

THE CITY

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'It will be fabulous for the city'

Retail Business community excited about news that Costco and East Point Shopping have reached a financial agreement

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SAINT JOHN – The city is waiting for a revised building permit from Costco which, once approved, is the last step before construction begins on the big-box retailer's Saint John store.

"The fact that they've made application for a building permit is a pretty significant step," city planner Ken Forrest said Tuesday.

"Right now, the ball's in their court for revised drawings and we would finish processing the permit.

"I talked to their guys (Tuesday) morning and I think they're just waiting for further information. They want to get this done as soon possible."

City manager Terry Totten wrote to common council on Monday night that East Point Shopping and Costco have entered into a financial agreement, paving the way for the warehouse club to set up on the east side. Totten did not provide other details.

Forrest said he was not able to speculate on when the permit might be granted or when construction could begin.

The retailer, the world's largest mem-

bers-only shopping company, is considered a prized anchor tenant in any major retail development and the Saint John store has been a long time coming. East Point developer Troy Northrup has been wooing Costco for years.

The Port City location will join Halifax, Moncton and St. John's, N.L., as Costco stores east of Montreal.

In an interview last year, Northrup said the Costco location will provide 14,1200 square metres of space. To give the project some context, the store will be more than one and a half times bigger than the Home Depot at East Point.

It will be built along Retail Drive in the vicinity of Home Depot, where the road takes a 90-degree turn, Forrest said. Coming from Rothesay Avenue, it would be nestled in on the right on a 90-degree elbow in the road.

The city's business community is excited about the prospect of getting the big-box store.

Saint John Board of Trade chairman Michael Barry says Costco will be great for the city, given that retail is a bigger part of the community's economy than

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Costco seen keeping city shoppers in city and attracting others

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was once believed.

"East Point really raises the level of retail availability," he said. "A rising tide lifts all boats.

"It will be fabulous for the city and I'm glad everything's on track.

"It's just another piece of our economy that's that much stronger and more diverse."

From a retail perspective, Saint John has the highest square footage for retail in the province, said Bob Manning, chairman of Enterprise Saint John.

Costco is foundational tenant that allows others to mass around it, Manning said.

"You're going to see very quickly that everywhere they have gone, they attract other retailers around them," he said.

Now, he said, the East Point team will be able to go after even more upscale retailers, such as Tommy Hilfiger and the Gap.

Peter Asimakos, general manager of Uptown Saint John, says Costco will round out the city's shopping experience.

"It's going to keep more people in town who are going to other destinations for those types of goods, which will help the local retail market," he said.

Surveys indicate Costco is a big draw to other areas of the city, too, Asimakos said.

"It will keep more of our shoppers here

and will attract other shoppers from other locations to come to shop. We have great uptown shopping and entertainment and that complements anybody's long weekend shopping experience," he said.

Last year, East Point Inc. asked the city to extend its contribution to the construction of Retail Drive from \$3.5 million to more than \$5 million, with East Point paying back \$650,000 if the developer achieves a specified level of development.

At Monday night's meeting, common council agreed to guarantee Costco that, if East Point didn't meet these financial obligations, the developer would not be left on the hook.

"Costco wanted some protection that they wouldn't get caught up in the web," Forrest said.

The East Point development kicked off with the Home Depot location a few years ago and later added fashion outlets for retailers such as Moore's men's clothing stores, Randy River, Le Chateau, Cotton Ginny and the first Urban Planet store in Atlantic Canada.

Since then, a 118-room Hampton Inn and Suites hotel opened, as has a Montana's Cookhouse restaurant, followed by a Starbucks location and the first Indigo in New Brunswick.

Costco is the fourth-biggest general retailer in the United States, after Wal-Mart, Home Depot, and Kroger.