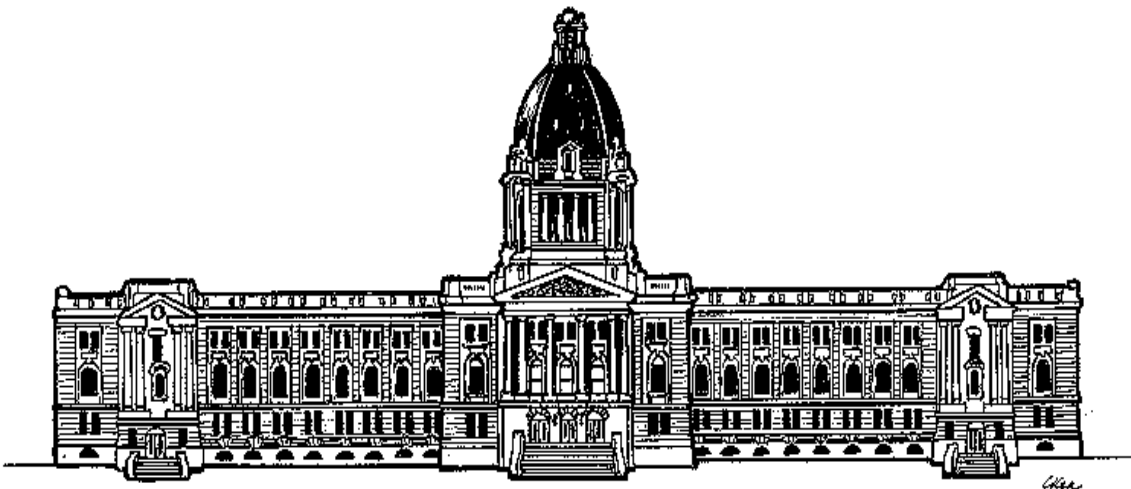




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
2006**

Ms. Sandra Morin, Chair
Regina Walsh Acres

Mr. Dan D'Autremont, Deputy Chair
Cannington

Hon. Graham Addley
Saskatoon Sutherland

Ms. Donna Harpauer
Humboldt

Mr. Allan Kerpan
Carrot River Valley

Hon. Mark Wartman
Regina Qu'Appelle Valley

Hon. Kevin Yates
Regina Dewdney

[The committee met at 19:00.]

**General Revenue Fund
Property Management
Vote 13**

Subvote (PMO1)

The Chair: — Good evening, everyone. Welcome to Crown and Central Agencies Committee meeting . . . [inaudible interjection] . . . Okay, well if I have to call you to order, I'll do so.

Tonight we are reviewing Saskatchewan Property Management, vote 13, page 123, central management and services (PMO1).

We have with us this evening, Minister Lautermilch, Minister Responsible for Saskatchewan Property Management. Mr. Lautermilch, would you like to introduce your officials.

Hon. Mr. Lautermilch: — Thank you very much, Madam Chair. I would like to introduce my officials.

I have to my left, Ms. Deb McDonald, who is the deputy minister of SPM [Saskatchewan Property Management]. To her left is Mr. Donald Koop — and to my left as well, my far left. Mr. Donald Koop is the assistant deputy minister of commercial services.

On my right-hand side is Mr. Garth Rusconi who is the assistant deputy minister of accommodation services, and at the table behind us is Debbie Koshman who is the assistant deputy minister of corporate and support services. And to her left is Mr. Phil Lambert who is the assistant deputy minister of information technology and telecommunications.

The Chair: — Thank you, Minister Lautermilch. And I'll proceed with starting off with introducing the members of the committee. We have Allan Kerpan sitting in — no, sorry — Glen Hart sitting in for Allan Kerpan. I apologize. And perhaps, Don, you could start off with introductions.

Mr. McMorris: — Okay thank you. My name is Don McMorris, MLA [Member of the Legislative Assembly] for Indian Head-Milestone, and I'm sitting in for myself.

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Dan D'Autremont, MLA for Cannington.

Hon. Mr. Wartman: — Mark Wartman, MLA Regina Qu'Appelle Valley.

Hon. Mr. Yates: — Kevin Yates, MLA Regina Dewdney.

Hon. Mr. Addley: — Graham Addley, MLA Saskatoon Sutherland.

Ms. Harpauer: — Donna Harpauer, Humboldt.

The Chair: — Thank you very much, committee members.

And with that we'll see if the minister has any opening remarks to make.

Hon. Mr. Lautermilch: — I think as we've appeared before the committee before, I have done an overview of the department, and so I think it probably would serve members of the committee to move right to questions of the department's activities for the year.

The Chair: — Thank you, Minister Lautermilch. Mr. McMorris, would you like to begin?

Mr. McMorris: — Thank you and welcome to the officials here tonight. I think we really only have two areas of questioning, but I'm sure it will take the whole time allotment.

I want to start by asking a few questions on the Souris Valley property down in Weyburn. But by far the lion's share of this time that we have will be spent with Echo Valley Conference Centre in Fort Qu'Appelle, or just outside of Fort Qu'Appelle on the beautiful Echo Lake.

But first of all, the Souris Valley conference centre in Weyburn, could you just tell me the status of it — I was by there not too terribly long ago and saw a lot of boards on the windows and — what the status of that facility is and what the plans of SPM are for that facility going forward.

Hon. Mr. Lautermilch: — I think maybe what we could do is we could begin by having Mr. Rusconi give us a bit of the history of the building and what has transpired up unto this point in time.

Mr. Rusconi: — As you know the health region built the new facility. The old facility at this time is empty. There is some remnants of the health region in the basement still. They have some stuff to remove from the basement, but the building is basically empty. The heat has been turned off, and right now it is up for disposal.

SPM has gone through the disposal process, the complete process, the last step of which is to go public with advertisements for sale, which we have been doing for a year or two now without success. We have over the last couple of years dealt with the local REDA, the city of Weyburn, and many stakeholders without success. So at this point in time, it's still up disposal. Quite clearly discussions have taken place with respect to demolition.

Mr. McMorris: — What is the department then looking at? I mean it's up for sale, but I mean that's a huge piece of property with a whole lot of liability, the buildings that are on it, and it's going to cost a fair amount to clean. So what is the department looking at? Is it offering it for a dollar and making sure that there's a contract to have the property cleaned off within a year or two? What's the process that the department goes through? I don't know.

Mr. Rusconi: — Yes, well the process that we follow is we've advertised it locally, nationally, internationally, through the public papers as well as the Internet, looking at all offers. Quite clearly anything that somebody wants to present to us we're

prepared to listen to. Certainly we're interested in proposals that have some sense of success. We don't want to turn the building over to some organization or some company that we don't feel is capable of making a success out of the facility. There is liability there at this point in time, and we continue to monitor the building.

Hon. Mr. Lautermilch: — If I could, Madam Chair, if I could just add to what Mr. Rusconi has said, and the process I think has been a reasonable one as I've looked at this, in that we have been in discussions with the city of Weyburn for over this period of time that it's no longer in use and was deemed surplus by the department.

Obviously if we could find some way to assist the city of Weyburn . . . It's a large area and a large piece of property within the city. So it would be, I think, important if we could find a use that the city of Weyburn would feel would serve the interests of their community; we would do that. I can tell you that there have been discussions with the city manager, with the mayor at a local level to determine what we might be able to do working together to attract a player who could utilize the facility. It's such a large, incredibly large facility as you will know. It's an old, old building, and so it's not really easy, an easy piece of property to dispose of.

The real estate process has advertised it. As Mr. Rusconi has said, it's been on the Internet. To this point they haven't been successful in attracting an offer.

But I can say that and I know that the mayor of Weyburn has been working with a company who have expressed some interest. Now whether or not that has been brought forward . . . I've met and the officials have met with this company to determine whether or not that building could fit in to plans that they might have and a business plan that they might have for the facility. I can say at this point there has been no conclusion reached to that discussion, but obviously we would want to work with city of Weyburn to do what we can in the best interests of that community.

Is there a liability there? Obviously. If there's going to be no sale process and no transfer of ownership to another operator, somebody who has use for that kind of facility, if it were to be demolished to make room for other development in that area, there's an obvious cost. And we're well aware of that.

Mr. McMorris: — Just one last question then. So it's been advertised provincially, nationally, and internationally for sale. Have you put out any sort of RFP, request for proposal, to come in so developers could put in a request or a proposal and how does that process work? Whether a request for proposal has been . . .

Hon. Mr. Lautermilch: — Okay, Mr. McMorris, I'll have Ms. McDonald answer that for you. She's been involved in that process.

Ms. McDonald: — We've actually had a committee that was set up to look at the facility. And the committee that was set up included people from SPM, the Department of Health, Sun Country Health Region, the Department of Industry and Resources, the city of Weyburn, the RM [rural municipality] of

Weyburn and the community to large to look at reuse for the facility.

With regard to the . . . we haven't put out an RFP because the real estate agency that we've used to market the facility, which has also been in contact with this committee, have tried to take it absolutely anywhere they can. We've had some proposals that have come in that we really collectively know would not be good nor healthy for the facility nor would they use the facility. And one of the things that is very important to us is that we don't have a group that comes into the facility and says yes I'll take it and use it and within six months or eight months turns the facility or leaves the facility and there sits the city of Weyburn with a facility this large and no use for it.

Mr. McMorris: — There has been no request for proposals, but you have struck a committee with a number of the stakeholders in there to find the best use of that property. So that's a common occurrence for SPMC [Saskatchewan Property Management Corporation] if they're not sure how to dispose of or aren't able to dispose of a piece of property that you would bring in all the stakeholders to hear what they had to say on that piece of property?

Ms. McDonald: — No, it's not a common occurrence. Our typical disposal process — and maybe I'll run through that with you — is we typically go to other government clients, ask if there's some interest, and if there is no interest we go to NGOs [non-government organization]. Then we go to municipal governments, whether it be the city or the RMs. From there we go to the federal government and TLE [treaty land entitlement], and then from there we go to public for disposal to see if there is anyone interested in the land or the building.

Mr. McMorris: — I think that's all the questions I have for now on that because we go right back . . . we go into another piece of property that a number of these same questions are going to be asked, it duplicates it in a way. So I'll turn it over to my colleague from Last Mountain-Touchwood.

The Chair: — Thank you, Mr. McMorris. Mr. Hart.

Mr. Hart: — Thank you, Madam Chair. I'd like to turn the discussion to the disposal process of the Echo Valley Conference Centre. Many people in the Fort Qu'Appelle valley area refer to it as the Fort San. We have discussed this, we discussed this in the fall sitting at some length. I understand there has been some progress in the disposal of the property.

But perhaps so that we can frame our discussion to the whole issue, I wonder if, Minister, if you or your officials could basically review the disposal process from the time — we don't need to go back and redo all the history of the reasons why the facility was closed, but once the decision was made to close the facility and dispose of the property — if you could just review the process from that time forward to the present and give us the step-by-step process and update us as to where we are today.

Hon. Mr. Lautermilch: — If I could I'll just ask that my colleague, Mr. Rusconi, would respond.

Mr. Rusconi: — Once the decision was made to close the

facility, we started through our disposal process. As Ms. McDonald said, our first step was with other government agencies. We got to the point in our disposal process, when we went to the local governments, the municipalities, the town of Fort Qu'Appelle, the resort village of Fort San, and other interested areas within the valley, made it known that we were accepting proposals or interest in the purchase of the facility from SPM.

At that point, the resort village of Fort San and the town of Fort Qu'Appelle both wrote and expressed interest in the facility. We had numerous meetings, particularly at the front end of this process, with the resort village of Fort San and their mayor with respect to the type of proposal which we were expecting through this process. And clearly there was a number of drafts that he had prepared and presented to us, and we went and continued to refine that proposal together.

The town of Fort Qu'Appelle, with the death of their mayor, fell behind that timeline and that process. We did set, I'll say, an informal date although there was a date set of, I think, May 31, excuse me, to have proposals received. We did receive two proposals, one from . . . a final draft from the resort village of Fort San and the town of Fort Qu'Appelle.

We then went through a review process with both those proposals and made a decision some time later. I believe it was in November, when we finally made an agreement with the town of Fort Qu'Appelle.

It was not a sale, but an option. It was an option agreement that had an end date with it.

Mr. Hart: — Okay. I understand from the answers I have received in written questions that the SPM and the town of Fort Qu'Appelle signed . . . you awarded an option to purchase to the town of Fort Qu'Appelle, effective February 13 of this year. Is that correct?

Mr. Rusconi: — Yes, that's correct. I'm not particularly sure that the date was exactly February 13, but we did sign a agreement.

Mr. Hart: — We'll assume that's the date because that's the date I was given in a written question. So just so I understand this then, there was a formal document signed with the town of Fort Qu'Appelle awarding them . . . and I believe in the written question, the answer to the written question that the town of Fort Qu'Appelle has one year to exercise the option starting on February 13, 2006. Is my understanding correct on that issue?

Mr. McMorris: — Can I just ask . . .

Mr. Hart: — Sure. Madam Chair, we made a tag team here.

Mr. McMorris: — So there was an end date for proposals to be put in and you're saying that the only reason it was extended was because of the death of Jim Wira, the mayor?

Mr. Rusconi: — There was never a formal date like you would normally see in a public advertised RFP — proposals received by such and such a date. This was all done informally with the various officials in the community out there, the mayor of the

resort of Fort San, the mayor of the town of Fort Qu'Appelle. When it became obvious that the town of Fort Qu'Appelle was still interested but had not completed their task because of the death of the mayor, we extended the informal date.

Mr. McMorris: — Is that general practice then to have, you know, a couple of . . . it was offered up to municipalities and three or four municipalities putting in proposals. Is it common not to have a deadline or a sliding deadline? Is that common? Because I just think that you know, one town could put in a proposal and then a little while later another town, whether they knew what that proposal was or not, put in a different proposal, and it really kind of muddies the water, makes for an uneven playing field if you'd ask me.

Mr. Rusconi: — Well firstly, there was only two proposals received, not three or four. And both of the local governments there knew that each other were putting in proposals. So could it have been more formal? Perhaps. I mean we started this process at that town meeting which I believe you were at and that's how that process got started.

So like I say it wasn't publicly advertised. There was no date set in stone in the advertisement because there wasn't one.

Mr. Hart: — Mr. Rusconi, you mentioned that you made it known to local governments that this property . . . that you are looking for expressions of interest, I guess. What forum did you use to communicate or make it known, to phrase your term? If you could just explain the term, we made it known.

Mr. Rusconi: — My recollection was that the communication with respect to us receiving expressions of interest was made at the meeting, that town meeting that I think you both attended in the town of Fort Qu'Appelle.

Mr. Hart: — No, I wasn't at the meeting. Was there discussions with the mayors of both communities or the surrounding communities because, you know, there are a number of communities in the valley. I mean, Fort Qu'Appelle obviously being the biggest community, but there's the village of B-Say-Tah and so on. Did you send letters to the various local governments saying we're looking for expressions of interest from you or did you just . . . was it a result of this public meeting that was held?

Mr. Rusconi: — It was a result of the public meeting. Now I know the representative from the village of B-Say-Tah was at that meeting, I believe. I can't remember who all was there, but there were a number of representatives there. No, we did not send out letters.

Mr. Hart: — So as a result of that public meeting, how many letters of interest or expressions of interest did you receive then? Was there 1, 2, 3, or 4 or how many?

Mr. Rusconi: — There was two proposals received, but I've been told I think we received a letter from the surrounding RMs requesting that we keep the facility open for a period of time. However the decision was made to close it, so in fact we received two written proposals.

Mr. Hart: — What I'd like to do, Madam Chair, is just discuss

for a moment the appropriateness of asking local governments to submit expressions of interest on this piece of property. I understand and you've explained your normal disposal policy whereby it eventually gets to municipal government, and then I believe the next step is to offer it to the federal government, which First Nations have an involvement, and then it goes to public tender.

I could . . . I mean, that process makes some sense, you know, in fact a fair bit of sense if that, you know, is your policy to dispose of property and if the property is a shed or a small office building, you know, somewhere located in either, in the town of Fort Qu'Appelle or in Fort San or in B-Say-Tah or what have you. But this is a large piece of property, and it's been described, and I think I have to agree, it's probably some of the prime property in the valley. I think it could be described as the jewel of the valley. And it seems to me to, you know, without . . . I believe you said there was no request for proposal in this case; is that correct? I should first clarify that.

Mr. Rusconi: — There was no public advertisement requesting proposals.

Mr. Hart: — So in order to dispose of this prime property without having any request for proposal . . . In my understanding of a request for proposal it sets down the criteria by which this property will be disposed of, and so this seems very loose, the process you've just described. And I mean, if you wanted the . . . You know, because I believe both proposals that were received, the local governments weren't planning on maintaining ownership and use of the property. They were flowing it through to development firms. I believe there was developers associated with both proposals. And to dispose of this prime property in that rather loose fashion just seems to be a bit unorthodox.

And I guess my question is why wasn't there a request for proposal? As I said, this isn't . . . we're not disposing of a small office building or a storage shed or something. This is over 200 acres of prime property, so why didn't you write up a request for proposal and have those people who were interested in the property meet the terms of that request for proposal?

Mr. Rusconi: — If we had gone out with the public proposal . . . or a proposal call, a more formal proposal call, it would have only gone to the local communities. Based on our policy we went to . . . The next step in our process is to go to the local communities, RMs, municipalities to see if they are interested in taking over the property. So it would have been a very limited proposal call to start with, okay, which we thought we had done informally, started that process at that meeting.

In addition to that, one of the proponents did seek a working relationship with the other proponent which would have, I think, created a better situation out there; however that didn't come to be.

Mr. Hart: — Whose decision was it to not have a request for a proposal in the disposal of this property? Who made that decision?

Mr. Rusconi: — Well I guess it was myself and the deputy minister and the people involved in the facility. I can't think of

. . . We did the same thing I guess in Weyburn where we went to the local city before we went on to that process.

You know our process has always been that we would go to the local people to see if they're interested before we went to that next step. Usually the official RFP process starts after that.

Mr. Hart: — Was this decision approved by the minister of the day?

Ms. McDonald: — We took our typical disposal process and took it and explained it to the minister what we had done and what process we were following.

Mr. Hart: — And what was the minister's decision when you took it to her?

Ms. McDonald: — She asked if this was a typical process that we followed, and we said yes, this is a typical process we followed for the disposal of land.

Mr. Hart: — And she was quite comfortable with that then?

Ms. McDonald: — I can't speak on her behalf, sorry.

Mr. Hart: — She didn't raise any objections anyway?

Ms. McDonald: — She was very thorough. She asked us if we were comfortable. She asked if we had felt we had done the due diligence on the proposals. We had explained that we felt we had.

We had talked about the, you know, the questions and concerns that had been raised by both people, or both sort of proposals and we thought we had done a good job of answering them. We had certainly felt that we had answered all the questions that had been asked out there thoroughly, and we felt comfortable with what we had done.

Mr. Hart: — Earlier when Mr. McMorris asked about the disposal process of the Souris Valley facility, it was mentioned that a committee was set up to . . . which involved the city and local governments and of course officials from Sask Property Management and perhaps some other officials.

However at what stage . . . Was that a unique situation to the Souris Valley property, with the structuring of this committee or is that common practice? And if so, at what stage does this committee come into play?

Ms. McDonald: — It's relatively unique to Souris Valley but we had one . . . Well let me start at a different spot. It's relatively unique to Souris Valley. Initially when this facility was closed, we had a group of RMs and the town and the resort village and some of the people that had used the facility write to us asking us to keep it open — that whole group. Government had made the decision and the facility was going to be closed.

Since that time we know that the one group has approached the other group about working together on some sort of a facility or something. And they've just chosen not to.

Mr. Hart: — Was there a market assessment or evaluation

done on the Souris Valley property?

Ms. McDonald: — Yes.

Mr. Hart: — What was the determined market value of that property?

Ms. McDonald: — Sir, you put us in a very difficult position, because if the option isn't picked up by the town, you . . . Just one second please. I'm sorry, did you mean Souris Valley or Echo Valley?

Mr. Hart: — Souris Valley.

Ms. McDonald: — Oh Souris Valley. It just puts us in a very difficult position with regard to disposal of the land if before we have the ability to sell it, if we tell people what it's worth and you know basically this is our asking price so please bring that to the plate.

The Chair: — Mr. McMorris.

Mr. McMorris: — Well it's interesting, and so I gather from your answer that a fair market value report was done on Echo Valley, and you said the option regarding the town, and it puts you in a awkward position because of, you know, people purchasing or whatever. It puts us in extremely awkward position when we are continually asked.

I did a trade show in Fort Qu'Appelle — not this past weekend, the weekend before — and you wouldn't believe how many people came up and asked me about what's going on there. And you know they say, well you're a member of the legislature; it's public property and you don't know. You don't even know whether it's worth anything. It puts you in a awkward position, but we are supposed to answer to the public about public property. It puts us in an extremely difficult position as well.

And so you know I don't know if we're asking an exact dollar figure, but I am interested in the fact that there has been a market value done on the property, and I can understand you don't want to give us the exact figure, but I mean we need to know what that . . . we should be able to find out what that is, do you not think that?

Ms. McDonald: — Are you asking me what I think?

Mr. McMorris: — Sure.

Ms. McDonald: — I think, sir, that's sort of a difficult question. I'm not saying that it doesn't put you in a difficult position. What I'm saying is it . . . we work very hard to protect the interest that government has in this land. We've disposed of hundreds of buildings and many acres of land and tried to do it at our best for government, for the taxpayers of the province. And I think basically on the whole we've done due diligence, and we've done well. These are two very sensitive pieces of property, and we recognize that.

One of the things that . . . and that's part of the reason why, you know, if the proposal or if this option doesn't go forth we're hoping that somebody else will come forth with another option. And we hope . . . and the option that we looked at for Echo

Valley, sir, if it does end up coming as explained to us, it will be an excellent option to the valley and to all the community.

Now what we can do is we can go back and ask the proponents to contact you and explain to you what they're proposing.

The Chair: — Mr. Hart.

Mr. Hart: — You mention that the proposal put forward you feel is an excellent proposal for the valley and the area. We know that there was two proposals submitted, one by the town of Fort Qu'Appelle, one by Fort San. Each proposal had a development plan that was part of their proposal, a major part of their proposal, with two different development groups.

Could you explain what criteria you used in your selection process? Why did you select the Fort Qu'Appelle proposal over the Fort San proposal? What criteria did you use to evaluate the two proposals?

Ms. McDonald: — If I can speak generally to the criteria but not to the proposals. Is that okay?

Mr. Hart: — Sure.

Ms. McDonald: — Okay. Some of the things we looked at with regard to . . . and if Mr. Rusconi can fill in where I forget.

Some of the criteria we looked at would be, first of all, the cost to government. Secondly would be the overall economic driver to the community and what it would bring to the community. The third would be the proponents involved and their experience and the ability that they would be able to bring to the table and, I think, just the history and the successful developments that they've done before and the financial wherewithal to do the project that they had proposed.

Is there anything I've forgotten or that . . . [inaudible interjection] . . . yes.

Mr. Hart: — So what you're saying then is, based on these five criteria you felt that the Fort Qu'Appelle proposal was a much stronger proposal. Is that . . . I would assume that's what you decided seeing that you awarded the Fort Qu'Appelle proposal an option to purchase. And if so, without getting into details, could you in a general way give us an indication as to what points of the five you mentioned were the stronger ones.

Hon. Mr. Lautermilch: — Mr. Hart, if I could respond. I think as I came into this process later than even you, I've asked questions to determine the background because it's part of this file, and I wanted to acquaint myself with it. And what I found was that, as Ms. McDonald described, the process that SPM uses for the disposal of surplus property, to me it makes some sense because first of all you shop this around the different government departments to see if any of the line departments or perhaps any of the Crown corporations might have an interest for it.

And then I think as with other disposals . . . and of course some are different. They're all unique. No one shoe fits all, and no one piece of property is the same as the other. It's been the pattern and the history that we attempt to support

non-governmental organizations when we have surplus properties because they do good work in our communities and they're not notoriously funded with a great deal of capital, money to acquire capital assets. So we shop to the NGOs.

Thirdly we will go to municipal governments, whether it's urban or whether it's rural, to see if they would express an interest in their area or in their community. And that was obviously done in this case. From that process came two proposals: one from the community of Fort San, one from the community of Fort Qu'Appelle.

Now you've asked for some details in terms of analysis, and we've described three areas with respect to proposals that would be of interest to us. One is what the net cost to government would be of the disposal or in the case of a surplus how you would generate the best surplus. Secondly, an economic driver component in terms of what will help to build this community, what will help to build economic development in the community where this surplus opportunity is. And the third, one would want to know that the proponents would have the experience to be able to make a success of the disposal process and the new acquisition.

With respect to the proposals, I'm told that one of the proponents is more than willing to share information with you as it respects the proposal that they have submitted, but I'm told that the other proponent has not chosen to disclose that information. So there must be obviously a reason, and I'm not going to judge what that would be other than to say that the information, if the proponents would be willing to make it available, we would be . . . I think would not be a problem for us. It might help to clarify some of the concerns that you have.

But obviously if the two proponents would want to share the information with you, it would certainly not affect the operations or the decision that has been made by the analysis in turn with the government, and then we could perhaps move forward.

So in terms of process, I think I've tried to explain as I understand the process. Secondly, in terms of openness, if the proponents are willing to share that information with you, we would certainly have no problems with that. And obviously we're going to do what's in the best interests of the province.

I need to go back to the history of this because one of your colleagues worked on this facility with me about 10 years ago. I was at that time the minister responsible for Saskatchewan Property Management Corporation. We were sitting with a near idle facility that was costing the government one whack of money, and we went out to shop around to try and find people who might be interested in purchasing it. And I can tell you that there was no market value for that building at that time. And I can tell you that we shopped long and hard to find some activities that could generate some revenue so that we could maintain the operations of the Echo Valley facility.

Ultimately we did, and we found that the national government sea cadets program, through the Department of National Defence, could and might be a fitting partner with us or tenant in that facility, and so a contract was signed. It wasn't a terribly lucrative contract, but it gave us enough support to be able to

feel comfortable that we could keep the facility in operations and so we did.

That contract has come to an end. The government deemed this to be surplus property, put out a request for a proposal. It went as far as the local governments. From local municipal governments came two proposals. Those proposals were . . . one was given an option for a one-year option to exercise their proposal. And as I say to you, if it's information with respect to the proposals that you want, I would suggest that we would . . . actually, on your behalf, we would request from the two proponents, if they would be willing to release the details of their proposals to you.

Mr. McMorris: — Thank you, Mr. Minister. As you said, you may have come into this file recently. We've been through that process. We've been through the sea cadet thing long enough. We're looking at what's going to happen going forward. We don't need to, you know, it almost at times seemed a lecture on the past history of the place.

We're looking at what's going to happen going forward because property along that lake is very valuable. And you've got people just down the lake that are looking at developing property that bought from a private company. And they're looking at \$2,000 a lakefront foot. And when you're looking at the size of property that Echo Valley is, you have to know the huge concerns when there seems to be so much secrecy around it.

So if we go for another hour or however much we have on the details of the process, understand where it's coming from. It's coming from the fact of how valuable that property is and the concerns that we're hearing from constituents — be it from Last Mountain-Touchwood or mine or further — on the whole process that this is going through because there are far more unanswered questions than there are answered questions.

And I would truly appreciate and you know, strongly suggest, yes we want to find out what the two proponents have to say and whether they'll release that information. You bet because I think that would clear up the air quite a bit because right now there is just so much . . . and maybe it's a lot of hearsay or gossip. But I tell you it's the topic around the lake because of the dollar figure of what that lakefront property is worth, as well as the property on the other side of the road going back into the valley.

Hon. Mr. Lautermilch: — Mr. McMorris, whether the property was worth 2, 3, 4, \$5,000 a lakefront, I mean it's obvious that that would create some interest. My point is if the proponents are willing to share the information, we have absolutely no problem with sharing the details of their proposals. But they have to agree, obviously. One has agreed as I understand it. And if the other is willing to agree, we will on your behalf, we will write both proponents, send copies of *Hansard*, indicate our commitment to release the details if they are willing. And I can assure you we'll put that letter out tomorrow morning.

The Chair: — Mr. Hart.

Mr. Hart: — Minister, we'd be more than happy to take you up

on your offer. We would certainly like to see both proposals if the two groups are willing. We need to have as much public information as possible.

Just so we get a better understanding of your disposal policy, the Qu'Appelle diocese property in Regina, College and Broad Street, was recently disposed of. Could you very briefly outline the disposal process surrounding that piece of property?

Hon. Mr. Lautermilch: — Madam Chair, yes I will. And I will ask the officials to do that.

But I want to conclude the previous discussion that we had with respect to Echo Valley and offer tomorrow that my officials will meet with you and Mr. McMorris. We will call the two proponents in, and if you would like to have a joint meeting we are willing to do that, if they agree to it. And we can do that as early as tomorrow morning. We don't have a difficulty with that. So if you are in agreement, and you nod your head that you are, we'll set that meeting up for tomorrow.

I will ask Ms. McDonald if she would like to give us the process with respect to the Qu'Appelle diocese and she can give us the details on that. Or Mr. Rusconi. Whichever . . . [inaudible interjection] . . . Mr. Rusconi it will be.

Mr. Rusconi: — My turn?

Hon. Mr. Lautermilch: — Your turn, Mr. Rusconi.

Mr. Rusconi: — We followed the process that we have for the disposal of properties, and we went through the basic steps in terms of government municipalities, federal government, treaty land entitlement process, and then to the public proposal call.

At the public proposal call, we did get some interest from a couple of companies — I'm going by memory here — but it was a home care company I think out of the States that expressed an interest, and we ended up having an agreement with them. They, over a period of time, developed a plan and, at the end of the day, passed that agreement on to a local company which bought the property. So the property was sold through an RFP process to a local company for development.

Mr. Hart: — So the property was offered to the city of Regina. Is that what you are telling us, and they expressed no interest in that property?

Mr. Rusconi: — They originally did and then backed away from it.

Mr. Hart: — And no First Nations band was interested in the property? The federal government wasn't interested in that particular piece of property?

Mr. Rusconi: — There was some interest from the First Nations. And again once, I think, they gathered the information with respect to the facilities and some of the conditions and some of the liabilities related to the facility, they also backed off.

Mr. Hart: — So what were the liabilities associated with that piece of property here in Regina? My understanding is that

there — and I've been by it — there were some buildings on it. Were the purchasers obliged to maintain the buildings? Or what was your criteria for disposal with that piece of property? Or was it free range, the purchasers of the property could do with it as they pleased so long as they met the existing bylaws of the city and, you know, the normal rules and regulations that any property owner must abide by?

Mr. Rusconi: — Again I'm going by memory here because I don't have that information with me, but the liabilities related to that property were the state of the facilities, as well as the fact that they were heritage. They had been declared heritage, I think, actually federal heritage buildings or at least the property was. And the lands were either provincial or federal heritage which creates some significant problems, or can be significant problems with respect to the buildings and their future.

So that was one of the issues that they had to deal with. They also, with respect to the city, would have to deal with the city with respect to the zoning and what was appropriate for future use of that property.

So those were a couple of the issues that had to be dealt with through that process.

Mr. Hart: — As I mentioned earlier, according to an answer to the written question I asked, you have awarded the town of Fort Qu'Appelle and its development group that partnered with them, an option to purchase, and they have one year to exercise that option.

When I asked what the purchase price was of the option, I wasn't given an answer. So I'm going to ask again. What is the purchase price associated with that option?

Mr. Rusconi: — Well I'll go back. Again we're divulging information that's somewhat confidential with respect to that, in case the option isn't exercised and we need to go back and sell this property at some point in time, so it's . . . I understand your position on this, but it's difficult for us to divulge that at this point in time, not knowing whether that option is going to be picked up.

Hon. Mr. Lautermilch: — Madam Chair, if I can, I offered, and I thought we had agreed, that the . . . and I think what the heart of this is the nature of the two requests for proposals as I understand it. And if you're interested in the nature of those requests for proposals, we will use the process that we had agreed to, that we'll set up a meeting with the two proponents to determine whether or not they would share that information with you, remembering there isn't a sale. This is a request for proposal and an option for one year.

Mr. Hart: — Mr. Minister, what you had offered and what we were requesting is some information as to what the two parties have proposed. That's one side of a sales transaction as such. That's the purchaser's side. The other side is the seller's conditions: one being the purchase price, another being requirements to deal with the existing buildings.

There was indication in the written question that, "Should the town exercise . . ." I'm quoting now:

Should the town exercise the option . . . developer is required to demolish or refurbish the Administration Building and the Power House before December 31, 2010.

And the estimated cost is 1.6 million. I mean that's one provision. The property is made up basically of two parcels. One is the lakefront property where there may be a boathouse and a water intake, although I haven't been there in the last week or two. But the remainder of the property is north of the highway which has the buildings and is the bulk of the property.

I think it's appropriate for the people of this province to know what your selling conditions are with regards to this particular piece of property because in fact of the way it's . . . for a number of reasons, but for this as being one of the reasons is that there are basically two parcels to that property, the lakefront property and the rest of it.

Now the question I would have is, part of the conditions of sale of that property, do they tie the two pieces together, or can this development firm develop the lakefront property and walk away from the rest of it, leaving the people of the province on the hook? The most valuable piece of the property I would guess is the lakefront property.

Now if the developer can develop that lakefront property and if they're getting it for a dollar, which I suspect they may be, or at least the town of Fort Qu'Appelle is getting it for a dollar . . . The mayor has said in the public, it's quoted in the newspaper that the town of Fort Qu'Appelle does not stand to gain financially through this transaction. They are merely acting as the facilitator. So the potential for this development firm which is made up of — as I was told in the fall session — of Will Olive, Randy Beattie, Jim Kambeitz, and Mitch Molnar, those are the four principals, and now if that's changed I would appreciate an answer there.

But the potential for those four people to make huge windfalls is great if this deal isn't structured properly. And what we are asking in the interests . . . and it is our job as opposition to protect the interests of the Saskatchewan taxpayers and the people of Saskatchewan. And we want to know what type of . . . how this deal is structured so that there isn't that potential for a group of people to make huge windfalls and walk away from the property and leave the taxpayers on the hook for the rest of it.

So I think it's only fair for us to know how you have this deal structured. What's contained in that option?

Hon. Mr. Lautermilch: — Madam Chair and to the member, I'm told that the principals that you allude to have not changed. And I just will ask Mr. Rusconi to respond with the details.

But I want to say that, I mean, it's quite obvious that the responsibility of all of us as members of the legislature to protect the taxpayers' dollars. It's not the opposition's job. It's not the government's job. It's ours collectively.

And I would want to say that the process we put in place . . . and I think Property Management Corporation has got a very good track record in terms of fairness and in terms of process and in terms of disposing of properties in a reasonable way.

And I think we've got a history of working with communities, and I think this corporation or now a line department has been involved in many millions, hundreds of millions of dollars in transactions. And I think it's fair to say as well that in any process, not everyone will be chosen. And I think it's also fair to say that when not everyone is chosen there will be some people who deem themselves to have lost in the process and will respond in not a positive way. And that's fair enough. That's how it is.

But ultimately the criteria is set out. There were two options put forward. One was chosen. And so I'll let Mr. Rusconi respond to the RFP process that you speak to.

Mr. Rusconi: — If I understand your question, what you're asking, was there some arrangement that ensured that the back half of the property would be developed as well as the front half? Is that your . . . Again I can't speak in details with respect to the agreement unless we come to some agreement to share that information, but clearly that was a topic. That was a topic of discussion through this whole process in terms of ensuring that what you've described didn't happen.

Hon. Mr. Lautermilch: — Madam Chair, if I could conclude on that line of questioning, I can tell you that the developers that you read into the record have absolutely no problems with making public to you the details of their option. They're fine with that, and they've said that they are, and they've indicated that if the other proponents are willing to do the same, they have no problems with that.

So the offer is if these two entities are both willing to disclose the details of the option, we have absolutely nothing to hide and we have no reason not to share them with you. We have offered that tomorrow we will contact both of the entities who put forth options. We already have approval from the one group to disclose. If the other group will disclose, I don't see that as being a problem, and we'll do that We'll begin that tomorrow.

The Chair: — Mr. McMorris.

Mr. McMorris: — So we know that one of the groups that put in a proposal will share. We don't know about the other one, the town of Fort Qu'Appelle. You're telling me that the developers will share all the information as to costs, what they plan on doing on the property, what the purchase price is and all of that. You're telling me that they're more than willing to disclose all that information.

Hon. Mr. Lautermilch: — I will say that we will . . . we'll check again, but at the last that we knew, the one proponent was willing to disclose, and the other one wasn't. Now if that's not true, we can find that out tomorrow, but we will pursue that tomorrow morning. And I mean, if we can work through a process that can satisfy your concerns, we would want to do that. No one here, Mr. McMorris, has anything to hide with respect to process — no one — and I can tell you that whatever information that we can divulge, of course subject to what the proponents will allow us to divulge, well we'll be there; we will help to facilitate that.

Mr. McMorris: — Well instead of beating around the bush, we know Fort San will divulge. We don't think Fort Qu'Appelle

will. But you also then went on to say about the developer, the four people mentioned by Mr. Hart, would have no problem being out, open, and public with all their information. Is that right? That's what you had said. Now I just want you to have another chance because frankly, if that's the case, that would clear up an awful lot of questions, if they would be forthright and come out with all the information because that's what you said.

Hon. Mr. Lautermilch: — What I said was that we could check *Hansard*. The two proponents, one was willing to and one wasn't. And I've said that the options . . . we have no problems with making the options available to you for your perusal, and we'll check that out tomorrow morning.

Mr. McMorris: — So the developers, the four mentioned people by Mr. Hart — Olive and Molnar and Kambeitz and Beatty who are the developers working with the town of Fort Qu'Appelle — I guess I'll ask you, do you think they will divulge all the information? Because you said there's nothing to hide here and I agree. Do you think those developers then will release the information that we have been asking for?

Hon. Mr. Lautermilch: — Well just to clarify, I am told that the proponents, the people who are working with the community of Fort Qu'Appelle, have been willing to have their options reviewed. And I don't think . . . I think that's what I told you. And that's what I mean. But I am told that the community of Fort Qu'Appelle didn't . . . or of Fort San — I've got too many forts going on here — Fort San didn't choose to want that information from their proposal made public. Now that may have changed, and I don't know that.

Irrespective of that, what I offer to you is, that if Fort San and Fort Qu'Appelle, and the two proponents, the two communities, are willing to make their information available to you, we're comfortable with that. We have no problems with that whatsoever.

The Chair: — Mr. Hart.

Mr. Hart: — So just to be clear then, you're willing to sit down with the . . . If the two groups agree to make their proposals public, you're willing, you and your officials are willing to sit down with us and review all the aspects of the two proposals. Plus you're also willing to divulge or to review the conditions that Sask Property Management has placed upon the sale because, in answer to one of the questions, there was reference made to demolition of the administration building or refurbishing and the estimated demolition cost, so that's one segment of the option. I'm guessing there's probably others. I'm assuming there are. You can, as far as dealing with the tying of the two properties together, you're willing to discuss all those aspects of this deal with Mr. McMorris and myself, if we can get the two parties to agree to public disclosure.

Hon. Mr. Lautermilch: — As I've indicated, it's not a problem for me, now depending on what you mean by public disclosure. Neither of them may want this trotted in the front page of the Regina *Leader-Post* and may ask you, if you have a look at it, to sign a confidentiality agreement. I don't know that.

What I'm saying is, from our perspective and from

Saskatchewan Property Management's perspective, we have no difficult circumstance here. If each proponent are willing to sit down with you and review the nature of their proposals that doesn't create a problem for me.

Mr. Hart: — Well, Madam Chair, the minister has made an offer to provide Mr. McMorris and myself with the details of this option agreement and all the details surrounding the disposal of the Echo Valley Conference and it hinges on the approval by the two parties who have submitted proposals. What Mr. McMorris and myself would propose then is that we would certainly accept the minister's offer. However we do not want to preclude our options to ask further questions on this issue if in fact the offer doesn't come forward because of the rejection of one or both of the parties.

So if the committee is in agreement we will . . . Well Mr. McMorris indicates he may have one or two more questions, but what we would like to do, we would like to receive permission from the committee and assurances from the committee that we will be able to further question this whole matter if this process that the minister outlined doesn't come to fruition. And I wonder if the committee isn't prepared to grant that approval?

Hon. Mr. Yates: — Thank you very much, Madam Chair. I want to clarify a couple of points. Are you suggesting that you would vote off the estimates if you could bring this issue back at a later date?

Mr. Hart: — No, we're not. It's just that we realize that there's only so much time allotted to discuss SPM's estimates, and we need to assure ourselves whether it's through the agreement through the House leaders and also with the committee that perhaps if there's an extra hour needed that those provisions would be made. And I guess we can't speak for the House leaders but perhaps we could speak for the committee. We're willing to sit to a later hour some other evening to accomplish this if it's necessary, and we don't want to have the committee being the roadblock to this process.

Hon. Mr. Yates: — Thank you very much, Madam Chair. My only concern is that over the next two weeks our schedules, as you are well aware of, are very, very tight, and it is difficult without a discussion between the House leaders to make that commitment. And so from the point of view of members of the committee I think we can agree to that, but we cannot make an ironclad agreement that in fact that will happen.

The Chair: — Mr. McMorris.

Mr. McMorris: — I guess a question. And when I look at article from the *Leader-Post* — it's article, back in March from the Regina *Leader-Post* — and just one sentence, and it says, "Neither Molnar nor representatives of SPM [will] disclose the agreed upon price for the property if Molnar exercises the option to purchase." Because that's really what we . . . I mean in my mind, it gets down to the root of it.

We don't know, number one, what the evaluation of the property is because we can't get that. We don't know what . . . and SPMC has done an evaluation of the property, but we don't know that, and we won't get that. And we also won't know

what the sale price is of the property if Molnar exercises his option. And so what I'm hearing from the minister is we can meet with the people, they'll only disclose what they want to disclose. I mean I guess we can't force them to do any more than that. But the root of it is, is that I guess it's trust me this is being done; I know you don't know the evaluation of the property, and I know you won't know the purchase price. But trust us it's going to be done properly.

And that's hard for us to sit here and not know either one of those variables and probably not get the information.

Hon. Mr. Lautermilch: — Madam Chair. Well I'm trying to be helpful, Mr. McMorris. There were two options put forward, one by Fort San and one by Fort Qu'Appelle. I have indicated to you that we don't have any difficulty, if the proponents are interested in sharing with you the details of the options that they put to SPM, that we're more than willing to help to facilitate making that information available to you. And I think that that is a reasonable approach to take; I think that it is a fair approach to take; and from that information you may be able to determine something that I don't know what you may be able to determine.

That's what we were dealing with. We were dealing with two options that were put forward. And as I said, we're more than willing to contact both of the proponents to see if they're willing to share the information with you.

Mr. McMorris: — My problem is, is yes I understand that if the two option people are willing to discuss, but one says no. And it might be the town of Fort Qu'Appelle and the group that Molnar is representing.

Now the minister is saying well it's another group, but the whole issue . . . just like my last question is, we don't know what the purchase price, agreed-upon purchase price is and we don't the evaluation of the property. And frankly, yes if they disclose that in the meeting, that would be great. But I'm going to tell you they probably won't, because they haven't and they've probably been asked before. So we can leave here and say, oh well if it works out. The problem is if it doesn't work out and they don't disclose any information, we're in the same spot as when we walked into the room.

We've got a huge cloud of suspicion hanging over that property. We don't know the evaluation price and we don't know the agreed-upon purchase price. And then I hope you don't ask the question, well why is there suspicion? When you got developers down the road bought a piece of property from a private, well yes partially private company and are developing it, and they may be running up direct competition with an organization that has bought 210 acres that we don't know the evaluation price of the property and we don't know the purchase price, there's a huge cloud of suspicion. Not to mention all the other questions that we asked before, why there was not a RFP and all of those.

There's a huge cloud of suspicion around it and you can understand why. You should be able to understand why. And to slough it off by saying that, well if they agree to disclose that information in a meeting tomorrow that would be great; but if they don't, que sera sera.

Because do we come before this committee again? And that's why I agree with the member that we had better darn well have another SPMC up in this committee again after this meeting because there's a good chance we won't know any more after the meeting tomorrow than what we know after this meeting today.

Hon. Mr. Lautermilch: — Madam Chair, the member is assuming we're going to be able to put the meeting together tomorrow. What I said was tomorrow that we will be asking both proponents to put forth their documentation, if they will share it with you. And if they will, that may, if . . . [inaudible interjection] . . . Well I can't speculate on that, sir, and I can't make a decision on that tonight. What I can say to you is we will help to facilitate. We will be asking of both principals whether they will share with you the information. And we'll do that tomorrow morning.

The Chair: — Mr. Hart.

Mr. Hart: — Minister, if this meeting does not take place and the information is not divulged as far as my colleague said — purchase price, appraised value, and those other questions, and addressing the concerns that I had outlined earlier — will you as minister divulge this information at an appropriate time? I know you and your officials have said that it's not in the public's interest to divulge this while this process is taking place but at the end of the day, the public has a right to know and it has the right to receive answers to the questions that we've asked.

So what are you proposing, Minister, if the process you outline doesn't happen because of what . . . one of the parties not agreeing to the process? When are you willing to divulge the information that we were requesting?

Hon. Mr. Lautermilch: — I'm assuming that both parties would be interested in clarifying this matter for you. I am told that the Fort Qu'Appelle group are willing to divulge their information and if the Fort San people are willing to do . . . or the . . . I'm getting my forts going again here. But if the Fort San people are willing to divulge and the Fort Qu'Appelle people are willing to divulge, I would think that should go a long way to clarify how we got as far in this process.

I can tell you this. What I will not do is involve myself in manipulating a process for sale. I will not do that. I would not do that. And no one here has done that. I can tell you that I would not jeopardize a sale by divulging information that may be detrimental to the interests of the province achieving the best return on their investment that they can. I would not do that. But I will do what I can to help facilitate for you some clarity as it relates to the proposal that has taken place.

And my undertaking is that we will attempt, the department will attempt to bring the two proponents to an agreement as to whether they will divulge their documents. And if they will, obviously there would then be the ability to have them agree to a process whereby information could be shared with you so that you, as someone who is working in the interests of the public, as I am, would feel comfortable. Then that might be where it takes us.

Mr. Hart: — Minister, you and your officials also have a significant role in this disposal process. You're the folks that are offering this piece of property for sale on behalf of the people of the province. You're the people that had the fair market appraisal done to determine the market value of the property. You've been asked on a number of occasions by myself and other members of the opposition as to what the appraised market value of the property is. And we've never received an answer. We've asked for the purchase price and you've always said it's not proper to divulge it.

So now, here's what I'm putting to you, Minister. If the two parties agree to discuss their proposals as to what they're proposing as far as development for the site, are you willing to tell us what the sales price is on it? And what's the fair market value of that property, as per the last appraisal, which I believe was done late last year?

Hon. Mr. Lautermilch: — What I'm telling you is that I'm more than willing to have you look at the two proposals and you make a decision which makes more sense. Or if neither of them make sense to you, I don't know that. I'm saying to you that if we can get both parties to agree to put the documents before us, then obviously that would shed some light and some clarity, I would hope. Because it would be the same information that the officials used in order to make the decision to exercise the one option over the other. And if you come to a different conclusion, fine.

My point to you is that I'm not going to commit to divulging any information that may in fact jeopardize the return on the sale of that land to the people of this province. I'm not willing to do that. But what I am willing to do is help to clarify the process as it has evolved and the two proposals that have come forward if the proponents of those two proposals are willing to make their documents available to you.

And I don't know that I can be more clear than that other than to say, yet one more time, we would begin that process tomorrow morning, Madam Chair, to determine whether the two parties would be interested in having that take place.

Mr. Hart: — Well, Minister, we'd be very interested in attending any meeting that you could put together and gathering as much information about this whole disposal process as possible.

I believe earlier in the evening you'd said that back in the early '90s there was a process to dispose of the property and you said that no one was interested in it. I'm not sure . . .

Hon. Mr. Lautermilch: — Madam Chair, I can ask Mr. Rusconi to take us back to that time, but I can tell you that it was, as I recall, the government's intention to demolish. And there was concern by the communities and others outside of the community that we do what we can to maintain that building, those sets of buildings, and so we embarked on a process to determine how we might best be able to do that and we ended up . . . and I don't want to offend Mr. McMorris again, but I have to tell you that the end result of that was that we were able to bring sea cadets there for a contract — which has now gone by the wayside; it's expired.

So the process I'll turn over to Mr. Rusconi, and I don't have memory of that. I just have memory of being able to find a solution, although it wasn't a permanent solution. It became a temporary solution, but Mr. Rusconi will share with you that process.

Mr. Rusconi: — I believe what you're asking, was there an offer on the table back in the early '90s for the purchase of the centre. Again, by memory, and I think it was actually before my time, but I believe there was. I'm sorry, but I don't know the name of the company or the dollar figure, but at the end of the day it was rejected for one reason or another. I can provide that to you, but I don't have that with me.

Mr. Hart: — Well I've been told by a fairly reliable source that back in 1991 there was a proposal on the table which involved both the resort village of Fort San, the town of Fort Qu'Appelle, Standing Buffalo First Nation, the local and regional tourism authorities, and the proposal would save the buildings and brought \$45 million worth of investment. It was nationally advertised. A proposal was accepted and if . . . Now I'm just going by memory but I believe the sales price was in the 2 to \$3 million range.

But in late '91 or early '92 the government of the day cancelled that whole process, and I believe if you search your documents I believe you will find that proposal. That indicates to me at least that this jewel in the Qu'Appelle Valley has tremendous value and we need to know that this disposal process that you are embarked on is fair and is in the best interests of the province.

I see the hour is late. Minister, we will certainly, if you could put a meeting together, we would be more than happy to attend it but we don't . . . We certainly reserve the right to come back to this issue in the near future.

Madam Chair . . . Have you got any more questions? He's making up his mind.

The Chair: — Okay, Mr. McMorris, I'm just going to warn the committee that we're five minutes away from adjourning this evening so we're going to tighten it up here.

Mr. McMorris: — Just I guess one final comment. The minister was talking about how, you know, if he's overseeing it, it's going to be done fairly and the process will be done right and as much money will be received from this property as possible. I guess my problem is that I just . . . whether it's the whole issue of secrecy around this to me, and he says we're going to hopefully have it opened up tomorrow if they agree. If they don't agree, there's a whole issue of secrecy.

And then there's a whole issue of the one developer that was chosen through the town of Fort Qu'Appelle. I don't know how wide open that process was. The town of Fort Qu'Appelle has it, and how many developers got a chance to go on this?

And when you look at some of the developers, I mean the one that just jumps out at me is Wil Olive, you know. I mean there's some pretty strong political ties there. And the minister is saying it's all above board.

Well you can understand why people are questioning it when they look at some of the ties the developers have and are the only group that are, are being talked to. I realize they went through the town of Fort Qu'Appelle and I wish I had as much faith in the process as what the minister does but it just seems to me quite frankly that it's . . . you know I guess if a guy was a skeptic you'd say it was politically driven when you don't get the information that we've been asking for. And you know, I can't help it, but some of the names just jump out at a person as to their political ties.

And then we have asked questions and asked questions and no information seems to be forthcoming. I know the paper in Fort Qu'Appelle has asked questions and I know people in the town have asked questions. Business owners have asked questions of the councillors. There seems to be just a whole veil of secrecy coupled with the political ties of some of the developers and you can see the . . . I mean it's just breeding ground for skepticism.

And you know, I hope that the developers tomorrow, or after you talk to them and try and set up a meeting, are forthright with all the information. I really do hope that because that will clear up the whole process. But I'm not as positive on that account either. I'm not very positive that they'll come through with the information. Because why would they?

Hon. Mr. Lautermilch: — Well, Madam Chair, I think that comment, those set of comments needs a response, and so I will respond.

It's Mr. Olive's group who have offered to make their information available. I would want to say that anyone who has done business in this community will understand that it is a small community. And it's a political province and many of us have political ties, including Mr. Olive.

But I would also say that people who will be fair-minded will also understand that partners of his are known not to be in any way associated with the politics of this government, but who are well-respected business people who operate in Regina and who operate in this province, as Mr. Olive does. Mr. Olive has many varied business interests around his area of expertise and his investments.

But I would only say that I think it would be unfortunate for anyone here to judge business people who have very high qualifications, who have set very high standards in terms of their business practices, including Mr. Olive and his partners, and who have good reputations, which is why I have offered today, as Mr. Olive has offered, to make his information available. And if the other proponent is willing to do the same, I'm sure that one will be able to sit down and in a fair-minded way look at the proposals and come to a conclusion.

The officials have done that and their conclusion is that they would accept the one-year option from the group from Fort Qu'Appelle, who have made it available, or have indicated that they would make their information available. So I only close by saying what we're attempting to do here tonight is to put forward a process that can help to clarify some muddy waters that members of this committee may feel are there, in an attempt to ensure the people of Saskatchewan that there was a

process in place that can work for the disposition of their asset.

The Chair: — Thank you, Mr. Minister. With the hour being 8:30 at the time of adjournment, I would thank the committee members for their questions, and thank you to the officials for your responses, and adjourn the meeting this evening. Thank you very much.

[The committee adjourned at 20:31.]