



## STAFF REPORT ACTION REQUIRED

### Antenna Lease Renewal - 3050 Pharmacy Avenue

<b>Date:</b>	December 20, 2016
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

### Summary

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The purpose of this report is to seek the Board's approval, to extend the term of the lease of the antenna agreement for the TTC antenna located at 3050 Pharmacy Avenue, for an additional 2 years, subject to the terms and conditions outlined in this report.

The antenna at 3050 Pharmacy Avenue is part of the TTC Communication and Information System (CIS) network that provides uninterrupted voice, and data communication for surface vehicles such as buses and streetcars for the Service Delivery Group.

### Recommendations

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**It is recommended that the Board:**

1. Authorize the execution of the antenna lease agreement to extend the lease between Hanseatic Holdings Limited and the Toronto Transit Commission located at 3050 Pharmacy Avenue for a term of two years, and amend the lease agreement to provide an additional option to extend for one year in accordance with the terms and conditions set out in the agreement and as summarized in this report, in accordance with the TTC's policies, and any other documents or agreements arising as a result of entry into the lease, in a form satisfactory to TTC's Head of Legal and General Counsel;
2. Approve the expenditure of \$26,353.00 plus HST for rent payments for the lease (excluding utilities and property tax) for a two-year term, subject to change from current projections due to the escalation of utilities and property tax expenses, in accordance with the terms and conditions of the lease agreement, as amended.

## **Implementation Points**

The recommendations are for TTC staff to proceed with negotiations of the extension and amendment of the lease in accordance with the terms and conditions set out in this report. The extension will allow the Communications section under the Plant Maintenance department to continue to occupy this location.

## **Financial Summary**

Sufficient funds are included in the 2017 TTC Operating Budgets which was approved by the TTC Board on November 21, 2016 and future requirements will be incorporated into future annual operating budgets, accordingly.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

## **Accessibility/Equity Matters**

There are no accessibility or equity matters arising from this report.

## **Decision History**

On November 17, 2009, TTC entered into an agreement for the antenna located at 3050 Pharmacy Avenue for a term of 5 years commencing March 1, 2009 and terminating February 28, 2014. The term was then further renewed for an additional three years commencing March 1, 2014 to February 28, 2017.

The lease agreement was entered into by TTC staff with no Board approval requirement as the term and financial commitment were below requirement of \$200,000 per year and less than a 10 year term, in accordance with Corporate Policy 6.5.0 Authorization for Expenditures and Other Commitments, Paragraph 3.7.9.

This renewal brings the agreement over the 10 year term indicated in the new policy effective March 2016, and therefore Board approval is required.

## **Issue Background**

The Communications section is responsible for providing continuous operation of subway and surface transit communication system which includes the radio system. The antenna situated at 3050 Pharmacy Avenue is part of the CIS radio system managed and maintained by Communications section.

The Communications section provides a critical service to the TTC network that is comprised of ensuring the TTC radio communication network is operational 24 hours a day and 7 days a week. In addition they provide essential services for TTC and Emergency Response Agency during an emergency.

The CIS antenna at 3050 Pharmacy services a portion of the east end of the City. This location is part of a network of eleven sites that the TTC has across the city and provides a radius coverage area of approximately 20-25 kilometres.

If we did not extend this lease, we would need to find a new location and install a new antenna. The cost to replace this antenna is approximately \$300,000 and it would take in the order of 12 months to complete.

**Comments**

The following is a summary of the terms and conditions of the offer negotiated with the landlord.

Terms and Conditions	
Term:	2 years beginning March 1, 2017 and ending February 28, 2019.
Basic Rent	Year 1: \$13,013.81 per annum. Year 2: \$13,339.16 per annum.
Option to Extend	One option to extend lease for a period of one year at market rates.
Utilities and property tax	For 2016, amount is \$1,933.89 per annum (variable in future years, subject to review by TTC).

Entering into an agreement for the extension to the term of the lease agreement at a competitive market rate provides the TTC with the most cost effective communication equipment location.

Staff recommends proceeding with the lease extension based on the terms and conditions set out in this report, and summarized above.

**Contact**

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