



*Truro Investment  
Co-operative Ltd*



# The Opportunity

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- **To revitalize downtown Truro through the purchase and acquisition of the vacant Sobeys' Empire Theatre Building**
- **By converting the building into a community owned, non-government financed, Arts and Culture Centre**
- **Operating the facility as a for profit business enterprise**



# Leadership

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- **Came from the downtown business owners/leaders**
- **With support and CEDIF expertise from the Nova Scotia Co-operative Council**



# Challenges

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- **Understand the CEDIF Process**
- **Create a “viable” business plan**
- **Get community buy in**
- **Going through the endless process and hoops**
- **Meet all the reporting and time lines**



# Process

- **Bought the building with financing provided by two local business people**
- **Developed business plan**
- **Wrote ( and rewrote ) the Offering Document**
- **Incorporated the CEDIF**
- **Incorporated the Marigold Arts and Culture Centre Co-operative**



# Process Con't

- **Put Boards of Directors in place for both new entities**
- **Put together a share selling & promotional team**
- **Providing training and orientation packages for all sellers and promoters**
- **Established a self directed RRSP Group Plan with Concentra Financial/Co-op Trust**
- **Set up Trustee Account and then operational business account with Community Credit Union**



# Process Con't

- Brought Truro Daily News onside as promotional/marketing partner (pro bono)
- Developed an "Investor Hit List"
- Put the selling plan into action
- Had "one" RRSP agent/specialist who handled all RRSP accounts
- CEDIF Board met on a weekly basis to follow progress, change course of action if required etc, for the 16 weeks of action



# Financials

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- **Minimum to be raised: \$ 750,000**
- **Maximum: \$950,000**
- **Shares: \$5000**
- **Needed 150 investors minimum**
- **Money to be used for building purchase and associated costs, extensive renovations, and \$ 75,000 reserve for unforeseen costs**



# Accomplishments

- Secured Securities Commission non-objection
- Secured tax credit approvals from Finance
- Raised \$950,000 in 90 days
- Had 163 investors
- 84 investors used the RRSP option
- One investor invested the maximum amount \$50,000
- Turned away investors: could have easily raised \$1.1 million



# Today

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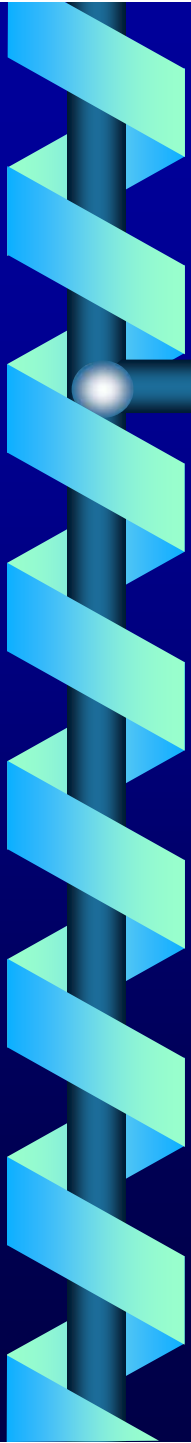
- **Community owned facility**
- **Great support and buy in from the community: investors, business, others**
- **Other successful fundraising efforts underway for such things as a concert piano**
- **Hired a Centre Manager**
- **Renovations have started**
- **Expected grand opening New Years Eve**



# *Question/Analysis*

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Why should I invest in this  
Community Business Venture?

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- ⦿ Tax Credits: Financial incentives
  - ⦿ Business Response to a Community Need
  - ⦿ Bringing business approach and fiscal prudence to a community opportunity
  - ⦿ Community Owned and Controlled
  - ⦿ About Community & Business Leadership for economic opportunities

# *Out of Pockets Costs of a \$5000 Investment*

	Non Registered	Registered
Investment	\$5000	\$5,000
30% Tax Credit	(\$1,500)	(\$1,500)
RRSP Credit	-	(\$2,500)
Net Investment	\$3,500	\$1,150



## Investors hold a General Meeting:

### Possible Options:

1. Redeem partial shares based on financial position
2. Leave investment in – begin to attract ROI or Bonus
3. Refinancing mechanism – such as mortgage
4. Wind up the Venture if it has no hope of being successful – sell the assets
5. Other options as determined by the investors/owners



# Lessons Learned

- ⦿ **Business Leadership & Credibility is KEY**
- ⦿ **Understand the CEDIF program, rules, requirements and nuances**
- ⦿ **Business approach all the way**
- ⦿ **Partnerships were key**
- ⦿ **Ease of process for investors was KEY**
- ⦿ **Expect the unexpected in terms of delays, challenges etc**
- ⦿ **Stay on top of it**



# Lessons Con't

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- **Deliver what you say you will deliver**
- **Once the money is raised the REAL work and accountability begins!**
- **CEDIF is a wonderful and innovative community investment tool**



# Key Recommendations

- **CEDIF Regulations need to be changed to allow for Corporate investments: currently missing huge pools of capital**
- **Continue to simplify the process/paperwork**
- **CEDIF shares more readily recognized as holdings in existing investment/RRSPs**
- **Roll over strategy**



# Discussion