

**Subject: Orangeville Brampton Rail Access Group Inc.
notice of termination**

Department: Administration

Division: CAO

Report #: CAO-2021-001

Meeting Date: 2021-01-11

Recommendations

That report CAO-2021-001, Orangeville Brampton Rail Access Group Inc. notice of termination be received;

Background and Analysis

In 2000, the Corporation of the Town of Orangeville purchased 55 km from Mississauga to Orangeville from Canadian Pacific Railway Company of a portion of the Owen Sound Subdivision of the St. Lawrence & Hudson Railway Line, mile 2.40 to mile 36.70. The Orangeville Railway Development Corporation (ORDC) was incorporated as a private company under the Ontario Business Corporations Act and the sole shareholder being the Corporation of the Town of Orangeville.

The Orangeville Brampton Railway Access Group (OBRAG) Inc. has been the shortline rail operator by way of the Tripartite Agreement since acquiring the railway corridor in the year 2000.

Recently, by way of letter dated December 16, 2020, OBRAG submitted their formal notice, pursuant to section 59 of the current Tripartite Agreement, dated June 27, 2018, to terminate the terms of the agreement effective December 31, 2021. This is nine months prior to the agreement's expiration date of September 29, 2022.

OBRAG stated that their decision was due to a number of economic factors, including the significant decrease in active members and rail traffic over the past two to three years. The required annual re-investment in the 100-year-old rail line was not sustainable at the current freight levels.

OBRAG will continue to fulfil their obligations as stipulated under the agreement with respect to maintaining the rail freight usage the shortline rail until the termination date of December 31, 2021, after which the rail services will cease.

On August 12, 2019, Council provided approval for ORDC to sell or otherwise dispose of by conveyance, transfer, lease, sale or leaseback, or other transaction, all or substantially all of its assets or undertaking and/or take or institute proceedings for any winding up, arrangement reorganization or dissolution. ORDC is to report back to Council on final recommendations.

Strategic Alignment

Orangeville Forward – Strategic Plan

Priority Area: Strong Governance

Objective: Positive relationships with other governments, agencies and private sector.

Sustainable Neighbourhood Action Plan

Theme: Land Use and Planning

Strategy: Plan land use and transportation networks that support/create a well-connected community.

Notice Provisions

N/A

Financial Impact

There is no current financial impact to the Town of Orangeville.

Respectfully submitted

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Chief Administrative Officer

Prepared by

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Attachment(s): 1. OBRAG notice of termination of the Tripartite Agreement