
TO: GENERAL COMMITTEE

SUBJECT: SANDBOX ENTREPRENEURSHIP CENTRE LEASE

WARD: 2

PREPARED BY AND KEY CONTACT: K. DUBEAU, DIRECTOR, CREATIVE ECONOMY, EXT. 4763

SUBMITTED BY: K. DUBEAU, DIRECTOR, CREATIVE ECONOMY

GENERAL MANAGER APPROVAL: Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the extended roof top space, on the second floor of the Transit Terminal located at 24 Maple Avenue, be included in the total leasable space defined in the lease agreement between the City of Barrie and the Sandbox Entrepreneurship Centre.
2. That the use of the extended roof top space for an outdoor patio be approved subject to the Sandbox Entrepreneurship Centre meeting all building permit requirements and specified conditions of the lease.

PURPOSE & BACKGROUND

Report Overview

3. City Council passed the Motion 17-G-252 SANDBOX ENTREPRENEURSHIP CENTRE on October 23, 2017, supporting the establishment of an entrepreneurship centre on the second floor of the Transit Terminal.
4. The business plan tabled in the Staff Report CE006-17 identified that the City of Barrie would provide an in-kind contribution towards the initiative by waiving the rent and TUMI (Taxes, Insurance, Maintenance and Utilities) costs for the facility. As the vast majority of these costs are already included in the City's base operating budget, there was no new financial impact to the tax base for the in-kind contribution.
5. The Motion identified a reporting process in return for the in-kind and direct contributions:
 - "4. That as a means of protecting taxpayers and ensuring a return on investment made by the City in the form of free rent, taxes, utilities, maintenance and insurance in a publicly owned prime waterfront location, a report be presented to General Committee after the Sandbox's first three years of operation assessing the Sandbox's ability to deliver value to the business, entrepreneurial and broader community, based on performance metrics to be determined by the Director of Creative Economy in consultation with the organizing entity."

6. Through the design work for the renovation of the space, the Sandbox Centre for Shared Entrepreneurism and Innovation identified the possibility of using the roof top space on the 2nd floor of the Transit Terminal as an additional outdoor patio area that would add significant benefits to the overall attractiveness of the space, and supporting the social and networking collisions intended for businesses and start-ups in the space. The proposed design includes replacing current windows on the south-side wall with larger windows for enhanced views of Kempenfelt Bay, and a large glass sliding door for access to the outdoor patio. The design and conceptual views are included in Appendix "A".
7. City staff are working to finalize the Lease Agreement with the Sandbox Organization, and the question of the use of the roof top space is the final element to be addressed, pending direction from Council.
8. The purpose of this Staff Report is to request approval for the inclusion of the roof top space in the total leasable space for use as a patio by the Sandbox Centre for Shared Entrepreneurism and Innovation.

ANALYSIS

9. The proposed patio design would add approximately 1,000 square feet of space to the existing 8,000 square feet of space on the second floor of the Transit Terminal.
10. The requisite structural, mechanical and design analysis has been completed and reviewed by the Facilities department, and is under review by Planning and Building. The design and analysis has been developed in close collaboration with City staff to ensure that it meets all building code requirements, and that there be no potential impact to prospective tenants in the space below.
11. The current roof of the Transit Terminal is past its usable life span. The construction of the outdoor patio space would allow for a new membrane to be installed, lowering potential future capital costs to the municipality.
12. The current windows are 30 years old. Newer windows, even though larger than the current ones, will have a triple pane system, and minimal impact on overall operating costs for utilities.
13. The proposed design includes a sensor-based system to ensure that if the sliding door is left open for too long, the heating and ventilation system will be turned off. This ensures that the potential impacts of improper use of the patio on heating and cooling costs are minimal.
14. The implementation of an outdoor patio and larger windows is in alignment with the intent for an open collaboration space, and in keeping with general standards for incubator and innovations spaces; namely, that the spaces are bright, open and engaging. The proposed design ensures connectivity between the waterfront and downtown, which is an important factor in achieving the larger objective of neighbourhood transformation.
15. The Sandbox Entrepreneurship Centre has been successful in securing corporate funding and in-kind materials and services contributions to meet the capital requirements for the implementation of the proposed patio space. Therefore, there would be no financial implications to the City of Barrie's capital plan.
16. The inclusion of an attractive, outdoor patio space and larger windows will increase the overall marketability and property value of the space. The improvement is leveraging private sector dollars to benefit a municipal asset. The use of the space is consistent with, and supportive of, a downtown Creative Hub, and will act as an attractor to the space.

17. The potential to add the larger windows and outdoor patio as a second phase (after the initial Sandbox facility build-out) was examined by staff and by Sandbox representatives. It was determined that the degree of disruption to the operations of the Sandbox Centre, once launched, would be detrimental to achieving the stated goals of the Centre. For that reason, staff are recommending that the inclusion of the rooftop space in the Lease Agreement be approved by Council.
18. The Sandbox Organization has hired a Managing Director and two staff, who are in the process of working with City staff to define the performance metrics that would be reported to Council. The specific metrics will be reported to Council once they are finalized.

ENVIRONMENTAL MATTERS

19. There are no anticipated environmental impacts.

ALTERNATIVES

20. The following alternative is available for consideration by General Committee:

Alternative #1

General Committee could decide not to proceed with the inclusion of the rooftop space in the leasable space for the Sandbox Organization.

This alternative is not recommended, as the municipality would be losing an opportunity to increase the value of the property at no cost to the City.

If City Council decides not to approve the inclusion of the rooftop in the leasable space, the Sandbox Centre would continue forward but would lose a distinctive and attractive facet to the space, consistent with best practices for innovation and incubation centres.

FINANCIAL

21. There are no cost impacts to this recommendation.

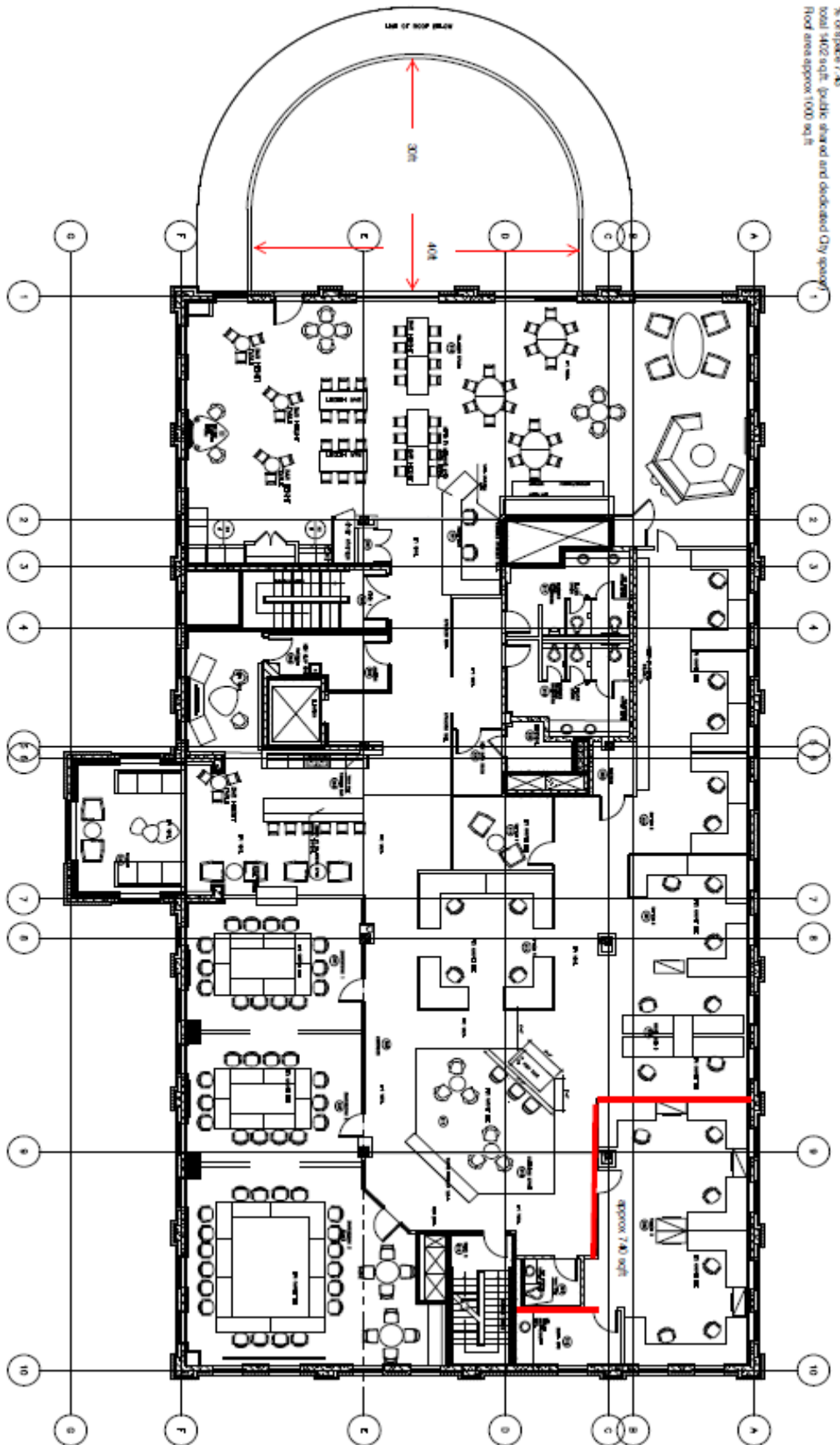
LINKAGE TO 2014-2018 STRATEGIC PLAN

22. The recommendations included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
 - ☒ Vibrant Business Environment
 - ☒ Responsible Spending
23. The inclusion of the rooftop patio and the larger windows will greatly enhance the attractiveness of the space, and create a strong linkage between the waterfront and downtown. It will align with the intended energy for the space and provide additional opportunities for corporate sponsor engagement in the Sandbox initiative.
24. The opportunity to increase the marketability and property value of the asset with no additional investment from the City and the future cost avoidance of roof and window replacements ensures that the community will benefit from the proposed addition.

APPENDIX "A"

Sandbox Entrepreneurship Centre - Design and Conceptual Views





% of space 7.40
total 1402 sq ft. (public area) and dedicated City space
Flood area approx 1000 sq ft