

Item No. 10.1.4
Halifax Regional Council
April 17, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 
Richard Butts, Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: March 23, 2012

SUBJECT: Starbucks Lease Proposal, Additional Storage, Halifax Ferry
Terminal

ORIGIN

This report originates from the following:

- Council's approval, at its November 8, 2011 session, of a Lease Agreement between HRM and Starbucks Coffee Canada Inc. at the Halifax Ferry Terminal.
- Starbucks subsequent request for additional storage space at the Halifax Ferry Terminal.
- The requested term of the additional space exceeds the delegated authorities of the CAO and requires approval by Halifax Regional Council.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the additional storage to be included in the Lease Agreement between the Halifax Regional Municipality and Starbucks Coffee Canada Inc., based upon the terms and conditions as outlined in Table 1 of the Private and Confidential Report dated March 23, 2012.

BACKGROUND

The subject premises located at the Halifax Ferry Terminal is an attractive commercial location for retail food service. Having a successful vendor at this location is of strategic importance in terms of offering Transit customers, downtown visitors, and employees a service at this location. The approved proposal with Starbucks provides an experienced operator and solid financial terms for the Municipality. Subsequent to the original lease approval, the Vendor is requesting additional storage of approximately 200 square feet.

Starbucks anticipates that they will be opening in the ferry terminal location by the middle of July.

DISCUSSION

During the preliminary design phase, Starbucks realized that they would require additional storage space to house several large freezer and refrigerator units, as well as stock for their operation. Storage in the current space is very limited, less than 60 square feet which also serves as the employee entrance/exit and storage for their personal items, e.g.: coats, bags, etc.

Upon review of the various “storage” spaces located on site with Transit Services, staff determined an area for Starbucks without disrupting the Ferry egress to exit doors. This area is located on the same level under a stairwell.

Starbucks has agreed to complete the tenant fit up to expand this existing storage area by approximately five feet. Expansion is required as the area immediately under the stairs has a sloped ceiling and limited storage height.

The key terms and conditions for storage space are outlined in Table One of the confidential information report dated April 17, 2012.

BUDGET IMPLICATIONS

As outlined in the Budget Implication section of the confidential information report dated April 17, 2012.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

N/A

ALTERNATIVES

There are no alternatives because without this additional storage space, Starbucks will be unable to locate to the Halifax Ferry Terminal.

ATTACHMENTS

N/A

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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