

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: May 11, 2011

SUBJECT: LICENCE EXTENSION AND AMENDING AGREEMENT
BETWEEN THE TTC AND THE CITY OF MISSISSAUGA

ACTION ITEM:

RECOMMENDATION

It is recommended that the Commission approve:

1. The execution of an extended licence agreement for a further term of five (5) years following the expiry of the existing agreement on December 31, 2011, between the TTC and the City of Mississauga for the use by Mississauga Transit (MT) of bus platforms 4 (two-thirds), 5, 6 and 7 at Islington Subway Station (see Appendix "A" attached);
2. The expansion of the scope of the extended licence agreement to permit the City of Mississauga to install a transit supervisory staff kiosk, as show on Appendix "A", for the same term of five (5) years following the expiry of the existing agreement on December 31, 2011.

FUNDING

The expected revenue for the licence extension for the use of the platforms at Islington subway station, combined licence and maintenance costs is expected to be \$1,833,399.00, plus all applicable taxes, for the duration of the licence.

BACKGROUND

The TTC and the City of Mississauga entered into an agreement on May 24, 2002, in which the TTC agreed to permit Mississauga Transit to use bus platforms 4 (two-thirds), 5, 6, and 7 at the TTC's Islington subway station for a period of five (5) years commencing on January 1, 2002 and expiring on December 31, 2006.

The City of Mississauga exercised its option to renew the licence agreement and enter into a licence renewal and amending agreement with the TTC on January 1, 2007, for another term of five (5) years commencing January 1, 2007, and expiring on December 31, 2011.

The City of Mississauga has requested that the TTC:

- a) Expand the scope of the licence agreement to permit the City of Mississauga to install a transit supervision staff kiosk; and,
- b) Extend the licence agreement for a further term of five (5) years following the expiry of the renewal term.

DISCUSSION

The five (5) year extended and amending agreement with the City of Mississauga has been tentatively reached and will commence on January 1, 2012 and will expire on December 31, 2016.

In addition, as per Section 7 of the Memorandum of Agreement, signed on the 13th day of March 1987, it is also understood, that in the event that the Regional Bus Terminal is constructed at Kipling station during the term of this agreement, MT will relocate its operation to the new terminal and this agreement will be terminated and a pro rata adjustment will be made for the rent and maintenance cost as of the date of termination.

The City of Mississauga has agreed to pay the TTC for the use of the bus platforms at Islington subway station based on the following structure:

PERIOD	LICENCE FEE	MAINTENANCE COSTS/ FEE	TOTAL ANNUAL FEE *	MONTHLY FEE*
Jan. 1/12 to Dec. 31/12	\$124,301	\$228,266	\$352,567	\$29,380.58
Jan. 1/13 to Dec. 31/13	\$124,301	\$235,114	\$359,415	\$29,951.25
Jan. 1/14 to Dec. 31/14	\$124,301	\$242,167	\$366,468	\$30,539.00
Jan. 1/15 to Dec. 31/15	\$124,301	\$249,432	\$373,733	\$31,144.42
Jan. 1/16 to Dec. 31/16	\$124,301	\$256,915	\$381,216	\$31,768.00

* HST to be added.

The total revenue generated from this agreement over the five (5) year term is 1,833,399.00, plus applicable taxes. The maintenance costs represent a 3% increase annually over the term, and Operations have indicated that this is sufficient to recover their costs associated with the bus platform maintenance.

In addition to the positive financial benefits to the TTC, this agreement also benefits TTC's client base for its retail tenants operation within the station.

JUSTIFICATION

It is recommended that the Commission approve this recommendation.

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