



ReNEWs

MARIGOLD'S NEW BUILDING PLANS & PROGRESS

Issue 1 – November 2017

At the August 26 Board Meeting, the Executive members promised to provide Marigold Board members with regular updates on the new headquarters *building project plans and progress*.

Marigold has nearly \$6M in the bank to put towards this building project. This includes a portion of the operational reserve, which sits at nearly \$1M. Marigold is proud to say that its capital and operational reserves are matched with money in the bank.

The Feasibility Study by Hank Brzezinski, Principal, BRZ Partnership Architecture Inc., estimated the probable costs of property in Strathmore and a standalone building to be in the range of \$7.7M. Now that Marigold is considering co-locating with Western Irrigation District (WID), the total cost of this project is expected to be less because of the cost-saving benefits of sharing common areas and the building envelope, but we will not know for sure until the project is tendered.

One thing we do know is that Marigold has no intentions of spending beyond its means. The cost of debt financing must be managed carefully. The upper cost of the project with contingencies is expected to be \$8M, and we are hoping for less.

Marigold may need another \$1M to \$2M to top up the building project budget, especially for contingencies. The goal is to secure a loan or line of credit that is affordable for Marigold because we have no plans to seek more funding from our member municipalities. To that end, we have been busy as follows:

1. CEO Michelle Toombs presented our case to the Town of Strathmore Councillors on September 6, 2017. Councillors voted unanimously to provide a loan of up to \$2M for a period of 20 years with early repayment options.
2. Town of Strathmore Councillors and Administrators drafted a Letter of Intent for the loan which officials from Marigold and the Town signed.
3. Marigold's Treasurer - Gary Billings, Michelle Toombs - CEO, and Alida Pituka - Accounting Administrator, have been meeting with banking officials from five banks to learn more about setting up a line of credit.

Marigold completed two refurbishment projects to ensure that the existing facility is in good condition to attract buyers when the building is listed. A basement room was gutted and made useable again. Marigold also reinforced the sinking garage floor with steel girders and a new concrete pad so that the garage is safe and useable. Thankfully, the project was finished just hours before the first yearly snowfall.

Marigold applied for a CFEP Large Funding Stream Capital Project grant of up to \$1M for which we acquired letters of support from local MLAs and other dignitaries. We do not expect to hear if we were successful until mid-2018.

Our first meeting with WID since August 10 will take place on November 16. This is an important meeting when we will find out the appraised value of the property that we may someday share with WID. WID is the property owner, and the terms of the sale are yet to be negotiated. After that, there is much to do starting with rezoning.

A full report will be presented at the November Board meeting on Saturday, November 18 at the Badlands Community Facility in Drumheller. Please join us.