\$185,600	\$309,901	\$25,825
5	\$124,301	\$191,169	\$315,470	\$26,289

* GST is to be added to the above fees.

Total revenue generated from this agreement over the five-year term is \$1,523,266.00 (plus GST), averaging \$304,653/year (plus GST) representing annual increases of 20% over the current annual fee of \$253,740 (plus GST).

In addition to the positive return based solely on the annual licence fee, the TTC will also benefit by the MT reinstatement by avoiding revenue losses that may have been experienced through the reduced business generated by its retail tenants at Islington Station if Mississauga Transit were to abandon the use of the bus platforms for passenger drop-offs and pick-ups.

The maintenance costs represent an increase of 3% annually over the term, and Operations have indicated that this is sufficient to recover their costs associated with the bus platform maintenance.

JUSTIFICATION

It is recommended that the Commission approve the recommendations.

April 24, 2002

Attachment: Appendix "A" – Platform Drawing

Appendix "B" - Concourse Level Drawing