

Staff Memorandum



To: Mayor A. Nuttall and Members of Council

Subject and Ward(s): Sandbox Centre Annual Report and Request, All Wards

Date: November 26, 2025

Executive Management Approval: B. Araniyasundaran, P. ENG., PMP, General Manager of Infrastructure and Growth Management

CAO Approval: M. Prowse, Chief Administrative Officer

Noted: R. Pews, Director of Corporate Facilities

The purpose of this Memorandum is to provide members of Council with an update concerning the Sandbox Centre's operations and programming from January 1, 2024, to March 31, 2025, with a focus on impacts since the announcement of the Sandbox Centre becoming Ontario's 17th Regional Innovation Centre.

Regional Innovation Centre Background

Regional Innovation Centre's (RIC) are a catalyst for innovation in their communities with a primary goal of connecting the ecosystem (academic, institutional and industry) and streamlining regional support for entrepreneurs. RICs help Ontario-based entrepreneurs and innovators succeed in international markets by helping them work through the challenges of developing their ideas to make them marketable and attract talent, capital and customers.

A service delivery gap of Regional Innovation Centre services for Central Ontario led to a 2024 provincial investment of \$1 million into the RIC network that included a new RIC for Barrie. On January 7th, 2025, the Sandbox Centre was announced as the 17th RIC in Ontario.

Sandbox Centre Programming Update

The Sandbox Centre and the City currently operate under a formalized Memorandum of Understanding (MOU). This agreement defines the working relationship between the City and the Sandbox Centre, including the City's funding commitment and key performance indicators (KPIs) to guide and measure the Sandbox Centre's annual impact and success. With the Sandbox Centre's transition into an RIC, a new formal Partnership Agreement will be required to align with RIC guidelines. The Economic and Creative Development Department was given delegated authority to enter into a MOU as per Motion 20-G-167, and as such, staff will be updating the MOU to reflect the new formatting of a Partnership Agreement.

The Economic and Creative Development Department continues to be a collaborative partner with the Sandbox Centre as part of its strategic direction to ensure that Barrie maintains a strong eco-system of support to attract and retain entrepreneurs and innovators. Barrie continues to provide fiscal support to the Sandbox Centre in the form of partnership funding of \$35,000 in addition to the provision of space as provided via lease agreement. Further, the City of Barrie, through the Small Business Centre and Invest Barrie continues to benefit from access to meeting and classroom spaces within the Sandbox to support investment attraction, program delivery, and events.

Since December 2024, the Sandbox Centre has achieved the following successes that are detailed in the Sandbox Centre's 2024-2025 Fiscal Year-in-Review provided via correspondence to City Council. Highlights include:

- **\$3.3M+ capital raised** by founders;
- **30+ mentors** added;
- **50% client ecosystem connectivity**;
- **38+ activities** hosted, **700+ participant visits** recorded, **30% increase in foot traffic** for RIC programming;
- **Expanded programming and services** such as the Newcomer Venture Accelerator, HaloHealth Physician Advisory Program, Commercialization Accelerator, and the introduction of a podcast studio and on-demand training library;
- **Increased academic partnerships** with Lakehead University and Georgian College around IP commercialization support through shared mentors.

Sandbox Funding Request

The Sandbox Centre is requesting support from the City in the form of a one-year deferral to remit the 33% of apportioned maintenance, utilities and property taxes, MUT (where applicable) due in Year 2026, outlined in Motion 22-G-101.

The Sandbox Centre has indicated that it remains committed to its goal of becoming financially sustainable over the long term. To support this objective, the Sandbox Centre continues to actively pursue private sponsorship opportunities and apply for provincial and federal funding programs that support unique programming and contribute to its operating budget.

As an RIC, the Sandbox Centre has recently adopted a new business model, which represents an important step forward in its development. Part of the new business model is the adjustment to a new funding formula that all RICs operate on, based around an April 1-March 31 fiscal year. Due to this new fiscal year, the Sandbox Centre has indicated that this transition to a RIC model with a new fiscal-year funding model requires a one-year deferral of the start date for the remittance of utilities and property taxes to allow the Sandbox Centre to align their lease with the City with their upcoming 3-year business plan renewal with the Ministry of Economic Development, Job Creation & Trade.

Sandbox Centre Transition – Operations

The Sandbox Centre has been in communication with Corporate Facilities regarding an extension of their current lease agreement. At present, the Sandbox Centre is operating under a month-to-month lease arrangement while the Sandbox Centre's request for Year 2026 utilities and property tax remittance is being considered.

For context, Corporate Facilities have identified the following 2026 budget estimates for utilities, property tax and maintenance related to the square footage that the Sandbox Centre occupies at 24 Maple Avenue. As is typical in a net lease, a year-end reconciliation of actual expenses to budget was anticipated:

- Utilities (electricity, natural gas and water): \$12,868 (\$4,246.44 – 33% Allocation)
- Property Tax (2025 tax levy amount based on impact assessment rates from November 2024): \$32,163.50 (\$10,613.96 – 33% Allocation)
- Maintenance: \$27,879.22 (\$9,200.14 – 33% Allocation)

With the location of the Small Business Centre co-located within the Sandbox and the transition of the main floor bus terminal usage to the future home of Lakehead University, the overall apportioned maintenance costs are to be determined.

For Council to support this request, a funding source would be required for the one-year deferral to remit the 33% of apportioned maintenance, utilities and property taxes, MUT (where applicable) due in Year 2026 estimated at \$24,060.54, based on the numbers provided by Corporate Facilities, but would be validated at year end with confirmed actual usage rates. Funding from the reinvestment reserve could be considered.

Memo Author: S. Young, Senior Business Innovation and Strategic Partnerships Officer

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