

# Western

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## 7 SKI RESORT SET FOR NORTH

Hudson Mountain bid  
transforming Smithers

Lorne Borgal of 20/20  
Group leads team for  
biggest ski resort play  
across northern B.C.



## 23 HOUSING OUTLOOK '09

Canada's hottest markets  
now brace for downturn

## 37 WINNIPEG'S LANDMARK YEAR

Public money changes  
the skyline, but worker  
shortage stalls towers

SPECIAL SECTION · B17

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**COVER** Financing said solid for \$75 million ski and resort play near Smithers, but locals remain cautious

# Northern ski resort launched

FRANK O'BRIEN

WESTERN INVESTOR

**D**espite a global credit hit that has checked many real estate developers to the boards, **20/20 Investments Inc.** of Vancouver is confident of its plan to build a multimillion-dollar ski resort on a remote northern B.C. mountain.

"We have the financing in place through a Canadian chartered bank" said 20/20 CEO **John Murphy** of the Hudson Bay Ski Mountain project at Smithers.

Hudson Bay Ski Mountain is an audacious proposal that began when 20/20 bought the former Ski Smithers resort in the northwest B.C. community three years ago.

At build out, Hudson Bay Mountain would see nine ski lifts on about 500 acres of ski terrain, plus a mountain village with residential and light retail development. 20/20 also plans to acquire about 70 acres to be developed into 243 single-family lots, in three phases. Lot prices are forecast to start at \$137,500 and range to \$295,000, with an average price of \$188,426 for total sales of \$26.9 million, if they all sell.

A key component of the 20/20 bid is the company has named **Lorne Borgal** as president and COO. Borgal is the former president and CEO of **Whistler Mountain Cooperative**, responsible for real estate development from 1983 to 1989. That development averaged \$10 million in revenues during his term.

According to Borgal, the first phase of the development would cost about \$75 million. Most of the money was raised through the sale of limited partnerships, with about \$9 million borrowed to cover early infrastructure costs.

Hudson Bay Mountain, which has an alti-



**TOP: Lorne Borgal, president, COO of 20/20 Investments Inc: Hudson Bay Mountain plan could transform Smithers. LEFT: (L-R) Smithers Rotary rep Jos Kost, Hereditary Chief Roy Morris of the Wet suwet and Tourism Minister Bill Bennett cut the ribbon to welcome Hudson Bay.**

tude of 2,500 metres (1,000 metres higher than Whistler Mountain) is directly above the town of Smithers, a sleepy little town of 5,700 that saw, in 2007, the first increase in population in 10 years. About 40,000 visitors, mostly locals, skied at Hudson Bay last year. The hill currently has four lifts, including a single triple chair, a day lodge and parking for about 400 vehicles.

According to Murphy, an offering memorandum for limited partnerships has been fully subscribed. The units were being offered at \$900 each, with a minimum per investor of 11 units, or \$9,900.

The ski area master plan for the development was recently approved by the B.C. government, he added. Borgal said the first release of lots is

now underway, with construction to start by next summer.

## Locals wary

Smithers is halfway between Prince George and Prince Rupert and 1,156 kilometres from Vancouver. However, Smithers recently extended its airport and has regular flights to Vancouver, reachable in less than two hours.

Hudson Bay mountain is 25 kilometres from Smithers via a gravel road, but a new ski run would allow a visitor to ski from the top of the hill "right into town," according to **Mark Bandstra**, a director of the **Smithers Economic Development Council** and owner of the local **Frontier Chrysler** auto dealership.

Like other Smithers business people,

Bandstra is a bit cautious on the 20/20 vision.

"I will wait and see what happens," Bandstra said. "We have heard of a lot of grand plans for Smithers over the years."

Most recently, for instance, the buzz in town was the potential of the Galore Creek gold and copper mine, which **NovaGold Resources Inc.** claimed would create hundreds of jobs and pump millions of dollars into the town and surrounding Bulkley Valley. The mine never started, though the hype led to real estate speculation that nearly doubled the average value of a Smithers house and convinced the town to spend its own money upgrading the airport.

Bandstra said he is "cautiously optimistic" the Hudson Bay ski plan will go ahead, but he noted the master plan calls for a 20-year development horizon. "We won't see a lot of action right away," he said.

**Mark Allen**, development manager for Smithers, notes that Hudson Bay mountain is outside of the city limits, which means the town won't benefit from development cost charges or property taxation on the development.

Still, Allen said, the potential job creation is welcomed in a town where the largest employer, the **West Fraser** sawmill, has been cutting back shifts.

During a press conference to announce Hudson Bay Mountain's master plan, Borgal conceded that the current economic crisis may not be the ideal time for a new real estate development but he said 20/20 has a solid strategy in place. "If you live in the north of B.C., this is your only choice for a good mountain recreation. I think we can come out of this quite well."

One of B.C.'s top real estate analysts agrees.

"The Hudson Bay proposal appears solid, and the mountain itself is great ski hill in the beautiful Bulkley Valley," said **Rudy Nielsen**, president of **Niho Land and Cattle Company Ltd.** and founder and president of **Landcor Data Corp.** "I think it will succeed." ♦