
TO: GENERAL COMMITTEE

SUBJECT: BARRIE COMMUNITY WOODSHOP

WARD: ALL

PREPARED BY AND KEY CONTACT: S. LEE-YOUNG, MANAGER OF RECREATION PROGRAMS

SUBMITTED BY: B. ROTH, DIRECTOR OF RECREATION SERVICES

GENERAL MANAGER APPROVAL: P. ELLIOTT-SPENCER, CPA, CMA
GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the City of Barrie discontinue the subsidy and service provided to the Barrie Community Woodshop until the Barrie Community Woodshop can develop a sustainable business plan that can be presented to Council and addresses the following:
 - a) Barrie Community Woodshop becoming a registered not-for-profit organization;
 - b) A capital financing plan to retrofit the designated facility space, any expected contribution from the City, and a proposed financing agreement between the City and the Barrie Community Woodshop to pay back the capital funds required;
 - c) A sustainable funding strategy that limits the City's commitment to the current subsidy level in the tax rate of \$17,948 (indexed); and
 - d) Limits the City to an arm's length party with all insurance, registration, and administration being conducted by the Barrie Community Woodshop.

PURPOSE & BACKGROUND

2. Recreation Services submitted Staff Report REC003-16 to General Committee on November 14th, 2016. The item was referred to the Community Service Committee meeting held on February 1st, 2017 with the resulting Motion 17-G-028 adopted by Council on March 6th, 2017 that outlined the following.
 - a) That staff report back to General Committee on the future of the Barrie Community Woodshop Program after receipt of a written proposal from Victoria Village to complete any renovations required by the Ministry of Labour, Fire Code and Workplace Safety and Prevention Services and in the interim, any payments for use of the space be discontinued, as the space is unusable given the violations related to the dust collection system and ventilation, the safety audit, Building Code and Fire Code matters.
 - b) That staff report back to General Committee on the future of the Barrie Community Woodshop Program, after reviewing the preferred site proposed by representatives of the Barrie Community Woodshop. (16-G-281) (REC003-16)

ANALYSIS

3. In reference to motion 17-G-028 1) subsequent follow up with Victoria Village Inc. has confirmed they will not be submitting a written proposal to complete renovations for the purpose of re-establishing a Woodshop operation. The City has provided written notice to Victoria Village Inc. to terminate the existing lease as of April 30th, 2017 and have vacated the premises.
4. In reference to motion 17-G-028 2) the City has researched 6 potential industrial leased facility spaces in collaboration with the Woodshop representatives that could accommodate a Woodshop operation and meet all building and fire code regulations. The industrial lease spaces would provide sufficient space to accommodate the existing equipment and provide the opportunity for future growth. The following table represents the financial impact of each option.

Option	Capital Cost A	Capital Cost per Year* B (A / 20)	***Interest per Year C	New Lease per Year D	Existing Lease per Year E	Change in Operating F (D – E)	Change in Subsidy B + C + F
#1 – 112 Commerce Park (5,942 sqft)	\$ 722,100	\$ 36,105	\$ 11,018	\$ 80,179	\$ 28,488	+ \$ 51,731	+ \$ 98,854
#2 - 122 Commerce Park (4,216 sqft)	\$ 635,800	\$ 31,790	\$ 9,701	\$ 55,936	\$ 28,488	+ \$ 27,488	+ \$ 68,979
#3 - 556 Bryne (4,123 sqft)	\$ 631,150	\$ 31,558	\$ 9,630	\$ 55,169	\$ 28,488	+ \$ 26,721	+ \$ 67,909
#4 - 565 Bryne (3,298 sqft)	\$ 589,900	\$ 29,495	\$ 9,001	\$ 44,875	\$ 28,488	+ \$ 16,427	+ \$ 54,923
#5 - 570 Bryne (5,043 sqft)	\$ 752,795	\$ 37,640	\$ 11,486	\$ 72,037	\$ 28,488	+ \$ 43,589	+ \$ 92,715
#6 – 431 Bayview (3,990 sqft)	\$ 624,500	\$ 31,225	\$ 9,529	\$ 86,754	\$ 28,488	+ \$ 58,306	+ \$ 99,060

*Amortization based on 20 years

**Utilities assumed to be \$2.25 / sqft

***3% accrued interest assumed

5. Detailed cost estimates can be found in **Appendix A**. Capital project inclusions and exclusions have been outlined in **Appendix B**. The installation of a spray booth is estimated at \$100,000 but is not recommended due to the heightened risk associated with this activity. The additional exclusions are estimated at \$30,000 and would need to be added to the estimated capital project costs in the above table.
6. A sustainable business plan would need to identify a financing agreement between the City of Barrie and the Barrie Community Woodshop to pay back the estimated capital funds required to retrofit a new industrial lease space. A payback plan may be structured as follows. Option #4 has been chosen for illustrative purposes.

Annual Cost	10 Year	15 Year	20 Year
Capital Payback	\$ 67,140	\$ 47,975	\$ 38,496
Per Member (140 Members)	\$ 480	\$ 343	\$ 275
Current Membership Cost	\$ 75	\$ 75	\$ 75
Per Member Total (140 Members)	\$ 555	\$ 418	\$ 350
Per Member Total (100 Members)	\$ 746	\$ 555	\$ 460
Per Member Total (60 Members)	\$ 1,194	\$ 875	\$ 717

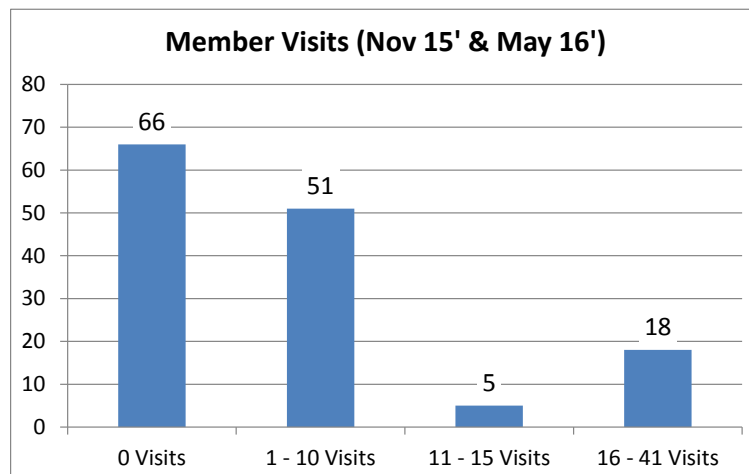
7. The City has historically subsidized the workshop through a rental lease of \$28,448 per year (\$20.75/sq ft x 1130 sq ft = \$23,448 + \$5,000 capital reserve contribution). This has been offset with membership revenue of \$10,500 (140 members x \$75), for a net cost of \$17,948. This equates to a 63.1% subsidy.
8. If option #4 were selected the total annual cost would be \$ 83,371; consisting of \$ 44,875 for the new lease payment, \$ 29,495 for the annual capital payback, and \$ 9,001 in annual accrued interest. To continue to maintain a subsidy level of \$17,948 the Woodshop would need to achieve \$ 65,423 in annual membership revenue. The following table illustrates the membership fee that would be required to achieve this target based on varying number of retained annual memberships.

Members	Membership Fee
200	\$ 327
180	\$ 363
160	\$ 409
140	\$ 467
120	\$ 545
100	\$ 654
80	\$ 818
60	\$ 1,090
40	\$ 1,636

9. If the Woodshop is not able to achieve these membership levels the City would be at risk of the \$83,371 in annual costs.

BARRIE COMMUNITY WOODSHOP

10. The Barrie Community Woodshop consists of approximately 140 members and has been working diligently over recent years to increase membership. The BCW have grown from 40 members in 2012 to 140 active members as of December 2015. In 2012, annual membership fees were increased from \$50 to \$75, and the volunteers assumed responsibility for the ongoing maintenance of the tools in the Woodshop.
11. Of the current 140 members, 61 visited the Woodshop in May of 2016, and 46 of the 140 members visited the Woodshop in November of 2015. In 2015 there was a total of 3,935 member sign-ins.



12. The Woodshop members contribute over 4,500 volunteer hours towards supporting the club, special projects, training, and supervision of the Woodshop. Without the volunteers, the majority of these hours would be required to be covered by a paid staff.
13. The Woodshop has completed projects for the Victoria Village residents upon request, including new construction and repairs. Numerous community groups have also requested their skills in various capacities. Since 2012 the club has undertaken projects for the women's shelter in Barrie (bunkbeds, finishing floors, and storage seats), Barrie Curling Club (change room benches), and 5 scout groups (building Kub Kars and birdhouses). Additional projects have been completed for the Barrie Public Library, Emma King Public School, and for the Terry Fox Run.

ENVIRONMENTAL MATTERS

14. There are no environmental matters related to the recommendation.

ALTERNATIVES

15. The following alternatives are available for consideration by General Committee:

Alternative #1 That the City pay, without requiring repayment from BCW the retrofit one of the identified industrial lease spaces as outlined in paragraph #4 to accommodate a new Woodshop operation that would meet all building and fire code regulations.

This alternative is not recommended due to the significant capital costs, accrued interest, and annual increase in operating costs to the City of between \$55,000 to \$99,000.

FINANCIAL

16. The recommended motion will keep the annual operating subsidy at \$17,948 per year (indexed), with no impact on the City's Budget, and reduce the percentage subsidy on the program to 21.5%, more in line with other subsidies provided for Recreation programs.

LINKAGE TO 2014-2018 STRATEGIC PLAN

17. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:

Responsible Spending

Appendix "A"

Option #1 - 112 Commerce Park Drive

112 Commerce Park

Industrial

INDUSTRIAL UNIT FOR LEASE WITH GREAT VISIBILITY IN SOUTH BARRIE.

MEZZANINE SPACE AVAILABLE AT NO EXTRA CHARGE, PERFECT FOR ANY INDUSTRIAL OR SERVICE USE.

- Mezzanine: 2,134.32 s.f.
- Available: 7/1/17
- Loading: 2 Grade & 1 Dock Level Doors
- 23' Ceilings
- EM3 Zoning



Unit	Unit Area	Net Rent	MIT	Monthly Rent*
#A-C	5,942.28 s.f.	\$6.00/s.f.	\$3.95/s.f.	\$4,927.14

Capital Cost	Units	Unit Price	Cost
Fit-Up Capital Project Costs	5,942	\$ 50.00	\$ 297,100
Lump Sum Woodshop Dust Collection & HVAC	1	-	\$ 425,000
Total Estimated Capital Cost			\$ 722,100

Lease Cost per Year	Units	Unit Price	Cost
Lease (5 year term) *Includes MIT	5,942	\$ 9.95	\$ 59,123
Estimated Utilities	5,942	\$ 2.25	\$ 13,370
HST		13%	\$ 7,686
Total Lease Cost			\$ 80,179

Lease Difference per Year	Units	Unit Price	Cost
New Lease	5,942		\$ 80,179
Previous Lease	1,130		\$ 28,448
Total Lease Increase			\$ 51,731

Appendix "A" Cont'd

Option #2 - 122 Commerce Park Drive

122 Commerce Park

Industrial

INDUSTRIAL UNIT FOR LEASE WITH GREAT VISIBILITY IN SOUTH BARRIE.

MEZZANINE SPACE AVAILABLE AT NO EXTRA CHARGE, PERFECT FOR ANY INDUSTRIAL OR SERVICE USE.

- Mezzanine: A-581.27, B/C-1367.63 s.f.
- 23' Ceilings • Available May 1/16
- EM3 Zoning
- Grade & Dock Level Loading Doors

Unit	Unit Area	Net Rent	MIT	Monthly Rent*
#A	1712.62 s.f.	\$6.00/s.f.	\$4.00/s.f.	\$1,427.18
#B/C	4216.76 s.f.	\$5.75/s.f.	\$4.00/s.f.	\$3,426.12



Capital Cost	Units	Unit Price	Cost
Fit-Up Capital Project Costs	4,216	\$ 50.00	\$ 210,800
Lump Sum Woodshop Dust Collection & HVAC	1	-	\$ 425,000
Total Estimated Capital Cost			\$ 635,800

Lease Cost per Year	Units	Unit Price	Cost
Lease (5 year term) *Includes MIT	4,216	\$ 9.75	\$ 41,106
Estimated Utilities	4,216	\$ 2.25	\$ 9,486
HST		13%	\$ 5,344
Total Lease Cost			\$ 55,936

Lease Difference per Year	Units	Unit Price	Cost
New Lease	4,216		\$ 55,936
Previous Lease	1,130		\$ 28,448
Total Lease Increase			\$ 27,488

Appendix "A" Cont'd

Option #3 - 556 Bryne Drive

556 Bryne Drive

Industrial

Located in popular south Barrie shopping destination. Excellent signage and parking. Easy Hwy. 400 access. Extra mezzanine space included at no extra cost. Unit 12-13 perfect for fitness centre, dance studio, service provider.



Free Mezzanine: 12-13 - 942.99 s.f., • 23' Ceilings • Divisible
• Available Immediately • Fully Air Conditioned • EM3 Zoning

Unit	Unit Area	Net Rent	MIT	Monthly Rent*
#12-13	4,123.57 s.f.	\$5.75/s.f.	\$4.10/s.f.	\$3,384.76

*plus HST & Utilities



Capital Cost	Units	Unit Price	Cost
Fit-Up Capital Project Costs	4,123	\$ 50.00	\$ 206,150
Lump Sum Woodshop Dust Collection & HVAC	1	-	\$ 425,000
Total Estimated Capital Cost			\$ 631,150

Lease Cost per Year	Units	Unit Price	Cost
Lease (5 year term) *Includes MIT	4,123	\$ 9.85	\$ 40,612
Estimated Utilities	4,123	\$ 2.25	\$ 9,277
HST		13%	\$ 5,280
Total Lease Cost			\$ 55,169

Lease Difference per Year	Units	Unit Price	Cost
New Lease	4,123		\$ 55,169
Previous Lease	1,130		\$ 28,448
Total Lease Increase			\$ 26,721

Appendix "A" Cont'd

Option #4 - 565 Bryne Drive

565 Bryne Drive

Industrial

Industrial Multiple in busy South Barrie shopping area. Free 2nd floor mezzanine area.

#A: Industrial Unit with showroom & warehouse. Dock loading door, 583.62 s.f. mezzanine.

O/P: Former church with foyer, large meeting rooms, offices, kitchen, bathrooms & large auditorium. 1200.29 s.f. mezzanine. Drive in loading. Barrier free main level

- Available Immediately
- EM3 Zoning
- 23' Ceiling



Unit	Unit Area	Net Rent	MIT	Monthly Rent*
#A	3298.27 s.f.	\$6.00/s.f.	\$4.05/s.f.	\$2,762.30
O&P	4837.51 s.f.	\$7.50/s.f.	\$4.05/s.f.	\$4,656.10

*plus HST & Utilities



Capital Cost	Units	Unit Price	Cost
Fit-Up Capital Project Costs	3,298	\$ 50.00	\$ 164,900
Lump Sum Woodshop Dust Collection & HVAC	1	-	\$ 425,000
Total Estimated Capital Cost			\$ 589,900

Lease Cost per Year	Units	Unit Price	Cost
Lease (5 year term) *Includes MIT	3,298	\$ 10.05	\$ 33,145
Estimated Utilities	3,298	\$ 2.25	\$ 7,421
HST		13%	\$ 4,309
Total Lease Cost			\$ 44,875

Lease Difference per Year	Units	Unit Price	Cost
New Lease	3,298		\$ 44,875
Previous Lease	1,130		\$ 28,448
Total Lease Increase			\$ 16,427

Appendix "A" Cont'd

Option #5 - 570 Bryne Drive

570 Bryne Drive
Industrial

Located in popular south Barrie shopping destination. Excellent signage and parking. Easy Hwy. 400 access. Extra mezzanine space included at no extra cost. Ideal for any industrial or recreational use.

Available:
#A/B Immediately

Mezzanine:
#A/B 1222.5 s.f.,



Unit	Unit Area	Net Rent	MIT	Monthly Rent*
#A/B	5043.391 s.f.	\$6.50/s.f.	\$4.15/s.f.	\$4,476.01

*plus HST & utilities

Capital Cost	Units	Unit Price	Cost
Fit-Up Capital Project Costs	5,043	\$ 65.00	\$ 327,795
Lump Sum Woodshop Dust Collection & HVAC	1	-	\$ 425,000
Total Estimated Capital Cost			\$ 752,795

Lease Cost per Year	Units	Unit Price	Cost
Lease (5 year term) *Includes MIT	5,043	\$ 10.65	\$ 53,708
Estimated Utilities	5,043	\$ 2.25	\$ 11,347
HST		13%	\$ 6,982
Total Lease Cost			\$ 72,037

Lease Difference per Year	Units	Unit Price	Cost
New Lease	5,043		\$ 72,037
Previous Lease	1,130		\$ 28,448
Total Lease Increase			\$ 43,589

Appendix "A" Cont'd

Option #6 - 431 Bayview Drive

431 Bayview Drive

Industrial

INDUSTRIAL SPACE IN BARRIE'S BUSY SOUTH END AT BAYVIEW DRIVE & CHURCHILL RD. ACROSS FROM PARK PLACE DEVELOPMENT. EASY ACCESS TO HIGHWAY 400, PLENTY OF PARKING.



Available: 3/1/17;

Lease Type: Net;

Loading: Grade Door

Ceilings: 26'

Monthly

Unit	Unit Area	Net Rent	MIT	Rent*
#3	3,990 s.f.	\$12.00/s.f.	\$5.25/s.f.	\$5,735.63

*plus HST & Utilities

Capital Cost	Units	Unit Price	Cost
Fit-Up Capital Project Costs	3,990	\$ 50.00	\$ 199,500
Lump Sum Woodshop Dust Collection & HVAC	1	-	\$ 425,000
Total Estimated Capital Cost			\$ 624,500

Lease Cost per Year	Units	Unit Price	Cost
Lease (5 year term) *Includes MIT	3,990	\$ 17.25	\$ 68,828
Estimated Utilities	3,990	\$ 2.25	\$ 8,978
HST		13%	\$ 8,948
Total Lease Cost			\$ 86,754

Lease Difference per Year	Units	Unit Price	Cost
New Lease	3,990		\$ 86,754
Previous Lease	1,130		\$ 28,448
Total Lease Increase			\$ 58,306

Appendix "B"

Inclusions	Exclusions
<input type="checkbox"/> Minor Demolition + Architectural Partitions	<input type="checkbox"/> Woodshop Equipment Upgrades *TBD by Woodshop
<input type="checkbox"/> Flooring	<input type="checkbox"/> Spray Booth Upgrades * \$ 100,000
<input type="checkbox"/> Security and IT	<input type="checkbox"/> Washroom Upgrades * \$ 5,000
<input type="checkbox"/> Electrical Panel Upgrades	<input type="checkbox"/> Doors and Hardware Upgrades * \$ 5,000
<input type="checkbox"/> Electrical Routing & Lighting	<input type="checkbox"/> Enclosing / Fitting Up Mezzanine Spaces * \$ 15,000
<input type="checkbox"/> Overhead	<input type="checkbox"/> Interior Finish Upgrades * \$ 5,000
<input type="checkbox"/> General Conditions	<input type="checkbox"/>
<input type="checkbox"/> Design Costs	<input type="checkbox"/>
<input type="checkbox"/> Permit Fees	<input type="checkbox"/>
<input type="checkbox"/> Move Costs	<input type="checkbox"/>
<input type="checkbox"/> Project Management Fee (City Staff Cost)	<input type="checkbox"/>
<input type="checkbox"/> Non-recoverable HST	<input type="checkbox"/>
<input type="checkbox"/> Machine Guarding	<input type="checkbox"/>
<input type="checkbox"/> Electrical Guarding	<input type="checkbox"/>
<input type="checkbox"/> Sound Attenuation	<input type="checkbox"/>
<input type="checkbox"/> Building Signage	<input type="checkbox"/>