

The background of the slide is a light gray aerial view of a city grid, rendered as a line-art map. The map shows a dense network of streets and building footprints, with a prominent diagonal road cutting through the center. The overall aesthetic is clean and modern.

Barrie Market District

Funding Options Update

Market District Task Force
Finance Sub-Committee
December 21, 2021



Sub-Committee Members

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Co-Founder, Toronto Distillery District

Guiding Principles

- Revenues from the Market District will support Market operations: management, marketing, upkeep/upgrades
- Operating leases to activators (restaurants, attractions)
- Initial capital build is a non-repayable investment from the City, capital grants, potentially matched by donations through a Market Foundation
- Funding secured by the Market District will be allocated to projects, marketing, activations & upkeep
- The Market District will act as an independent business
- City transfers or issues long term lease to Market District to operate
- Variety of activations (public/free and pay-per-use) will build sustainable operating revenues

**Market should
re-invest all revenues
into Market
operations and
activations**

**Market must not be
encumbered by
debt from capital
build out**

Organization Form

Community Development Corporation or Agency (Holding Company w/ leases)

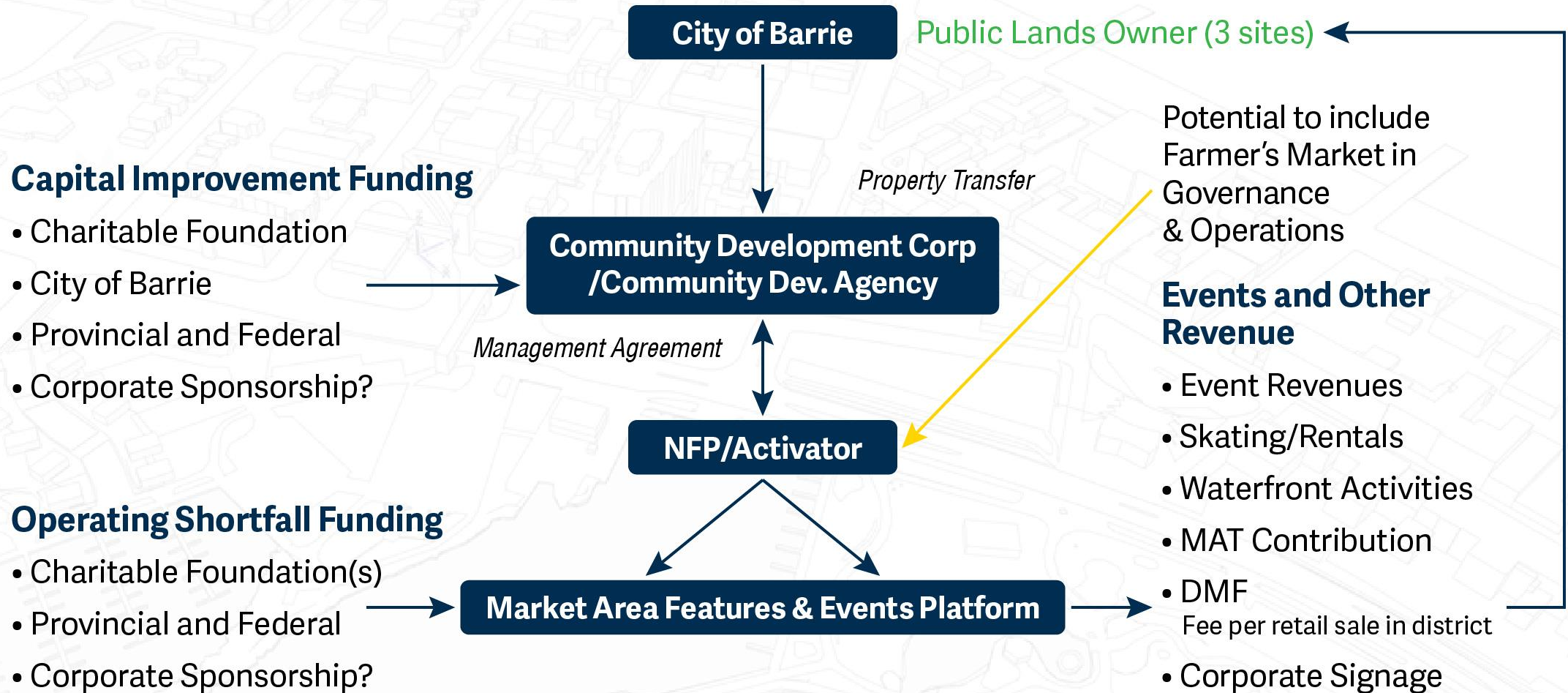
- Governance to include City
- Agility in planning, raising funds, contracting
- Built on same model as an economic development agency
- Looking to City of Brampton Business Case as a model
- City to issue long term lease of municipal properties to Agency (Dundas Square)

Operating Organization should be not-for-profit

- NFP – can access many community funding programs not available to for profit, or municipalities
- Potential to have Farmer's Market engaged with Operating Organization – provides sustainability
- **Largest cause of market district failure is poor activation; additional revenues generated drive additional activations**
- **It is essential that operating organization has a critical mass of activation spaces and places in order to be sustainable**

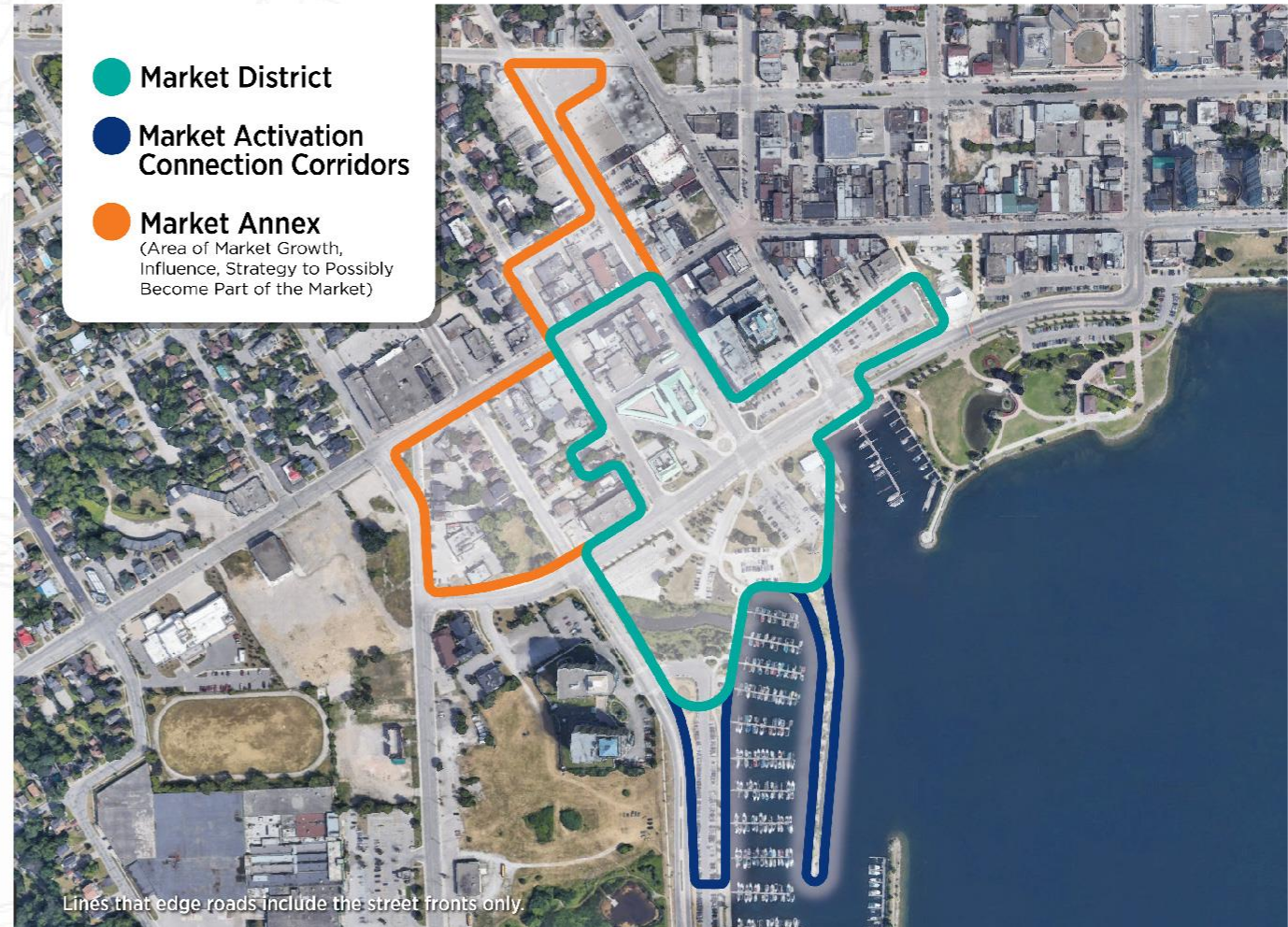
Foundation arm – would allow for direct investment to support participation of equity-seeking groups in the marketplace (scholarships, bursaries)

Market Area Improvement Structure



The Capital Build

- Phased approach
- Planned infrastructure to support expansion – **Phase 1**
 - Water/sewer
 - Electrical
 - Public broadband
 - Secure storage areas
 - Public restrooms
- \$50 - \$75/square foot average for Surface Builds
(does not include underground infrastructure)
- \$29 - 32 M over 13 - 15 years
(not including Butterfly Pavillion and Mary Street Parking Garage)
- To minimize overall disruption, recommend accelerating timeframe



Capital Improvement Sources

- **City + development charges in downtown + Alectra dividends (\$7M in 2021)**
- **Private Sector investment**
- **Grants**
 - Alectra Fund for Community Improvement
 - FedDev – Canada Community Revitalization Fund – build and improve community infrastructure to rebound from impacts of COVID-19
 - FedDev – Tourism Relief Fund – investing in products and services for future growth
 - FedDev – Jobs and Growth Fund – position local economies for long term growth
 - Trillium Foundation
 - Agriculture Canada – Local Food Infrastructure Fund
 - MyMainStreet – Local Activation Fund
- **Anticipate additional funding programs to come online in 2022**

Essential Principle: Critical Mass

- A variety of attractions, services and activations will draw visitors to the Market during the week, not just on weekends
- To fund operating costs through a DMF model, critical mass is required for food and beverage sales, retail sales and events in order to be sustainable
- Taking out one component due to perceived capital costs has negative impacts on the entire model
- Ensuring flexibility for weekend-only activities (farmer's market) requires intentional, active programming for other time periods in the same space

Public Sector Funding Leads Private Investment

- Commitment from City on infrastructure will move substantial Private Sector investment
- Expedited build plan will accelerate Private sector investment
- City endorses the vision and commits capital funding -> creates attractive investment opportunities
- Market District Agency secures and manages private sector investment

Operations

- **Core team of six staff required**

- Executive Director
- Business Development (Lease management)
- Marketing (coordinate with Tourism Barrie and City)
- Entertainment/Event Planning
- Operations (coordinate with City staff)
- Finance (cash flow, accounting, reporting (DMF) – potential shared resource with Agency and/or BIA)

- **Potential for shared resources with BIA re: Meridian**

- **Estimated annual operating costs of ~ \$550,000/year in staffing and operations; majority covered by DMF fee; additional revenues from: events, leases, sponsorships, project funding, advertising**

Operating Revenue Sources

Destination Marketing Program/Tourism Improvement District (**Net New**)

- Enables collection of a levy on all purchases made within the boundaries of the designated district (Niagara, Kingston);
- **Estimated revenues of \$400,000** annually based on 5% levy
- Different from the MAT (consumer-lodging) and BIA (businesses)

Corporate Sponsorship

Donations through Foundations

Project/Program Specific Funding (events, activations)

Total revenue streams from components funds operations

- Example – free ice skating; but fee-for-service: lessons, skate rental/sharpening, lockers, events