

# Council to help Talisman

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Talisman owner Brian Ellis says he appreciates the offer by Grey Highlands to help find grants and other funding that could help offset rising costs of renovating the former ski resort.

Ellis said in an interview this week that he regards the offer as an indication of the importance council places on the role of the resort in the growth of the economy of the area.

"I'm pleased council is involved. I'm pleased they realize the importance of Talisman to the economic viability and development of the region. Their assistance is greatly appreciated. I hope we can work forward cooperatively to deal with issues," he said.

Grey Highlands chief administrative officer Dan Best said council's decision last month to instruct him to work closely with Ellis to source possible government grants for projects that promote economic development is just another aspect of the close collaboration between the municipality and the Talisman owners.

"What we want to do is explore options in how we can assist Mr. Ellis where possible; anything to expedite his construction efforts at Talisman Mountain Spring. We've always been committed to doing what we can do . . . including assisting him to look at grants from the upper levels of government, from outside agencies as well. His success will be a success for the municipality and the region as a whole," said Best.

Ellis said cost overruns for renovations to the main lodge and hotel (buildings 1 and 2) will push the total expenditure beyond the \$7 million he had budgeted for the renovation of the three buildings and construction of a spa.

He predicts it will cost \$5.5 million just to bring buildings 1 and 2 up to building and safety standards; that's not including the spa.

"That spa is going to cost another \$5 million . . . it's definitely on hold right now until the hotel is up and running," said Ellis.

"The cost overruns have been extensive," said Ellis, who gave as an example the recent discovery that drywall in the hotel rooms of the main lodge doesn't meet the fire code.

"I had to rip out the entire hotel portion of Building 1 of drywall and redo that entire area including the door frames. It was a massive undertaking," he said. Ellis estimates the cost of replacing the drywall in the hotel rooms in that building alone was about \$180,000.

"There have been so many issues with the building . . . my forte is new construction, not renovation. And I find that every time I turn a corner or tap a nail into something I'm finding a problem . . . at this stage Building 1 is like a brand new building."

Thanks  
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## Renovation costs higher than expected

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So far he and his partner Phil Calvano have relied on their own money to fund the renovations but think it's time to get some outside help.

The banks are reluctant to get involved until the resort is up and running. They have expressed concerns about the history of the resort, under different owners, including a recent bankruptcy that left money owing to creditors.

"The banks have all said you guys get it finished and get it open we want your business no problem, but we're a little scared," he said.

The resort was forced into bankruptcy in 2011 owing millions in back taxes and unpaid water and sewer fees.

Ellis and Calvano purchased the 200-acre former Talisman property in May 2014 from Grey Highlands for \$1.8 million. The municipality had taken ownership after it failed to dispose of it through two tax sales.

The purchase agreement called for \$1 million down payment and the municipality to take back a mortgage for the remaining \$800,000, which would be paid at a rate of \$100,000 a year for eight years.

The first of eight annual mort-

gage payments is due at the end of December and Ellis said he has set aside that money.

Ellis said the plan was for him and Calvano to finance the renovations with their own money and once the resort was up and running they would use the resort as collateral to finance the development of the spa. But the extent of the cost of renovations has exceeded their expectations.

"We did not allocate \$5.5 million just for the hotel," he said.

One positive note has been the restoration of the nine-hole golf course which will be ready for the start of the golf season next May. Finishing touching are be-

ing placed on the clubhouse.

"I've got some great people working on the golf course. These guys have done an amazing job," Ellis said.

Ellis is still negotiating with the municipality over the payment of standby water and sewer fees that he has been charged since June 2014 and which will continue even though he is not using the services. This was part of the conditions contained in the purchase agreement.

The delays have pushed back the opening date of the resort to late spring of 2016 provided there are no other surprises, Ellis said.