

**Submission to the Department of Finance as
Presented by Joe Dicks
CEO of Marble Resort Development**

Historical Highlights

The Marble Mountain condominiums was constructed in 1998 and early 1999. (Annual Report, Auditor General, 2000)

Newfoundland and Labrador Housing Corp. tendered and paid for the 31 unit condominium building. The capital cost was \$3.1 million. (Annual Report, Auditor General, 2000)

NLHC invested an additional 1.7 million in infrastructure and other related expenditures to develop the approximately 44 acres of residential and commercial land in the Marble Mountain base area. (Annual Report, Auditor General, 2000)

Original Rationalization:

Hon. Paul Dicks in the House of Assembly stated that Marble was unable to attract the type of skier who didn't want to commute from a hotel somewhere else to the hill. They wanted to be able to stay at the base of a hill. Marble Villa has opened up a new opportunity for the local people of this Province who rely on winter tourism to attract people to the Province.

Current Status:

Newfoundland and Labrador Housing Corporation owns the Land and Assets.

In 2000 the Provincial Auditor Report that these assets are being held for future development and sale. It was also stated that the commercial value of the land would exceed the \$1.7 million cost of the infrastructure investment significantly.

Initial marketing efforts of the real estate agent indicated that there were only 11 prospective buyers identified for the proposed 31 unit condominium. As the pre-sale of the condominium units was not satisfactory, the project was put on hold. (Annual Report, Auditor General, 2000)

Marble Mountain Development Boards Position as of 2011

Mr. Bob Pike, Chairman of the MMDC Board responded to the question about potentially selling the condo's by saying the board had discussed the potential sale as a means of accumulating revenue. He suggesting that the condominium units had been on the Market for private sale (referring to the initial sales attempt in 1999) but there was no interest at the time. He thought putting the units on the market at the present time may not be in the best interest of obtaining the best financial result. (Annual Report, Auditor General, 2011)

Point 1: Property Market has changed since 1999.

The success of Condominium projects in the area would indicate that a market exists. Numerous Condo developments have succeeded, both residential and commercial.

Marble Inn Resort, Marblewood Village Resort, KSAB's two development projects on Dogwood Drive succeeded in the immediate area. Within the City of Corner Brook there have been a number of prominent condominium development projects.

Point 2: Marble Villa Sale would benefit the Province.

Mr. Pike's statement to the auditor was correct; Marble wouldn't receive a financial result from the sale of assets. The assets are owned by Newfoundland and Labrador Housing. The sale of assets would currently benefit NLHC and Province rather than MMDC directly. Marble would benefit from the opportunities that would come from expansion and development. By increasing the number of private sector stakeholders Marble Mountain Ski Resort could be one step closer to sustainability.

Point 3: Repayment of NLHC funds would have Public Benefits

The original mandate of Newfoundland and Labrador Housing was to build and sell the Condominiums and the 44 acre land development component. Holding assets for the pleasure of Marble Mountain Development Corp. with no term of repayment and no interest or lease payment seems to be an extraordinary arrangement. From a provincial perspective it could be seen as placing the needs of skiers ahead of other recipients of NLHC such as seniors in need of affordable housing.

Point 4: Reinvigorate the Vision for Marble through Privatization

The original rationale as presented by Paul Dicks in the House of Assembly no longer exists. It's time to privatize the accommodations component of Marble Mountain. These activities create little operational benefit and place the Provincial Government at odds with the private sector. Government should be fostering a supportive environment for private sector development. Marble Villa and the adjacent land asset currently owned by NLHC would become assets of the private sector and would be subject to the economic forces that govern these matters. They would be released from the Government's "**invisible hand**" that has slowed and controlling development in this Valley for more than a decade.