



## REPORT

### ADMINISTRATIVE SERVICES COMMITTEE

MEETING DATE: MARCH 29, 2016

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**FROM:** Legal Department

**DATE:** February 16, 2016

**SUBJECT:** Lease Extension Agreement for A.C.S Logistics Transportation Inc. - 1011 North Service Road East

**LOCATION:** 1011 North Service Road East

**WARD:** 6

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#### RECOMMENDATION:

1. That the lease extension agreement for 1011 North Service Road East be approved and executed in accordance with By-law 2013-057; and
2. That the Town Solicitor be authorized to make minor amendments to the lease documents that do not affect the substance of the agreement.

#### KEY FACTS:

The following are key points for consideration with respect to this report:

- In 2011, the Town negotiated a lease at 1011 North Service Road East with the current tenant, A.C.S. Logistics Transportation Inc. The existing lease is for a term of five years, which expires on March 31, 2016.
- The current tenant, A.C.S. Logistics Transportation Inc., wishes to extend its lease for a term of one year, expiring on March 31, 2017.
- The Engineering and Works department indicate that this property will be required by the Town in mid-2017 for road project improvements to the North Service Road East, and are in agreement with the proposed lease extension for a further one year term.
- A copy of the lease extension agreement is available for review at the office of the Realty Services Manager.

#### BACKGROUND:

The subject property has been leased out by the Town to several tenants over a number of years as an interim use in anticipation of future road improvements to North Service Road East in the area of Eight Line.

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The property is leased to the current tenant, A.C.S. Logistics Transportation Inc., for a truck transportation facility. The Tenant entered into a lease agreement with the Town for a five year term, which commenced April 1, 2011 and expires on March 31, 2016, and wishes to extend for a further term of one year.

#### **COMMENT/OPTIONS:**

The Tenant wishes to extend the lease for a further one year term under similar terms and conditions but with no further right of renewal.

The Engineering and Works department anticipates that this property will be required by the Town in mid-2017 for road project improvements, and are in agreement with the proposed extension term.

#### **CONSIDERATIONS:**

##### **(A) PUBLIC**

Approval of this lease renewal agreement will provide for continued use of these lands in accordance with the current use. The public will be aware of the lease extension through public notification of the council agenda.

##### **(B) FINANCIAL**

Confidential Appendix B attached sets out the financial terms of the lease renewal.

##### **(C) IMPACT ON OTHER DEPARTMENTS & USERS**

The Engineering and Works department have been consulted and are in agreement with the proposed lease extension term.

##### **(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- enhance our economic environment
- be accountable in everything we do
- be fiscally sustainable

##### **(E) COMMUNITY SUSTAINABILITY**

The lease extension to the tenant on the lands represents an economically sustainable interim use of the lands pending the future program use by the Town.

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**APPENDICES:**

Appendix A - Plan showing the location of the property for the proposed lease extension.

Confidential Appendix B – Confidential Memorandum from Legal department, dated February 16, 2016 (*See confidential agenda.*)

Prepared by:  
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Submitted by:  
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Town Solicitor