

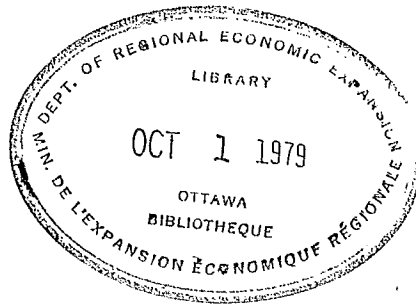
PROPOSAL TO THE DEPARTMENT
OF
REGIONAL ECONOMIC EXPANSION
RELATING TO DISPOSITION OF
LA MACAZA MILITARY BASE

Camm W. Ure
Chartered Accountant

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Comm. H. Ure Associates Limited

PROPOSAL TO THE DEPARTMENT
OF
REGIONAL ECONOMIC EXPANSION
RELATING TO DISPOSITION OF
LA MACAZA MILITARY BASE



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February 4th 1972

Mr. Gilles Bouchard,
Department of Regional Economic Expansion,
Ottawa, Ontario. KIA OM4.

Dear Mr. Bouchard:

Thank you for the opportunity given us in your letter of January 18th to submit the attached proposal for the study relating to a viable alternate use for the Canadian Forces Military Base at La Macaza, Quebec, which is to be closed September 1st 1972.

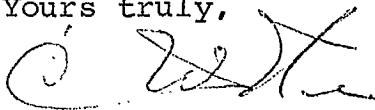
In preparing our proposal we have taken the view that the study should, apart from any other considerations, encompass the following three factors:

1. The concept must be sufficiently unique and imaginative to attract the business, public and financial support necessary to ensure implementation and at the same time should be based on proven prior performance by practical businessmen and investors.
2. The methodology employed in executing the study must lead to a detailed and comprehensive assessment of the very practical aspects of successfully implementing and operating the project conceived-on a profitable commercial basis.
3. The consultants carrying out the study must have the demonstrated in-house experience and capability to assess the financial viability of the project and to clearly establish a valid comparison between the value of the land and facilities on the base, "as is", and the enhanced value if used for a profitable job creating commercial enterprise.

Camm W. Ure Associates are professional economic consultants whose major area of expertise during the past two years in particular has been to carry out well over one hundred financial viability and feasibility studies on behalf of Canadian, U.S. and foreign business corporations involved not only in the manufacturing and service sectors, but also in the areas of tourism, hotels and recreational complexes.

In carrying out the study outlined briefly in the attached proposal, emphasis will be placed on the practical and business oriented profitability of the project which we propose examining. If the study demonstrates that such a plan is viable, we have the capability to act as co-ordinators in helping to organize the implementation of the project, if this should be desired.

Yours truly,



Camm W. Ure,
President

cwu/hp

Encl.

PROPOSAL TO

THE DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

TO UNDERTAKE

A STUDY

RELATING TO

THE DISPOSITION OF THE

LA MACAZA MILITARY BASE

IN THE PROVINCE OF QUEBEC

Submitted By:

Camm W. Ure Associates Limited.
2827 Riverside Drive,
Ottawa, Ontario.

February 4th 1972

CONCEPT

Because of the location of the former Canadian Forces Military Base at La Macaza within the Quebec Laurentian recreational area, close to the Mont-Tremblant ski area and the well established winter and summer recreational facilities surrounding St. Jovite, on cursory analysis it would appear that any study undertaken to determine the potential of the Base for commercial use after its closing in September 1972 would relate directly to recreation and tourism.

The inherent problem in taking this approach however is two-fold:

- (a) As a tourist resort the Base could no doubt be readily converted and fully utilized during the summer tourist season (say from June to the end of September) and could be promoted for substantial winter use during the December to mid-March period. Accordingly, as a tourist resort operation, seasonal employment would be provided - leaving two gaps in the spring and fall which would not make for job opportunities on a year-round basis (apart from maintenance) and would therefore be hard pressed to fully utilize all of the existing facilities.
- (b) If the area were converted to a "tourist-recreational centre", per se, it would provide direct competition with the established ski resorts in particular during the winter months as well as competition with existing summer resorts.

Ideally, it seems to us, an alternate use for the base should be developed which will minimize the disruptive effect not only on the close-by communities concerned; and not only on the established commercial-recreational facilities in the general area, but which will have the greatest opportunity of providing new job opportunities on a year-round basis.

We believe this can best be achieved by converting the former missile base into an "International Language and Cultural Centre" in a "recreational and leisure environment".

Increasingly, U.S. citizens are looking for an escape from the urban concentration, in which they normally live, to natural or "wilderness" areas which have been organized and

"tamed", thus providing a "back to nature" opportunity which is readily accessible by air. In view of the availability of a 5,000 ft. air strip at the base and close proximity to Dorval Airport, an air bus type of connecting service between Dorval and the future International Language and Cultural Centre would make a lot of sense.

Because of the availability of 114 existing single family housing units, as well as 83 separate single accommodations, there already exists the facilities for family accommodation which is normally inconvenient and too expensive for tourists under normal circumstances.

The capsule idea therefore is to provide a unique opportunity for exposure to Canadian languages and culture in an ideal recreational setting for families rather than simply for couples or single people - a setting which would attract all members of the family, including teenagers, because of the concentrated availability of such facilities as swimming pools, gymnasiums, fishing facilities, boating and yachting, etc., and the availability of a variety of evening recreational and entertainment facilities which could be geared to the various age levels - utilizing the various lounges, dining rooms, etc.

There is probably very little problem, through professional and sophisticated promotion, in fully utilizing all the housing and recreational facilities during the summer months and there would be little problem in attracting families and single people to the area for winter sports during the key winter months - but rather than developing skiing facilities which would compete with those already available in the area, we envisage regular ski buses operating from the La Macaza Centre to the various established ski facilities in the Mont-Tremblant and St. Jovite area - leaving and returning to the Centre at regular intervals throughout the day and evening so that the occupants of the houses and single accommodations could return to their home base living accommodations every evening where they could enjoy after-ski activities (dancing, etc.). In addition, of course, within the area, activities such as tobogganning, sleigh riding, skating, as well as indoor swimming, would be available to complete the recreation/entertainment package.

All of the above relates primarily to the recreational aspects of the Centre, or the strictly tourist orientation. But these facilities would be promoted, as indicated earlier, within the framework or fabric of a language and cultural centre - utilizing the small theatre for experimental live theatre, the attraction of artists, writers and arts and crafts people and the encouragement of uniquely Canadian handicrafts. The existing school and other suitable indoor facilities could be used for exposure to language training for all levels of the family (i.e. for parents, for teenagers and for children - each in their own environment) but conducted as an integral part of the leisure and recreational atmosphere pervading the overall Centre.

One of the primary aims in Canada today is to foster Canadian unity by encouraging bilingualism in Canada and encouraging the understanding and appreciation by both language groups of the existence of two cultures intermingling in one country. It is one thing to seemingly force or coerce people into learning a second language or appreciating another culture. It is perhaps another thing to provide an "immersion course" in language and culture in an atmosphere in which people will voluntarily and willingly be attracted and participate.

The proposed Centre would of course be oriented toward the attraction of Canadians from across the country - particularly of course from Ontario and Quebec - but at the same time it would be promoted and publicized in the U.S. - offering a unique recreational, cultural and language experience.

But what about the two "off-seasons", i.e. spring and fall?

We visualize that if the language and culture atmosphere described above were carefully created and professionally and sophisticatedly fostered, the so-called "tourist seasons" could be significantly extended, partially filling in the spring and fall gaps. However, to ensure full utilization of the facilities on a year-round basis, we believe that the family and single accommodations could be made available in "blocks of accommodation" to the larger trade unions, to the larger international companies, both in Canada and the U.S. (i.e. General Motors, General Electric, Northern Electric, etc.) and to Federal and Provincial Government agencies who wish to provide:

- (a) Standard management, administrative and technical training courses such as are now held in various leased hotel and motel facilities surrounding the Ottawa area;
- (b) Immersion language-cultural training courses for groups of employees or management; and
- (c) Conventions in an unusual and unique setting.

By blocking off, well ahead of time, at reasonable and reduced accommodation prices, the facilities during the "off seasons", the slack could be taken up.

Obviously, to develop and implement the type of concept described above would require a highly professional organization and management input as well as dramatic and potentially costly advertising and promotion in Canada and the United States.

It seems to us that the success of the Centre will be fully achieved by eventually and gradually increasing the amount of family accommodation available (i.e. increasing the number of single family houses to perhaps 300 or more - carefully located throughout the 500 acre property) - with particular effort made to add to and upgrade the aesthetics of the whole complex. While we have not examined in detail the potential public and recreational facilities available, it would appear that an optimum number of people for the area would be required to ensure full utilization of all the facilities, some of which might be expanded - e.g. curling sheets, skating facilities, etc.

Full utilization of the complex is essential in order that all of the recreational facilities can be organized into commercially feasible recreational packages which then would be leased or sold to competent commercial-recreation operators, thereby eventually removing the maintenance overheads which presently exist and providing for a "hotel management" type of co-ordination, on a commercial basis, for all the living accommodation in the complex.

HOW WOULD THE ABOVE
CONCEPT BE FINANCED

We suggest the utilization of a method which has been highly successful at various locations in the Caribbean. A specific outstanding example is the "Sunset Crest" development of approximately 300 single family dwelling units, apartment blocks, shopping centre, beach club and a wide variety of recreational facilities - each operated by independent, franchised commercial operators.

The Sunset project was developed from scratch, utilizing 200 acres of cane fields opposite an undeveloped beach property and was begun by laying out an overall conceptual plan for the project and erecting six furnished model homes. The La Macaza potential project has a great advantage in that it already has 114 single family houses together with 83 single room accommodations and all the basic services are already available for expansion of accommodation facilities to whatever optimum size seems appropriate, on careful examination and analysis.

The key to the success of the "Sunset Crest" project was relatively simple. Each of the individual houses was sold to an owner - with a reasonable down payment and a standard mortgage - with the agreement of each owner that the house would be made available to the project management for sub-rental to other recreation seeking tourists during the time when the owner and his family were not using the house. Since the houses were sold to North Americans who, on average, could only use their individual houses for three to four weeks out of a year, the houses were accordingly available for rental to many thousands of tourists for the balance of the year.

The result has been a continual DC-8 jet shuttle service between Montreal-Toronto and other points to Barbados - unloading new occupants for the holiday housing facilities and bringing back those who have just completed their two to three weeks' holiday. This operation is commonly known as the "Sun Tour" operation.

One of the major keys to the success of the operation was the fact that rather than one corporation becoming involved in the capital investment required to fully service the area and erect and maintain the houses and all the other ancillary facilities, each house was sold for a

profit and the profit on each house provided substantial advertising, publicity and promotion funds as well as operating revenue - without any involvement in substantial capital investment and debt financing. Because of the availability of such a large group of recreational users, management were able to attract independent commercial operators who provided their own capital investment for the recreational facilities which they then operated for a profit. The individual owner, in turn - through prior agreement with the project management - receives a portion of the rental revenue from the sub-lessees of the homes, (at least sufficient to cover their mortgage payments) - the balance of the revenue is then available to the project operators to maintain all of the houses, grounds and facilities, to add to them when required, and to carry out the promotion necessary to ensure the highest possible occupancy on a year-round basis.

The "Sunset Crest" holiday project in Barbados was initially conceived and implemented by T. E. McLaughlin, one of the consultants who we propose to retain in carrying out part of the study under this proposal.

The proposed plan we have in mind for La Macaza is similar in concept. Essentially, a management corporation would be formed (either government, semi-government or commercial) to organize and implement the total project. Each of the existing houses would be sold to individual purchasers who in turn would make them available for use by others, as is being done in the Barbados project. As a result, capital would be made available from the sale of the individual houses and from the leasing or sale of the recreational-commercial facilities to gradually build additional accommodation which, in turn, would be sold under the same arrangement.

All of the various recreational facilities would be leased out on a franchise-type basis; the air bus service from Dorval to La Macaza would be let on a tender basis; the bus commuter services from La Macaza to the ski areas would similarly be franchised. As a result, capital would become available out of the project itself to provide for the professional advertising, promotion and publicity necessary to attract Canadians and Americans on a "drive-in" or "fly-in" basis to fully utilize the facilities - supplemented as indicated above by block-booking for language and other training in a woodland recreational setting during the so-called "off seasons".

SPECIFIC PROPOSAL

We propose:

- (a) To develop a comprehensive and detailed appraisal of the capability of the property for the development of a "language-cultural centre" in a recreation setting, as outlined above, including detailed analysis of the employment generating potential of the project through the fullest possible utilization of the existing and potential commercial-recreational facilities available, in such a way as to avoid direct competition with existing operators in the area.
- (b) Our study will include a detailed analysis of the market factors relating to the use of the facility as outlined conceptually above with particular reference to:-
 - the centre's competitive position in relation to other facilities in the general area
 - demand factors and methods of creating and sustaining such demands
 - the extent to which seasonality factors can be overcome which would be a problem if the project were envisaged as a strictly "tourist operation"
 - and in particular, a very detailed and comprehensive financial analysis of the overall feasibility of the project in all its aspects (including pro forma financial statements for each of the proposed uses) as well as on a consolidated basis, and appropriate cash flows for a ten-year term.
- (c) The study will include a careful analysis of the potential requirements for improvements and modifications of existing facilities as well as analysis of the cost of increasing living accommodation by the addition of single family units and possibly a motel type complex at the appropriate time.
- (d) An estimate of the cost and feasibility of such necessary improvements.

- (e) An indication of the value of the property if sold "as is" compared with the value of the property which obviously would be substantially enhanced by the implementation of the type of usage concept outlined above.
- (f) A report on the likely effects and regional impact on the economy and the local environment as a result of the implementation of the concept we propose.
- (g) Apart from, but as an integral part of the study considerations, will be an analysis of the possible use of the existing buildings and facilities in the 25 acre missile launching enclave for compatible light industry; possibly shopping facilities; a maintenance and service centre for the expanded complex; or possibly an arts and crafts centre which would gradually be expanded to tie in with the overall concept outlined above.

TIMING

We propose to assign the following personnel in carrying out the project envisaged in this proposal:

- (1) Camm W. Ure, President of Camm W. Ure Associates Limited, who will be responsible for all financial analyses and assessments of the overall financial viability of all elements of the proposed project.
- (2) T. E. McLaughlin, President of T. E. McLaughlin Development Associates Limited, who has had considerable experience in the overall economic development business over a period of 17 years and who was personally responsible for conceiving and organizing the initial implementation of the recreational project in Barbados discussed above.
- (3) William Anderson, Director of Development, Development Associates Limited, who has had many years of experience in land and real estate planning and development, will be responsible for facility expansion analysis.
- (4) M. Valiquet, Management Training Expert, with many years of experience in Government, Management Consulting firms, private practice and who is presently a member of the Management Training Department of Algonquin College, will provide training facility expertise.

Other consultants with specialized training and experience in specific facets of the study, as required.

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PRICE AND COMPLETION DATE

Since only senior personnel and associated consultants specializing in the various aspects involved in carrying out the study proposed herein will be assigned to the project, we feel that a maximum fee for carrying out the study outlined in this proposal would be \$29,500 - based on services per diem consultant fees of \$200 per day plus expenses.

We anticipate being in a position to begin the study approximately February 15th 1972 and envisage completing it by April 30th 1972.

