



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, Tramore, Co. Waterford.
Description:	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. This will also be the only facility offering competition standard bouldering. Funding is sought for the design and manufacture of the climbing wall and associated equipment
Theme:	Rural Tourism LO1
Sub-theme:	Activity Tourism SA1.1
Link to LDS	Yes

Total Project Costs	€200,185.45
Eligible Project Costs	€163,017.45
Funding sought by promoter:	€81,508
State one of the following: - First Review / Previously Deferred or Not Recommend	Previously deferred
Funding recommended by Evaluation Committee:	Recommendation: A maximum of €81,508.00 or 50% of eligible expenditure, whichever is the lesser with the following conditions: - - Formal agreements in place for investments - Confirmation of provision of extra working capital if needed. - Confirmation of bank loan.
Details of private funding:	€60,000 personal investment by promoters €31,509 AIB Bank Loan €40,000 interest free loan from a parent & bridging provided by same
Voluntary Labour: YES / NO (If yes provide detail)	No
Synopsis of project:	Funding is sought for the design and manufacture of a climbing wall and associated equipment in a unit in the Riverstown Industrial Estate, Tramore to provide a suite of classes, membership and a party venue. 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.

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%
Total Funding	Shoes, harnesses, ropes, belay equipment, chalk	€4,011.59	€2,005.79
	Laptop	€447.14	€223.57
	Printer, vacuum cleaner	€534.96	€267.48
	Microwave, coffee machine	€551.22	€275.61
	Cleaning & maintenance equip	€975.26	€487.63
	Kitchen & WC equip	€1,564.20	€782.10
	Training equip	€719.27	€359.63
	External signage	€180	€90
	Marketing materials & uniform	€912	€456
	Flyers & membership cards	€130.09	€65.04
	CCTV & alarm equip	€3,431.72	€1,715.86
	Design/construction/installation of wall	€149,560	€74,780
		€163,017.45	€81,508
Was an assessment completed?: Date: <u>_03/05/2019_</u>	Yes		
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 while e tendering was used to procure the climbing wall and the most economic advantageous tender process used to select the chosen suppliers		
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:	This is the first climbing gym of its kind in the South East offering competition standard bouldering		
Consideration of Deadweight:	Promoters are reliant on funding to set up this project		
Consideration of Displacement:	The nearest comparable facility would be in Dublin		
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 local schools, clubs and other tourism activity providers		
Average Score for Project:	73/100		
% level of aid & ceiling:	A maximum of €81,508 or 50% of eligible costs whichever is the lesser.		
E. C. Executive Summary/Rationale for Funding	The Evaluation Committee agreed to recommend funding this project for the following reasons:- 1. The project scored 73/100 2. The projects fits the LCDC Development Plan for providing activity tourism projects in Co Waterford. A maximum of €81,508 or 50% of eligible costs whichever is the lesser.		

Jobs Created	Jobs Sustained	Match Funding	Previous Grant Aid Received
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		€130,509	€0

Confirmation that agencies / communities are supportive of the proposed project.	Date of Confirmation	Signed By
Failte Ireland	08/05/19	Eimear Whittle
Local Employment Office	09/05/19	Brid Kirby

Evaluation Meeting: 26th September 2019: Appeal: The Warehouse 31LDRWAT109889

Ms Claire Connors advised that the promoters wrote to the LCDC appealing the decision not to fund the project due to concerns on the financial viability of the project. The LCDC agreed that the appeal documentation will be referred to the Evaluation Committee for consideration and recommendation.

Mr Jimmy Taaffe advised that the LCDC are very dependent on the Evaluation Committee and their recommendations as they understand how thoroughly the projects are reviewed. To date the LCDC has accepted all the Evaluation Committees recommendations.

Ms Claire Connors advised the Evaluation Committee that the promoter felt that they did not fully understand the project and were making comparisons to activity centres whereas this will cater for individuals up to an Olympian standard. They already have an existing clientele from Activate 8 and will be ready to go once funded. These users are committed and are regularly travelling to Dublin to take part in events and competitions.

Both Promoters are fully committed and passionate about this project and are confident of its success. They have already given up their employment with Activate8 and have researched similar facilities in Dublin and one in Cork.

Mountaineering Ireland are supportive of the project as it will be the only such centre in the South East of the country. They will use it for training events, competitions and individually. It will operate like a gym with membership fees and they will also run classes. Once an individual achieves a certain level, they will be able to use the facilities without supervision.

The Committee noted that the amount of working capital was a major concern as it is very rare for a business to be up and running from day one. The projections were not considered achievable and the salaries of €23,000 for them both was considered extremely low to sustain for a long period. It was noted that they have a very limited marketing budget.

In the original application there was funding given by the mother of one of the promoters. It was unclear if this was a loan or a gift. There were no repayments included in the projections to cover this. Ms Connor confirmed that an email has been received to clarify that this is a gift and that they are willing to provide a bridging facility. In the meantime, the other partner has received confirmation of funding of €40,000.

The Evaluation Committee expressed concerns that the project is very much dependent on family support and said that to ensure transparency formal arrangements should be in place. It was also stated that all cases whereby a family member is gifting, loaning or investing, it should be clearly outlined to the family members concerned that if the project is not successful then it's not only their savings that are gone, but that the LEADER grant aid must be repaid by the promoters. The Evaluation Committee noted that it is unclear if the additional funding is a loan, a gift or an investment.

It was said that the promoters don't seem to have an appreciation that new businesses may have tough times.

It was queried what % of fees were toward the gym use? Ms Connors replied that they do not provide that breakdown as they have broken down the projections into classes. They plan to run 7 classes with 8 children per class for a period of 40 weeks. There will be four different levels of classes. The Evaluation Committee noted that the general membership is projected at being €17k out of the total cash projection of €73k. That's a lot of cash to bring in weekly with no firm commitments from anyone. Ms Connors replied that they provided testimonials from parent who say they will use the service and have a letter of support from Mountaineering Ireland. The Evaluation Committee said that letters of support are not confirmed commitments.

The main concern is that if the business does not take off, they do not have funds to carry it. All new businesses take time to establish. A lot flounder in the first year. They need to reach each of their projections from day one to survive. They have rent and a loan to the AIB as well as having to earn a living for themselves. Normally it takes up to three years to successfully establish a business. How are they going to cover it for three years?

The Evaluation Committee stated that it could be a tremendous asset to the South East but agreed that it would have a much better chance of success if attached to an existing business.

The Committee noted that from what they have seen so far, they have not changed their minds on the viability of the project. 50% of the proposed income is untapped income with no commitment whatsoever.

The Committee reviewed the documentation circulated and noted the following queries:-

- Formalised agreements from all parties providing funding clearly identifying if it is a gift, a loan or an investment. If a loan or investment, please include the repayment terms.
- Typically, it takes 3 years to get a new start-up to a profit situation. How will it be financed in the meantime?
- Provide any firm commitments for usage and the terms of the agreement.
- Address the low-income issue.

Evaluation Meeting Friday 11th October 2019: The following were the main points raised in the discussion of the project: -

- Ms Claire Connors advised that the additional information requested was circulated to the Evaluation Committee for review. In fairness everything that was requested of the promoter they have replied on.
- The promoters have the match finance and some of the working capital required. Ms Carmel Smith has confirmed that she is gifting the match money of €25,000 to her daughter and providing the bridging finance of €81,508.00 along with €40,000 in working capital. The Evaluation Committee agree that it is clear from the emails received that the mother is prepared to back her daughter to the hilt and that she is aware of the risk she is taking.
- They have provided letters confirming investors loans subject to the project being funded by LEADER; one for €10,000 and two for €15,000 each.
- It was noted that Ms Rachel Smith was the Manager in Activate and has the experience and credentials behind her.
- Both promoters are very confident in the project and in their skills to run it said Ms Connors. They have obtained letters of support and investors and can not understand the fears expressed by the Committee as they believe it will be a success from day one.
- A Committee Member queried if after leaving Activate8 do they have a non-compete clause in their contracts. Ms Connors said that she didn't believe so as Activate8 are only offering taster courses as part of an overall entertainment package whereas the promoters will be offering a different service altogether up to competitive level.

- Currently they are travelling to Dublin with their clients but have not confirmed the numbers travelling. They plan on running 7 different levels of classes with fees ranging from €8.50 to €12.50 per class. The ones from now until the end of the year are all sold out.
- They will also have fees from memberships from people qualified to use the facilities without supervision.
- Mr Jimmy Taaffe said that times have changed with most entertainment now being purchased. Families spend more on organised activities now than in previous years. Before it would have been normal for children to play outside on their own, but the trend now is for activities to take place in a suitable safe environment.
- The Committee noted that it is a niche project and that it is difficult to know if it will be successful or not, giving the seaweed baths as another niche project that was successful, as an example.
- Mr Jimmy Taaffe said that on a bad weather day there is very little activity offerings in Co Waterford.
- It was noted that school tours are always looking for new attractions and would be another source of income. Ms. Connors advised that it is planned that the classes will run during the year except in summer. In the summer months they will target school tours and visitors to Tramore.
- The belief and confidence both promoters have in the project and their tenacious pursuit of approval was considered a good sign by the Evaluation Committee.
- The promoters have confirmed that the low income is not an issue for them.
- The Evaluation Committee agreed to recommend funding providing that all the finances are tied down and copper fastened with legal agreements.

The Evaluation Committee agreed to recommend funding this project with the following conditions: -

- Formal agreements in place for investments
- Confirmation of provision of extra working capital if needed.
- Confirmation of bank loan.

Recommendation: A maximum of €81,508 or 50% of eligible costs whichever is the lesser.

Amount Recommended: €81,508

50% of Eligible Project Funding: €163,017.45

Signed: _____

Signed: _____

Chairperson of Evaluation Committee

Committee Member

Date: _____

Date: _____

Issues / Queries raised by Evaluation Committee	Project Officers Response

Signed: Claire Connors

Dated: 16th Oct '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: 11th Oct 2019

Time: 11.30am

Project Title: The Warehouse

Project Reference Number: 311DRWAT109889

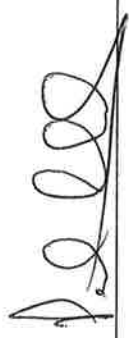
Assessment Criteria	Objective	Issues raised by Evaluation Committee	Weighting	Score
Compatibility with Local Development Strategy	Do the project proposals meet the criteria set out in the LAG business plan for the relevant measure?		Yes / No	
Innovation	Is the product innovative in its nature and does it displace existing enterprises? - Product / Service 9/19 _____ - Displacement 5/19 _____ - Job Creation 5/19 _____	19		18
Promoters experience	Does the promoter have the training/skills, track record or experience to deliver? - Standards of Operation 6/25 _____ - Track Record 6/25 _____ - Structure of Business 6/25 _____ - Necessary skills base 7/25 _____	25		22
Financial Viability	Are the project costs justifiable (reasonableness of costs) and / is funding available to co-fund the project? - Overall Costs 7/25 _____ - Co Funding 6/25 _____ - Financial Plan 6/25 _____	25		15

	- Deadweight	6/25			
Sustainability	Is the project viable and will the service continue to be delivered?			13	8
Requirement	Does the proposal target a specific need or address a specific gap in the market?			18	10
Total				100	73

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: Approved

Signature: 

Signature of Evaluation Committee Chair

Date: 11. 10. 2018,

Denise Walsh

From: pclerkin@cablesurf.com
Sent: Sunday 20 October 2019 14:27
To: Denise Walsh
Subject: Draft minutes of Evaluation Committee meeting on 11th October 2019.

Hi Denise,

I have reviewed the above draft minutes and I am in agreement with them.

Regards

Paul Clerkin

