

Report

History of Supplemental Storage Locker Development

Prepared by: Anne Forbes

On behalf of the Crossbow Point Board of Directors
January 2019

Summary

Crossbow Point has three very attractive amenities for prospective buyers to consider and for existing owners to enjoy. They are the Great Room, the Bedroom Suites and the Supplemental Storage Lockers. All three have been priced specifically to encourage their use when and if they are available. (See 2.0 Pricing Model)

The idea of supplemental storage lockers incorporated in unused enclosed common space was informally discussed in late 2012 as an idea for condo revenue generation and amenity development. This became an active project in April 2013 and was finalized by April 2014.

The objective of the Corporation was to develop five extra storage lockers for owners' use all the while earning extra revenue for the Corporation. In order to capitalize on this opportunity, it would require interested individuals to pre-pay the cost of construction (which was an average of \$1200 per storage unit) in lieu of approximately four years of user fees, followed by users paying regular monthly user fees. It took a year from inception to have five owners commit to pre-pay the construction costs.

This report outlines in detail the development process used starting in early 2013 until present. It is our intent for owners to better understand the evolution of storage lockers, those involved in the decision making, pricing model, waitlist and review process in place. The Corporation would be willing to investigate similar storage opportunities following the same sort of model if there is sufficient demand. Those interested should indicate their interest using the 'Contact Us' page on the Crossbow Point website www.crossbowpoint.com. A waiting list for storage space was implemented in 2015 and it currently has two names on it.

1.0 Timeline of Supplemental Storage Locker Development

- **April 13, 2013 Board Meeting Minutes**
Present: David Minifie, Don Lawrence, Murray Lambert, Bev Block

Peka was directed to obtain an estimate for construction of storage cages in P1 of #155 building.

- **Summer (July) 2013 Newsletter Communication to all owners** regarding potential plan to provide supplemental storage and how to sign-up if interested published in Crossbow Chatter.
 - “The Board is contemplating building a few supplemental storage lockers for resident usage. In order to start construction, we are considering a plan in which interested storage users would pay money up front (as pre-paid rent) to assist in the cost of building lockers. In return, this money would cover their usage of the storage area for an extended period of time. Also, a limited rental-free period would be applied. Rental rate will be nominal. Please contact a board member, or david.minifie@gmail.com directly, for further detailed information if you may have an interest in a storage locker.”

- **Fall (October) 2013 Newsletter Communication to all owners** regarding potential plan to provide supplemental storage and how to sign-up if interested published in Crossbow Chatter.

- **December 14, 2013 Board Meeting Minutes**
 - Present:* David Minifie, Don Lawrence, Murray Lambert, Bev Block, Robert Reed
 - David Minifie abstained from motion which ratified to proceed with new quote for locker construction. Remaining four Board Directors voted in favor. **Note:** Four owners indicated interest in storage, including one Director (David Minifie).

- **January 2014 AGM** Anne Forbes was elected to the Board of Directors
 - it is noted that in 2013 Anne had identified herself as an owner interested in a supplemental storage locker.

- **February 22, 2014 Board Meeting Minutes**
 - Present:* David Minifie, Don Lawrence Lawrence Nyman and Anne Forbes

Fifth expression of owner interest completed the prepayment requirement and the Board voted to proceed with the project.

 - "All five lockers have been spoken for and commitment fee of \$150.00 will be collected by the Treasurer and sent to PEKA." Approved quotation Number: 49468, dated January 24 2014, for \$5825.61, using version V2.1 plan. There were some supplementary costs relating to use of a locksmith and a limited project management fee. These latter costs (estimated to be up to \$250) were paid by out of condominium funds. A user fee agreement was signed by each storage locker user.

- **February 2014 communication to all email subscribers** describing the project was sent via Crossbow Chatter email system.

- **Spring 2014 Newsletter** to all owners announcing that supplemental storage locker project was now fully funded and a waiting list will be maintained.
 - **April 1, 2014:** Storage Locker build occurred along with rekeying doors to the area.
 - **April 22, 2014 Board Meeting Minutes**
 - *Present:* David Minifie, Don Lawrence, Murray Lambert, Lawrence Nyman and Anne Forbes
Motion made to approve a maximum of \$700 for a 36-inch tire rack. Project was not pursued as it was determined that the concrete block wall was not structurally suitable to support the expected lateral forces of a tire rack. In addition, the Board's focus was on the large \$850,000 (approx.) log project.
 - **May 2014:** Storage cages occupied and monthly user fees were charged against the balance of construction costs. *Note:* Six months of exempted user fees were factored in for those who provided initial funds for construction funding.
 - **October 20, 2015** marked the beginning of the first waitlist with one owner being added in 2015, followed by a second owner in 2016 and a third owner request in 2017.
- July 31 2018:** Pre-paid storage locker user fees were fully attributed to capital costs.
- August 1 2018:** Owner on the wait list received a storage locker.
- **September, 2018:** Management of storage lockers and collection of monthly user-fees was transferred to PEKA
 - **January 2019** Two names remain on the wait list. A comment was made at the ACM regarding transparency of the supplemental storage locker development process and their pricing. This document was prepared to provide information to all owners regarding the process that was followed in this locker project.

NOTE: An annual review of user fees for Crossbow Point Amenities (Supplemental Storage Lockers, Great Room and Bedroom Suites) is conducted by the Board in May/June each year in preparation of upcoming budget year.

2.0 Pricing Model

Initial Pricing for all amenities was determined by choosing a *comparable* facility in Canmore and then assigning a value based on 25% of market costs. Note that these prices are available only to owners and authorized tenants on behalf of owners.

Bedroom Suites (4 units)

Motel Room in Canmore of comparable size and amenities costs \$200.00/night

Suites are rented for an average of two nights per customer, plus a cleaning fee of \$25.00 for a total of \$70.00+ 25.00 = \$95.00/two nights versus \$400.00 in Canmore.

Crossbow Point's fee is **24%** of current market costs.

Great Room (1 unit)

A similar room at the Canmore Seniors Center is rented for \$525.00 for an eight-hour period.

Great Room user fee for similar period of time is \$125.00.

Crossbow Point's fee is approximately **24%** of current market costs.

Supplemental Locker Storage (5 units)

Canmore rate is \$4.00/sq. ft for 5X5 sq. ft cage storage

Crossbow Point rate is \$1.00/sq. ft for 5X5 storage

Crossbow Point rate is **25%** of current market costs

3.0 Conclusion

- Locker storage exists because of the willingness of five owners who were prepared to put up the capital to fund the initial project. It took one year to have five owners commit the capital before construction. Corporation resources were not used for construction.
- Wait list has two owners on it presently and the owners will be notified by PEKA as a storage unit becomes available.
- Prices for Crossbow Amenities are reviewed annually using the Pricing Model in 2.0. Amenity user fees are approximately 25% of current market prices.
- The Corporation would be willing to investigate future supplemental storage possibilities if there was owner interest. The board would propose that the same funding model be used to eliminate any risk to condominium finances.

END