

Second Evaluation
10/6/19.



Comhpháirtíocht Leader Waterford Leader
Phort Láirge Partnership

Decision of Evaluation Committee

Project ID	31LDRWAT109889
Project Type:	Capital
Project Name:	The Warehouse
Promoters Name:	2B Climbing Ltd
Address:	32 Carn Glas Way, Gracedieu Rd, Waterford
Description:	The project is proposing to create a new climbing gym in Tramore. The Warehouse will be the only centre in the South East to offer a first class training facility for all climbers in the region. The promoters are level 1 climbing coaches and qualified route setters who can change the settings for the climbing wall on a regular basis to create new challenges. This will also be the only facility offering competition standard bouldering, the other facility in the area does not meet these standards. This means they can offer climbing competitions to Mountaineering Ireland as part of their calendar of events.
Theme:	LO1 Rural Tourism
Sub-theme:	Activity Tourism SA 1.1
Link to LDS	Investment in rural tourism activity

Total Project Costs	€163,017.45
Eligible Project Costs	€163,017.45
Funding sought by promoter:	€81,508
State one of the following: - First Review / Previously Deferred or Not Recommend	Project not recommended at the Evaluation Meeting held on the 27 th May 2019
Funding recommended by Evaluation Committee:	€0
Details of private funding:	€25,000 C. Feeney €25,000 R Smith €31,509 bridging/loan
Voluntary Labour: YES / NO (If yes provide detail)	No
Synopsis of project:	Funding is sought for the design and manufacture of the climbing wall and associated equipment

Detail exactly what WLP will be funding (List items from Project Assessment Report)	Detail	Total Cost (Expenditure)	Grant Aid recommend by the Evaluation Committee @ 0%
	Shoes, harnesses, ropes, belay equipment, chalk	€1,745.30	0
	Shoes, harnesses, ropes, belay equipment, chalk	€2,266.29	0
	Laptop	€447.14	0
	Printer, vacuum cleaner	€534.96	0
	Microwave, coffee machines	€551.22	0
	Cleaning and Maintenance equipment	€760.54	0
	Cleaning and Maintenance equipment	€214.72	0
	Kitchen & WC equipment	€1,564.20	0
	Training equipment	€692.27	0
	Training equipment	€27	0
	External signage	€180	0
	Marketing materials and Uniform	€912	0
	Flyers and membership cards	€130.09	0
	CCTV and alarm equipment	€3,431.72	0
	Design/construction/installation of wall	€149,560	0
	Total Funding	€163,017.45	€0
Was an assessment completed?:	Yes, 3 rd May '19		
Date:			
Are detailed costings provided for the project? Were the costs for the project considered reasonable and how was this measured?	Yes, direct tendering was used for the smaller associated items and the most economic advantageous tender (MEAT) process used to select the winning suppliers. Etenders was used to procure the climbing wall design and supply and again the MEAT process used to select the winning supplier		
Where the procurement process resulted in less than 3 quotes, the EC must show the additional steps taken to ensure the reasonableness of costs:	Not applicable		
Innovative Element of the project:	The project is proposing to create a new climbing gym in Tramore. The Warehouse will be the only centre in the South East to offer a first calls training facility for all climbers in the region		
Consideration of Deadweight:	The project could not go ahead without grant aid as the promoters could not receive bank approval for a business loan to cover 70% of the set up costs		
Consideration of Displacement:	The nearest facilities competing at a similar standard are in Dublin/Cork. Locally the climbing at Activate, Waterford only offers bouldering (non standard competition) and top rope climbing. Activate also is a children's play centre primarily focusing mainly on the party market.		

Economic justification for project:	The project will provide employment on a full time/part time/seasonal basis as well as adding value to the tourism offering in Tramore which has a strong reputation in land and water activities. Links will be forged with all the local schools and other tourism activity providers
Average Score for Project:	39/100
% level of aid & ceiling:	0%
E. C. Executive Summary/Rationale for Funding	The Evaluation Committee agreed to recommend not funding this project for the following reasons:- 1. The project scored 39/100 and did not achieve the mandatory 65% 2. The project was not considered financially viable.

Jobs Created	Jobs Sustained	Match Funding	Previous Grant Aid Received
3.5	0	€25,000 C. Feeney	€0
		€25,000 R Smith	
		€31,509 bridging/loan	

Confirmation that agencies / communities are supportive of the proposed project.	Date of Confirmation	Signed By
LEO	9/5/19	Brid Kirby
Failte Ireland	8/5/19	Emer Whittle

Project Not Recommended at the meeting of the 27th May 2019:

The following were the main points raised in the discussion of the project: -

- Ms Claire Connors advised that she met the promoters along with Mr Jimmy Taaffe to give them the opportunity to provide supporting documentation at the upcoming Evaluation meeting in case they were considering appealing the original recommendation.
- The Evaluation Committee said that rather than provide additional information the promoters just re-iterated their previous proposal.
- The Committee agreed that there was nothing provided that changed their original recommendation not to fund as they do not consider the project financially viable or sustainable.
- The projected salaries for both promoters at €200 per week was considered extremely low.
- It was stated that no business starts out at full capacity as the promoters are predicting.
- It is very specialised and the promoters have not provided a business plan or market research in support of their application. Ms Connors advised that both promoters are very confident that this project will be successful and that they will have an existing client base from Activate.
- The bank letter is not a definite commitment of funds and they have no working capital.
- Also, there is no official agreement of the loan from the mother other than an email. Ms Connors advises that a bank statement showing the funding was provided. The Committee noted that this is in the mother's name.

- The profile of the type of person that will use this activity was discussed with it being noted that it will not have a wide appeal as it is specialised in nature.
- The Committee agreed that their original review and scoring of the project will remain.

The Evaluation Committee agreed to recommend not funding this project as presented for the following reasons.

- The project scored 39/100 and is therefore not eligible as it did not receive the 65% necessary.
- The project was not considered financially viable.

Recommendation: A maximum of €0 or 0% of eligible expenditure, whichever is the lesser.

Amount Recommended: €0

0% of Eligible Project Funding: €0

Signed: _____

Signed: _____

Chairperson of Evaluation Committee

Committee Member

Date: _____

Date: _____

Issues / Queries raised by Evaluation Committee	Project Officers Response

Signed: Claire Connors

Dated: 13th June '19

WLP Project Officer

Please insert photos below of reference purposes:

(for example a photo of the building to be renovated/machinery being purchased, etc)

Overall Evaluation Committee Scoring Record

Date: 27th May 2019

Time: 11am to 3pm

Project Title: The Warehouse

Project Reference Number: 311DRWAT109889

Assessment Criteria	Objective	Issues raised by Evaluation Committee	Weighting	Score
Compatibility with Local Development Strategy	Do the project proposals meet the criteria set out in the LAG business plan for the relevant measure?		Yes / No	
Innovation	Is the product innovative in its nature and does it displace existing enterprises? - Product / Service 9/19 <u>7</u> - Displacement 5/19 <u>4</u> - Job Creation 5/19 <u>3</u>		19	14
Promoters experience	Does the promoter have the training/skills, track record or experience to deliver? - Standards of Operation 6/25 <u>2</u> - Track Record 6/25 <u>2</u> - Structure of Business 6/25 <u>2</u> - Necessary skills base 7/25 <u>4</u>		25	16
Financial Viability	Are the project costs justifiable (reasonableness of costs) and / is funding available to co-fund the project? - Overall Costs 7/25 <u>1</u> - Co Funding 6/25 <u>1</u> - Financial Plan 6/25 <u>1</u>		25	5

	Deadweight	6/25	2		
Sustainability	Is the project viable and will the service continue to be delivered?			13	5
Requirement	Does the proposal target a specific need or address a specific gap in the market?			18	5
Total				100	39

N.B. Project must receive a minimum score of 65% prior to being recommended for approval.

- Has the potential level of deadweight been assessed for this project? YES / ~~NO~~
- i.e. would the project proceed without LEADER funding? YES / NO

Recommendations of the Evaluation Committee: Refused

Signature: Paul Corkin

Signature of Evaluation Committee Chair

Date: 27-05-2018

First evaluation -
27/5/19.



Comhpháirtíocht Leader Waterford Leader
Phort Láirge Partnership

Decision of Evaluation Committee

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Project Name:	The Warehouse
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Theme:	LO1 Rural Tourism
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Link to LDS	Investment in rural tourism activity

Total Project Costs	€163,017.45
Eligible Project Costs	€163,017.45
Funding sought by promoter:	€81,508
Funding recommended by Evaluation Committee:	€0
Details of private funding:	€25,000 C. Feeney €25,000 R Smith €31,509 bridging/loan
Voluntary Labour: YES / NO (if yes provide detail)	No
Synopsis of project:	Funding is sought for the design and manufacture of the climbing wall and associated equipment

Detail exactly what WLP will be funding (List items from Project Assessment Report)	Detail	Total Cost (Expenditure)	Grant Aid recommend by the Evaluation Committee @ 50%
	Shoes, harnesses, ropes, belay equipment, chalk	€1,745.30	0
	Shoes, harnesses, ropes, belay equipment, chalk	€2,266.29	0
	Laptop	€447.14	0
	Printer, vacuum cleaner	€534.96	0
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	Training equipment	€27	0
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	Marketing materials and Uniform	€912	0
	Flyers and membership cards	€130.09	0
	CCTV and alarm equipment	€3,431.72	0
	Design/construction/installation of wall	€149,560	0
	Total Funding	€163,017.45	€0
Was an assessment completed?: Date:	Yes, 3 rd May '19		
Are detailed costings provided for the project? Were the costs for the project considered reasonable and how was this measured?	Yes, direct tendering was used for the smaller associated items and the most economic advantageous tender (MEAT) process used to select the winning suppliers. Etenders was used to procure the climbing wall design and supply and again the MEAT process used to select the winning supplier		
Where the procurement process resulted in less than 3 quotes, the EC must show the additional steps taken to ensure the reasonableness of costs:	Not applicable		
Innovative Element of the project:	The project is proposing to create a new climbing gym in Tramore. The Warehouse will be the only centre in the South East to offer a first calls training facility for all climbers in the region		
Consideration of Deadweight:	The project could not go ahead without grant aid as the promoters could not receive bank approval for a business loan to cover 70% of the set up costs		
Consideration of Displacement:	The nearest facilities competing at a similar standard are in Dublin/Cork. Locally the climbing at Activate, Waterford only offers bouldering (non standard competition) and top rope climbing. Activate also is a children's play centre primarily focusing mainly on the party market.		
Economic justification for project:	The project will provide employment on a full time/part time/seasonal basis as well as adding value to the tourism offering in Tramore which has a strong		

	reputation in land and water activities. Links will be forged with all the local schools and other tourism activity providers
Average Score for Project:	39/100
% level of aid & ceiling:	A maximum of €0 or 0% of eligible expenditure, whichever is the lesser
E. C. Executive Summary/Rationale for Funding	The Evaluation Committee agreed to recommend not funding this project as presented for the following reasons:- 1. The project scored 39/100 and did not achieve the mandatory 65% 2. The project was not considered financially viable. Recommendation: A maximum of €0 or 0% of eligible expenditure, whichever is the lesser

Jobs Created	Jobs Sustained	Match Funding	Previous Grant Aid Received
3.5	0	€25,000 C. Feeney	€0
		€25,000 R Smith	
		€31,509 bridging/loan	

Confirmation that agencies / communities are supportive of the proposed project.	Date of Confirmation	Signed By
LEO	9/5/19	Brid Kirby
Faillte Ireland	8/5/19	Emer Whittle

The following were the main points raised in the discussion of the project: -

- Ms Claire Connors noted that this is a very interesting project and that she has worked very closely with the two promoters over the past 8 weeks and that they are very experienced with good business heads. Both promoters worked for Activate which offers bouldering, nonstandard competition, and top of the range rope climbing along with a children's play centre
- The promoters are level 1 climbing coaches with Mountaineering Ireland qualifications and they are also qualified route setters who can change the settings on a climbing wall on a regular basis to provide new challenges.
- They will be the only centre in the South East to offer a first-class training facility for all climbers and the only one offering competition standard bouldering. They will be able to offer competitions to Mountaineering Ireland as part of their calendar of events.
- Working with Activate they helped develop climbing kids' clubs some of these now are progressing to competition level which is not available in the South East and they must travel to continue with their involvement in the activity. They also plan on being a resource used by the 3 local primary schools and by transition year students.
- Ms Connors advised that the project and design element was put out to tender and involves most of the costs.
- The Evaluation Committee stated that several items included i.e. vacuum cleaners, laptops, etc that should be funded by the promoters themselves.

- The premises is over 5000 sq feet with the rental being €14,000 in year one rising to €15,000 in year two. Unfortunately, with the type of project it is it cannot start on a smaller scale initially.
- The Evaluation Committee noted that there is no evidence of market research backing up the proposal and that they are uncertain of the demand for it. A discussion ensued with it being noted that this is a very specialised niche activity and there was doubt if the numbers will be achieved to make the project viable.
- The Committee agreed that there are serious concerns on the financing of the project as they appear to not have enough working capital. It was noted that what they really need was another investor to help sustain them over the first year or two until the business was established.
- Ms Connors advised that the promoters are confident in the demand for the activity and both have resigned from the jobs in Activate to set this up on a full-time basis.
- The Evaluation Committee noted that this type of proposal may be more successful in areas of greater population noting that they have no way of knowing if the projections given can be achieved.
- Concern was expressed at the lack of a marketing budget for a new venture.
- The lack of finance for the project is concerning; one promoter is providing personal saving of €25,000 and the other has received €25,000 for a parent and a bridging loan of €31,000. There is no evidence of any more resources being available to them, nothing to cover any extra costs or over runs.
- Ms Claire Connors stated that projects under the activity measure of the Local Development Strategy such as this one is proving difficult to find. Existing activity business are not investing or expanding.
- Tramore is building its activity offerings and projects previously funded by WLP including Run Amuck and Pirates Adventure are doing well. It was noted by the Committee that these centres have more than one offering and appeal to a wider audience.
- The Committee agreed that the financing is very weak and the viability of the project uncertain. Of the €200,000 they are only providing a quarter of it.

The Evaluation Committee agreed to recommend not funding this project as presented for the following reasons.

- The project scored 39/100 and is therefore not eligible as it did not receive the 65% necessary.
- The project was not considered financially viable.

Recommendation: A maximum of €0 or 0% of eligible expenditure, whichever is the lesser.

Amount Recommended: €0

0% of Eligible Project Funding: €0

Signed:

Paul Clarke

Signed:

Ray McElroy

Chairperson of Evaluation Committee

Committee Member

Date:

10th June 2018

Date:

10th June 2018

Issues / Queries raised by Evaluation Committee

Project Officers Response

Overall Evaluation Committee Scoring Record

Date: 27th May 2019

Time: 11am to 3pm

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Promoters experience	Does the promoter have the training/skills, track record or experience to deliver? - Standards of Operation 6/25 <u>2</u> - Track Record 6/25 <u>2</u> - Structure of Business 6/25 <u>2</u> - Necessary skills base 7/25 <u>4</u>		25	10
Financial Viability	Are the project costs justifiable (reasonableness of costs) and / is funding available to co-fund the project? - Overall Costs 7/25 <u>1</u> - Co Funding 6/25 <u>1</u> - Financial Plan 6/25 <u>1</u>		25	5

	Deadweight	6/25	2		
Sustainability	Is the project viable and will the service continue to be delivered?			13	5
Requirement	Does the proposal target a specific need or address a specific gap in the market?			18	5
Total				100	39

N.B. Project must receive a minimum score of 65% prior to being recommended for approval.

- Has the potential level of deadweight been assessed for this project? YES / NO
- i.e. would the project proceed without LEADER funding? YES / NO

Recommendations of the Evaluation Committee: Refusal

Signature: P. J. O'Leary

Signature of Evaluation Committee Chair

Date: 27-05-2018