

## COUNCIL REPORT

M&C No.	2019 - 222
Report Date	September 03, 2019
Meeting Date	September 09, 2019
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

***SUBJECT: City Market Lease with H & S Meats Ltd.***

### ***OPEN OR CLOSED SESSION***

This matter is to be discussed in open session of Common Council.

### ***AUTHORIZATION***

Primary Author	Commissioner/Dept. Head	City Manager
<b><i>David Kirkpatrick</i></b>	<b><i>Ian Fogan/Kevin Fudge</i></b>	<b><i>John Collin</i></b>

### ***RECOMMENDATION***

1. That the City enter into a Lease for Stall's "No. 12, 13 and 14" in the City Market with H & S Meats Ltd., under the terms and conditions as set out in the Lease submitted with M&C 2019 –222.
2. That the Mayor and Common Clerk be authorized to execute any necessary documents.

### ***EXECUTIVE SUMMARY***

City staff and the owner's/operators of H & S Meats Ltd. have reached an agreement that will have the business lease space within Stall's "No. 12, 13 and 14" of the City Market. The term will be for five (5) years, commencing October 1<sup>st</sup>, 2019 with an option to renew for an additional five (5) years. Rents will be at market value with the first three months of the term being rent free to offset equipment and build out costs, and its up-front investment into the space.

The focus of the business will be a butcher shop, selling meat, poultry, cheeses and dulce.

The lease document as attached is standard and consistent with the leases granted to other tenants in the City Market.

### ***PREVIOUS RESOLUTION***

N/A

### ***STRATEGIC ALIGNMENT***

Providing for entrepreneur opportunities in the City's Uptown Core which aid in creating a livable community that is vibrant and diverse, while providing an integrated approach to economic development. This opportunity provides citizens with a local butcher shop and the ability to purchase fresh meat and poultry within the South Central Peninsula. This will greatly enhance the existing offerings of the Market by once again offering the Uptown core a full complement of grocery services.

### ***REPORT***

City staff has an agreement with a new tenant, H & S Meats Ltd. to operate in Stall's No. 12, 13 and 14 that would commence effective October 1<sup>st</sup>, 2019. Their sales would be primarily derived from the sale of meat's and poultry to both residential and commercial customers. The initial term is for 5 years with an option to renew for an additional 5 years. There are some renovations required to prepare the space for lease and also some considerable equipment cost to start the business. The attached lease will provide three months' rent free to offset the costs associated with establishing the new business. The lease document is standard and consistent with the leases granted to other tenants in the City Market.

### ***SERVICE AND FINANCIAL OUTCOMES***

The operation and presence of H & S Meats Ltd. within the City Market will add to the ethnic vitality offerings in the City's Uptown area. This Lease will generate revenue of approximately \$27,500 of revenue in year one and \$29,600 in revenue by year three.

### ***INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS***

Staff of the City Market and Facility Management has provided input into the preparation of this report.

### ***ATTACHMENT***

1. Lease Agreement with H & S Meats Ltd.