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**LAND LEASE EXTENSION FOR THE HOUSEHOLD HAZARDOUS WASTE DEPOT,
IN THE TOWN OF MARKHAM**

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated August 25, 2009, from the Commissioner of Corporate Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Region be authorized to enter into a land lease extension agreement for a one-year term, commencing on October 1, 2009 with The Corporation of the Town of Markham, for the Region's Household Hazardous Waste Drop-off, located at 555 Miller Avenue, in Markham, for a gross annual rent of \$14,000.
2. The Regional Chair and the Regional Clerk be authorized to sign a land lease extension agreement with The Corporation of the Town of Markham (Town), subject to the approval of Legal Services.
3. The Commissioner of Corporate Services be authorized to sign a lease extension agreement with the Town, if required, for two additional one-year terms, subject to a 5% increase in each term, for the above-noted lease, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to seek Council authorization to enter into a one-year land lease extension agreement for the Region's Household Hazardous Waste (HHW) and Waste Electrical and Electronics Equipment (WEEE) Drop-off facility, in the Town of Markham, so that it may continue operation of this facility.

3. BACKGROUND

The Region has been operating a Household Hazardous Waste Drop-off in Markham since 1998

The Region has been operating its program at this half acre leased location since 1998. Operation at this site is required in order to continue providing an HHW and WEEE drop-off for the residents of the Town of Markham.

Solid Waste Management staff have requested to remain at this facility.

4. ANALYSIS AND OPTIONS

The lease expired in 2007 and the Region requested a one-year term, with a one-year renewal option as the Region required ample time to relocate its HHW and WEEE program to another location that was more suitable to their expanding program. At that time, the Town had an independent appraisal of the property, which estimated the then market rent at \$22,000 per annum. Through negotiations with Property Services staff, the Town agreed to an annual rent of \$12,000. The lease was later renewed for an additional year at the same annual rent.

Solid Waste Management decided to remain at this location for a few more years after the extended lease expired. The Town granted the Region a one-year extension, with two one-year renewal options, and a six-month termination right to be exercised by either the Town or the Region. The Town requested this as the property may be required for a joint works yard.

A tentative agreement was reached to extend the lease for a one-year term, with a gross annual rent of \$14,000, and two one-year renewal options, subject to a 5% increase in each year.

5. FINANCIAL IMPLICATIONS

The following chart outlines the cost for renewing the existing lease:

Table 1

Lease Term	Current Annual Rent	Proposed Annual Rent	Percentage Increase
One year	\$12,000	\$14,000	16.67%

This proposed lease complies with the Region's recently amended Capital Financing and Debt Policy relating to financing leases, such amendment being approved by Council on September 18, 2008, (Clause 8 of Report No. 7 of the Finance and Administration Committee held September 18, 2008).

Financial incentives received from Provincial WEEE and MHSW stewardship programs cover collection and processing costs for HHW but not property rental costs.

All costs associated with this lease extension and relocation costs have been included in the approved 2009 Environmental Services Budget.

6. LOCAL MUNICIPAL IMPACT

A lease extension will allow for the continued operation of the HHW and WEEE Drop off facility in Markham.

7. CONCLUSION

A lease extension is required to allow the Region to continue providing Household Hazardous Waste Drop-off services to the residents of Markham, and it is recommended that the Region enter into this lease extension as outlined in this report.

For more information on this report, please contact Paul Roberts, Manager, Realty Services, Property Services Branch, at Ext. 1424.

The Senior Management Group has reviewed this report.