



**ECONOMIC AND CREATIVE
DEVELOPMENT
MEMORANDUM**

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TO: CITY BUILDING COMMITTEE

FROM: D. HYDE, BUSINESS DEVELOPMENT MANAGER (ACTING), EXT. 5236

NOTED: S. SCHLICHTER, DIRECTOR OF ECONOMIC AND CREATIVE DEVELOPMENT, EXT. 5036

B. ARANIYASUNDARAN, P. ENG. PMP, GENERAL MANAGER OF INFRASTRUCTURE, AND GROWTH MANAGEMENT (ACTING)

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: SANDBOX CENTRE – IMPACT REPORT AND LEASE EXTENSION

DATE: OCTOBER 26, 2021

The purpose of this Memorandum is to provide members of Committee with the Impact Report for 2020-2021 attached as Appendix “A” to this Memorandum dated October 26, 2021 and prepared by the Sandbox to provide the status of the motion 20-G-167 related to the Sandbox lease extension.

The Sandbox is located at 24 Maple Avenue, above the Transit Terminal. As a centralized hub for business programs and services, the Sandbox is a platform for established businesses, aspiring innovators, and independent entrepreneurs to share expertise, energy, and opportunities in a united collision space. They have a core focus of connecting organizations of all sizes and stages in Central Ontario with professional development, peer support, and growth opportunities.

On October 19th, 2020, City Council approved motion 20-G-167 regarding the Sandbox Centre, including a capital contribution to the renovated space, continued partnership funding and requested that the Sandbox report back to the City Building Committee with a comprehensive report on their first two years of operation, financial standing, and updated business plan into their remaining lease term.

Council motion 20-G-267 also approved the extension of the current lease agreement by two-years, in principle, subject to the Sandbox successfully addressing the assessment parameters identified in motion 17-G-252, which state in paragraphs 4 and 6:

“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. That the assessment completed after the first three year period of operation be utilized to determine whether the lease of the premise would continue after the initial five year term or if the Sandbox Entrepreneurship Centre should undertake significant change in its direction prior to any decision to extend the lease beyond five years. (CE006-17) (File: R05-SAN) (P1/17).”

As per the Council approved motions, a report back to General Committee is required after the third year. Staff will be preparing a report back to General Committee at that time (Spring, 2022) along with any proposed lease amendments and associated authorizations to facilitate a two-year lease extension for the Sandbox to 2025.

APPENDIX "A" - SANDBOX IMPACT REPORT

SANDBOX

**REIMAGINE
THE WAY
YOU DO
BUSINESS**

2020/2021 IMPACT

HONOURING OUR LAND



Sandbox Centre is proud to acknowledge that we are positioned on the traditional territory of the Anishinaabeg people, which include the Odawa, Ojibwe, and Pottawatomi Nations collectively known as the Three Fires Confederacy. We also acknowledge the Wendat Nation (Huron) who occupied these lands prior to the middle of the 17th century.

Our organization is committed to educating ourselves and our community on the importance of honouring the first occupancy of this land, while supporting with actionable steps toward reconciliation.

A MESSAGE FROM THE DIRECTOR



The Sandbox Centre (SBX) stands true to its mission and vision of uniting, strengthening, and growing the business community, while also increasing the positive economic impact in our region.

Today, our community is faced with evolving challenges and opportunities. SBX is playing a Leadership role in helping our community reimagine the way we do business so that these challenges and opportunities have positive outcomes. In the heart of downtown Barrie, overlooking the beautiful Kempenfelt Bay, SBX is the place to be and place to meet. An accessible and innovative space for business leaders to meet with others, whiteboard and strategize, turning ideas into reality.

SBX and its partners provide professional development opportunities to assist businesses and their leaders in adapting to new barriers and new opportunities, with a focus on nurturing innovation and innovative mindsets to poise our businesses to attract and retain talent, invest in research and development, diversify, and launch into new markets.

Creating meaningful and life enhancing connections is our guiding star. We get to know our partners and the business community on a deeper level to go BEYOND simply pointing people in the right direction. We learn about each individual, their goals (and struggles), and look to curate programming that supports their development. We provide warm introductions and connect individuals to resources they sometimes didn't even know existed or know that they needed. Although, you really ought to hear the experience directly from our members themselves. Stay tuned for our member video series that's launching this fall!

SBX, with ecosystem partners, are interlinking resources to build the foundation for a Regional Innovation Cluster in Central Ontario (RICCO); an efficient business support network that values and promotes a culture of research & innovation. Together, we're modeling the RICCO after key features of the best innovation clusters globally to attract a broad range of talent and businesses to our region which will compliment the highly sought-after lifestyle that the City of Barrie offers.

We're engaging businesses through networking opportunities, business programming, professional development & access to talent, partnership resources, and a modern business hub and collision space. SBX charts a path towards raising the visibility and profile of the City of Barrie, activating the Regional Innovation Cluster to better serve businesses, intrapreneurs, innovators, and SMEs seeking to scale.

Whatever challenges come our way, we remain resilient, adapt to the everchanging business landscape, and seek out opportunities to deliver value. There are many impacts, insights, and stories to share, and we excitedly look forward to what the rest of the year holds.

*Sincerely,
Danielle Lazarevska*

STRATEGIC PRIORITIES

**RAISING
VISIBILITY &
GENERATING
INVESTMENT**

**ACTIVATING
THE REGIONAL
INNOVATION
CLUSTER**

**ENHANCING
CONNECTIVITY
AMONG OUR
BUSINESS
COMMUNITY**



Raising the visibility and profile of the City of Barrie and generating activity and investment in the downtown to support growth and intensification of a dynamic creative hub.

Showcasing 50 business community success stories.

Providing access and linkages to over 200 local and international thought leaders.



Activating the Regional Innovation Cluster to better serve the established businesses, intrapreneurs, innovators, and SMEs seeking to scale.

Deliver strategic programs by joining forces with 30 ecosystem partners and thought leaders.

Deliver 3 accelerator programs with cluster partners.



Engaging businesses through networking opportunities, business programming, professional development & access to talent, partnership resources, and a modern business hub and collision space through SBX.

10,000 life enhancing connections.

250 Member companies invested and benefitted from professional development.

OVER THE NEXT THREE YEARS, THE SANDBOX IS DEFINING THE PATH TO REACH THE ABOVE DESIRED MILESTONES ALONG WITH OTHER OPPORTUNITIES TO ADVANCE OUR IMPACT.

READY, SET, REIMAGINE!

Opening in April of 2019, we hit the ground running. During extensive times of change, we adapted quickly allowing our reputation and word of our efforts to spread during the pandemic. SBX became a central hub for timely support, sharing of information and ideas, and a much-needed sounding board in an unfamiliar and challenging business climate – supporting over 16,000 individuals during this past pandemic year. We continue to be agile and reactive to the needs of the business community allowing us to reimagine and reinvent how to be better and stronger, collectively.

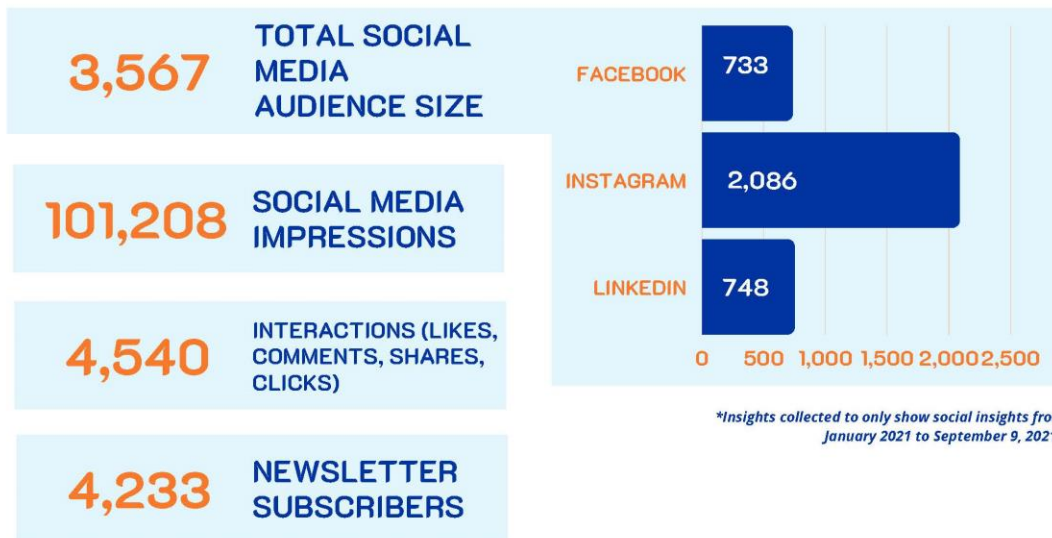
Reimagining the way you do business starts with SBX. We are the place to be, the place to meet, and build life enhancing connections. Whether it's physical or digital we HAVE created a destination. A destination where challenging the status quo of personal and professional development happens on the daily and where business owners and professionals can come to belong and grow by actively engaging in a network that offers various types of content and activities to propel us in a post-pandemic future.



<p>VISITORS YTD 50,950</p>	<p>SESSION PARTICIPANTS RESIDE OUTSIDE OF BARRIE</p> <p>33%</p>	<p>TOP LOCATIONS</p> <p>TORONTO BRACEBRIDGE COLLINGWOOD HAMILTON</p>	<p>ACTIVELY ENGAGED IN PROGRAMS:</p> <p>70% GENERAL PUBLIC - 30% SBX MEMBERS</p>
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*Insights collected to show cumulative stats from April 2019 to September 9, 2021.

DIGITAL MEDIA INSIGHTS

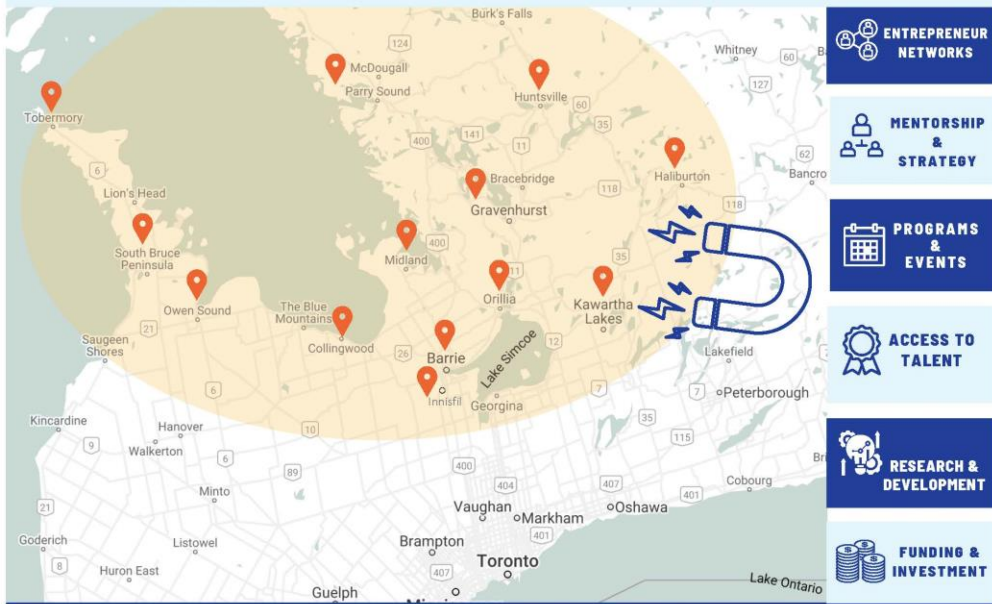


NOTABLE MEDIA MENTIONS

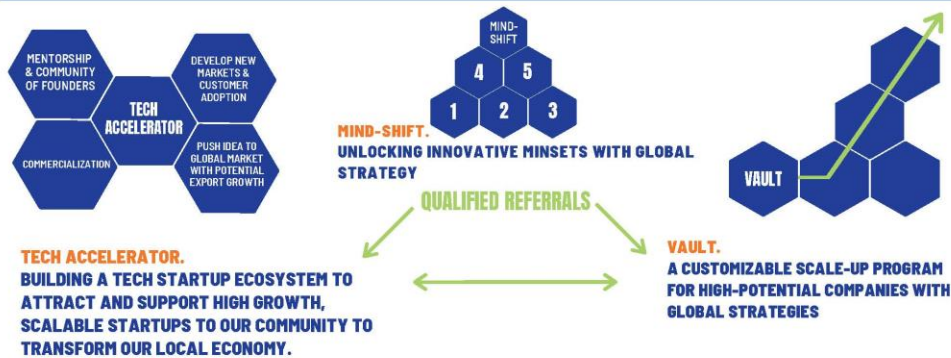
- **TORONTO SUN: "City of Barrie is moving on up"**
 - Outlines City of Barrie reinventing itself with Debut Condos high rises, mentions SBX supporting economic growth aligning with their goals, and our visionary theme, along with a mention of our Founder Craig Busch.
- **CANADIAN SMALL BUSINESS WOMEN: "To build something beautiful you have to be willing to get ugly"**
 - Features SBX Board Chair Joanne McPhail, and Sponsor Barriston Law mentioning SBX supporting the organization with B Corp certification.
- **BARRIE 360 & CENTRAL ONTARIO BROADCASTING FEATURES**
 - Supported by local media partner via radio station features and online news channel hosting multiple articles about SBX
- **TORONTO STAR: "Ask An Expert Series focuses on women in business"**
 - Article outlines details on virtual event lead and organized by SBX in partnership with County of Simcoe and others.
- **CANADIAN ABORIGINAL AND MINORITY SUPPLIER COUNCIL (CAMSC): Women-Led Cohort (TAP-Accelerate your growth) -Virtual session**
- **Featured events published on MaRs website, The Atelier Collective, Invest Ottawa, and more**

**ACTIVATING THE REGIONAL
INNOVATION CLUSTER**

RICCO RESEARCH & INNOVATION CLUSTER OF CENTRAL ONTARIO RICCO



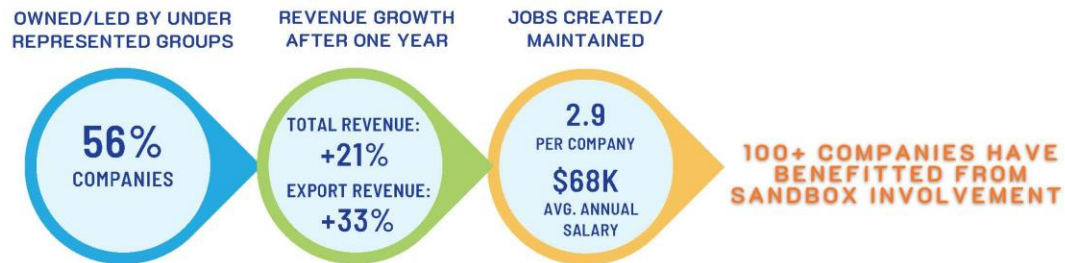
**TOGETHER, WE ARE CREATING A HIGHLY NETWORKED, RESOURCE-RICH, EMPOWERED
BUSINESS & INNOVATION ECOSYSTEM IN CENTRAL ONTARIO**



PARTNERSHIPS DRIVING INNOVATION & ECONOMIC GROWTH



TRADE ACCELERATOR PROGRAM (TAP)



PROTECTING BUSINESS IDEAS & INNOVATION

SBX continues partnership with York University’s IP Osgoode Intellectual Property Law & Technology Program - IP Innovation Clinic - to deliver programming on IP to our business community.

- 5-part virtual webinar series
- Dedicated website landing page for IP resources - 879 visits
- Top 3 search terms for these visitors brought to SBX website: ‘Intellectual Property’, ‘Questions on patents and intellectual property for startups’, ‘Startups from York University’

SBX is thrilled to acknowledge the Ontario government creating a new action plan and team focused on leveraging intellectual property (IP) in the province. As identified through this action plan, SBX had also concluded that our SMEs were faced with a barrier when it came to easily accessing knowledge around IP. For this reason, SBX is confident the partnership with the IP Innovation Clinic can be strengthened and leveraged to the play a larger role in supporting our local business communities with IP protection and commercialization, through this new initiative.

“
THE INNOVATION CLINIC IS A WONDERFUL SERVICE. I WOULD LIKE TO SEND MY APPRECIATION AND GRATITUDE TO EVERYONE THAT IS INVOLVED IN THIS PROGRAM. IT HAS BEEN A WONDERFUL EXPERIENCE AND IS HELPING ME IN MOVING FORWARD IN MY BUSINESS.

- SBX / IP INNOVATION CLINIC REFERRAL

”

ENHANCING CONNECTIVITY AMONG OUR BUSINESS COMMUNITY

OVER 1370 HOURS OF
BUSINESS GROWTH
THROUGH CONNECTING
WITH THE SANDBOX

3,000 +
CONNECTIONS
MADE

43 COMPANIES
575 EMPLOYEES
ENGAGED

Building life enhancing connections is the ultimate goal for SBX. We remain committed to engaging more professionals and companies, across all sectors, so our business community can be seen, heard, recognized, and thrive. What do those life enhancing connections look like? They are warm and human, intentional, and purposeful allowing acceleration and growth to happen. Through providing and engaging individuals at all stages of business with dedicated programming, networking and professional development opportunities, and creating right-place-right-time collisions in our hub, enhanced connectivity among our business community can only be strengthened.

EXPERTS IN RESIDENCE PROGRAM

During times of fast change, our community needed rapid supportive response. SBX provided free virtual access to all businesses and entrepreneurs across the region to receive instant insights from our network of top-notch expertise in business law, finance, marketing, accounting, e-commerce, communications and more to support with COVID19 recovery and strengthening.

470 HOURS
OF LEARNING
TO DATE!

PEER LEARNING GROUPS PIVOT

CNNX Groups transition from monthly in-person to online allowing more opportunities for connection without geographic barriers restricting participation. Zoom fatigue became a thing! The digital noise was hard to compete with and our member's time is valuable. So, SBX acquired notable thought leaders to guide and share knowledge with our members such as President of FedEx Express Canada, Past CMO of Rogers Media, SickKids Foundation Manager of Culture & DEI, and many more.

OVER 900
HOURS OF
CONNECTING!

SBX MEMBER ONLINE PLATFORM & APP DEVELOPMENT

The world has changed, so have we! We launched a new online member platform to create a digital space where the Sandbox magic and community experience could continue in a virtual environment. Allows direct connection, open community forums, member exclusive content, virtual business cards, easy access and registration to events and more. SBX has white labeled the platform in App form with development underway making it easier for members to connect digitally and on-the-go.

SANDBOX MEMBERS ARE RISING THE TIDE



DAVE CARR, GENERAL MANAGER VICE PRESIDENT OF PROGRAMMING,
CENTRAL ONTARIO BROADCASTING

“ THE MOST EXCITING THING ABOUT TAP WAS DEFINITELY THE PUSH TO THINK BIGGER AND TO ACT QUICKER. I REALLY FEEL THAT TAP HAS BENEFITED THE WHOLE COMPANY. WE’VE ACTUALLY ALREADY CREATED ANOTHER JOB AND OUR REVENUE HAS ALREADY INCREASED BY OPENING TO THE US MARKET. I WAS THINKING WAY TOO SMALL PRIOR TO TAP SO, I BELIEVE THERE ARE NO LIMITS AT THIS POINT AFTER TAKING THE PROGRAM.

– ALANA HOWARD, COSMOPOLITAN ACADEMY ”

“ Every time I attend a session, I take away something that I can apply. The added bonus of creating and deepening local business connections makes these meetings truly worth while. ”

– Darryl Culley,
Emergency Management & Training Inc.

“ The Sandbox Centre is a forum where Barrie businesses can come together and discuss common issues. The goal is to share and help all of us improve, as individuals, businesses and as a community, through knowledge exchange and collaboration. The objective is to make our organizations better places to be, our companies more efficient and to continue fostering success into the Barrie and Simcoe County region. ”

– Scott Elliot, Owner and CEO, The Sarjeant Company Ltd

✨ Proudly a Not-For-Profit organization, the magic of Sandbox is
made possible by our Sponsors, Members, and Community Partners ✨

2021 FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

- Revenue forecast remains conservative with a 6% decrease from prior year. Expense management remains disciplined to reflect efficient program delivery as committed to SBX membership, sponsors and community partners, adapted to address the current business climate.
- Budget anticipates some potential fluctuation in revenue assumptions.
- Member attrition is 20% due to the member company hardships and/or SBX physical space closure due to the pandemic.
- SBX retained a partnership with the Trade Accelerator Program (TAP) which resulted in non-recurring revenue (\$100K YTD). TAP revenue has helped offset the loss in member revenue but is not projected as a long-term revenue stream.
- Cash flow management remains on plan with no foreseeable concerns for this budget year.
- The City of Barrie provided a capital contribution of \$300,000 which has allowed SBX to continue the development and growth of programming and initiatives.

CAPITAL INVESTMENT REPAYMENT

- Busch Systems guaranteed a capital investment/start-up loan with Scotiabank, which SBX is working towards paying down and becoming debt free.
- SBX shifted towards digital delivery during the pandemic which afforded SBX the opportunity to reduce operating costs and pay down debts so that post-pandemic SBX would emerge even stronger.
- Separate from the City of Barrie's \$300k capital contribution for the Busch loan, YTD debt repayment is \$85,583, and since 2019 is \$197,440.
- SBX will reinvest in leasehold improvements after the debt repayment is fulfilled.

	2018	2019	2020	Updated 2021 Budget	2022	2023	2024
Revenue	\$ 143,292	\$ 521,497	\$ 599,645	\$ 560,955	\$ 614,098	\$ 675,534	\$ 675,000
Operating Expenses	\$ (149,230)	\$ (448,286)	\$ (404,613)	\$ (502,362)	\$ (552,344)	\$ (594,463)	\$ (607,500)
Net Operating Profit	\$ (5,939)	\$ 73,211	\$ 195,032	\$ 58,593	\$ 61,754	\$ 81,071	\$ 67,500
Start-up Debt Repayment (1)	\$ -	\$ (37,857)	\$ (131,984)	\$ (111,000)	\$ (81,000)	\$ (81,000)	\$ (61,000)
Capital Investment/ Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ (10,000)
Annual Net Reserve (+/-)	\$ (5,939)	\$ 35,354	\$ 63,048	\$ (52,407)	\$ (19,246)	\$ (9,929)	\$ (3,500)
Cumulative Reserve	\$ (5,939)	\$ 29,415	\$ 92,463	\$ 40,056	\$ 20,810	\$ 10,881	\$ 7,381

(1) Start-up Debt Repayment reflects a \$500,000 loan from Scotiabank, which has an annual repayment flexibility based upon what the Sandbox can afford through the operating results.

