

First Nations reap \$20M from sales

P.A. Grand Council bands sell hotels, commercial properties

By Jason Warick, Saskatchewan News Network January 23, 2009

A dozen northern First Nations have sold their interests in a number of hotels and commercial properties in Prince Albert and other centres for nearly \$20 million.

The sales, made when real estate values peaked last year, netted a huge profit for the member bands of the Prince Albert Grand Council. The bands' investment fund began in 1993 with a contribution of \$39,500 from each band to buy the Prince Albert Inn. Each received \$500,000 last month from the recent transactions.

Some have mixed feelings about the sale, saying it was important for First Nations to have a visible presence in the economy.

"I respect the views of the chiefs. This is just my personal view, but there was a real sense of ownership for First Nations people," said Montreal Lake Cree Nation Chief Roger Bird.

"These were successful businesses and we did it ourselves."

During the past 18 months, the bands have sold the P.A. Inn, the Marlborough Inn, Best Western hotels in P.A. and Saskatoon, two Ricky's restaurants and a number of office buildings. The buyers have included Saskatoon and Vancouver investors as well as other Saskatchewan First Nations.

"Hotels and real estate values were peaking. We decided it was time to divest," said Ted de Jong, the longtime corporate executive officer of the bands' Prince Albert Development Corp. (PADC).

"Given the recession we're in, nobody's buying hotels or real estate anymore."

The investment funds held by the bands and other First Nations groups across the province are designed to give bands their own sources of revenue, decreasing reliance on government programs, de Jong said.

Lac La Ronge Indian band Chief Tammy Cook-Searson said the 12 chiefs who make up the PADC board had a vigorous debate before the decision was made to sell.

"This was not an overnight decision. We did look at all the pros and cons," she said.

Many of the properties were purchased during the term of former grand council chief Gary Merasty. Merasty said he respects the will of the chiefs.

"I understand the benefits of pride in ownership, but also the benefits an equity fund can bring. I mean, look at what they've done with just \$39,500 each," said Merasty, now an executive with uranium giant Cameco Corp.

The 12 bands decided to keep their partial ownership of Westwind Aviation and a number of Super 8 Hotels, investments valued at several million dollars in total, de Jong said.

Some bands, such as Lac La Ronge, already have their own successful development corporations, but the \$500,000 dividend is intended to help others start their own. Most of the past investments had been in urban areas, but some bands said they wanted the freedom to invest on-reserve.

De Jong said the remainder of the \$20 million will be used to help the individual bands kick-start their own projects. Montreal Lake, for example, recently took over P.A. Northern Bus Lines.

The Sturgeon Lake First Nation near Shellbrook started a development corporation two years ago and now has assets of several million dollars "and not one dime of debt," said de Jong.

The 12 member First Nations of the Prince Albert Grand Council represent more than 8,000 people, or roughly a third of all First Nations people in the province.

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