Buy on Robson and you buy Vancouver, Atelier's Man says

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VANCOUVER SUN

TRADE TALK

BUSINESS LUNCH: Henry Man has the $12 tuna-melt sandwich in the Westin Grand hotel's Aria restaurant, where $13 quesadillas and $12.50 chicken sandwiches are perennial favourites.

It's a handy place for the Magellen Developments (20/20) Inc. president and CEO to take on nourishment. One set of floor-to-ceiling windows looks down to the Robson-at-Homer Street intersection, where Man's $140-million, 29-floor Atelier tower will soon rise. Another faces the Vancouver Public Library's Colosseum-aping central branch, which enhances Robson Street's white-hot reputation among those aiming to acquire Atelier's average 830-square-foot units when they go on sale in mid-May.

Not with Man handling the sales operation, though.

True, his nine-year career at Concord Pacific Developments included an early stint as marketing VP. The 47-year-old Man also stick-handled sales on his own debut project, the 20-floor, 185-unit Freesia tower he developed at Seymour and Helmcken Street for $52-million in 2002.

Man was so deft at that gig, he even got Langley-based freesia-growing mogul **Anthony (Tony) Duyvesteyn** to purchase a penthouse suite.

Man has been systems-oriented since he graduated as an electrical engineer and went to work for giant BP in the Alberta oilfields. In the traditional British manner, he was quickly schooled in geology, as well as drilling, geophysical, production and reservoir engineering, and says such broad-based methodology has guided him ever since. As for developing and applying skill sets outside one's original disciplines, like the MBA degree gained while at BP, the Hong Kong-born Man quotes the Chinese saying: "You don't ask where a hero comes from."

For the flogging of Atelier, the former soccer jock (and continuing coach) is anticipating a heroic performance by Macdonald Realty's Platinum Projects head **George Wong**, who has been scoring consistently lately. Wong, sister **Lily Korstanje** and their team have reportedly sold $150 million worth of condos in seven weeks. That's not far behind an equal period in 2005, when they raised $180 million from Aspac Developments brothers **Raymond**, **Thomas** and **Walter Kwok**'s 71-unit Two Harbour Green project in Coal Harbour.

Wong is happy with Atelier's location. "When you buy Robson," he says with his hands raised, palms upward, "you buy *Vancouver*."

Nor does it hurt that city hall plans to create a yet-unnamed central-downtown park on Atelier's block.

Like every other developer in town, devout Roman Catholic Man may cast a covetous eye on the large parcel of diocesan property down Robson between Cambie and Beatty streets. More realistically, his next projects will likely entail 40 or so townhouses on each of two Kerrisdale sites he has tied up.

Asked whether he'll handle sales on those projects, the ever-pragmatic Wong weighed his forthcoming Atelier campaign before replying: "I'll know in a month."

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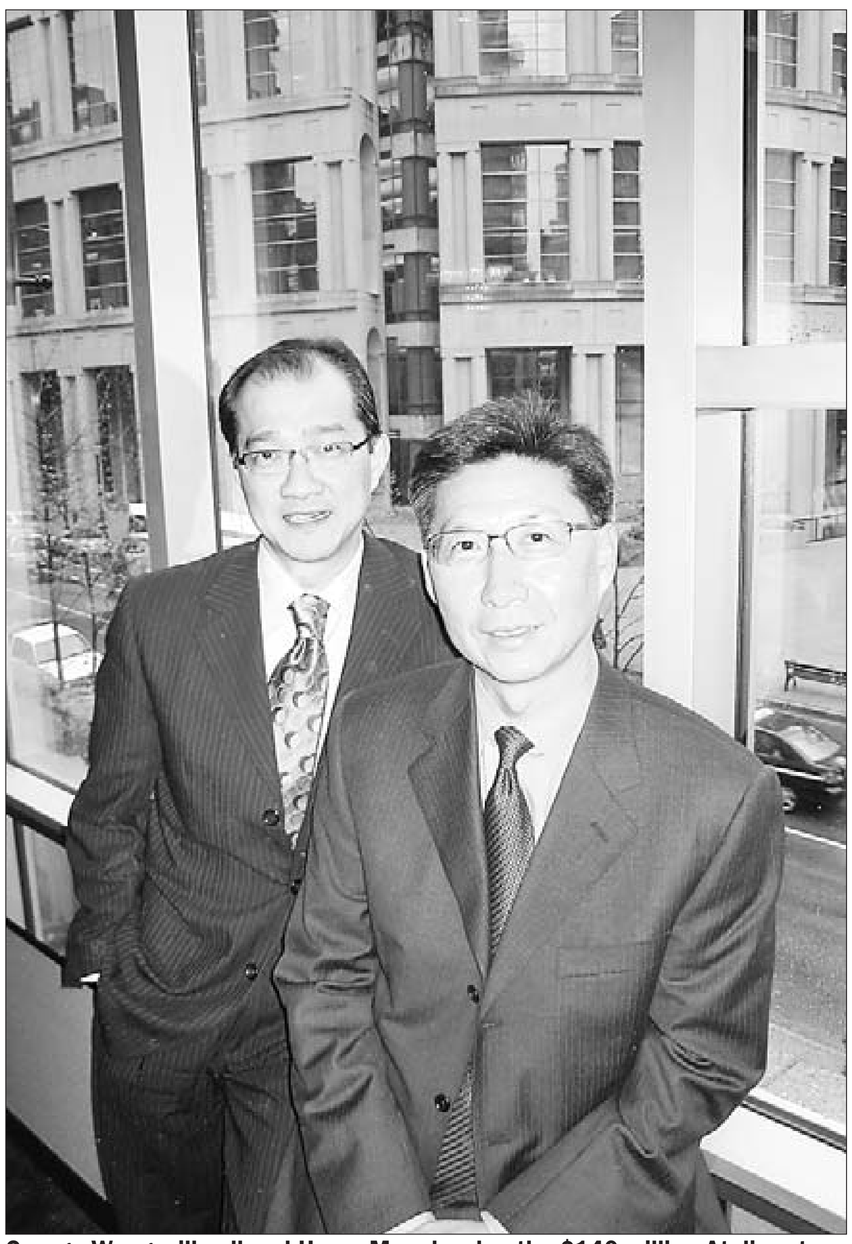
VANCE CAMPBELL and fellow hospitality-biz veteran **David Strebinger** have dropped anchor at Powell and Columbia Street. In fact, they've hauled it up by taking over the old Anchor pub, later Club Elite, which brothers **Jason** and **Damon Sugar** operated as the sugarandsugar lounge until their financier, Dexior Investments principal **Gerard Darmon**, became less sweet last year.

Campbell and Strebinger's One Hospitality firm already operates the Oasis restaurant and Sugar Daddy's with **Steve Curtis** as majority shareholder. This time, a deal with Dexior reportedly gives the two the opportunity to earn a majority position in the Gastown-fringing lounge.

They've renamed the joint Canvas, increased its footprint to 50,000 square feet by leasing the adjacent premises, and spent $1 million in preparation for an end-of-the-month reopening, Campbell said.

Canvas will be open as a so-called public uber-lounge for four days weekly, Campbell said, and will also continue to host private events. Rotating art exhibitions will continue, and the next-door space is to become a bona-fide gallery with a curator and permanent art collection.

The Sugar brothers opened their operation in 2002 after some years of running an unlicensed after-hours facility. Those so-called booze-cans declined when legitimate bars and clubs had their late-night hours extended. Maybe they'll proliferate again as city hall seeks to reduce legal later-night drinking.



George Wong will sell and Henry Man develop the $140-million Atelier at Robson and Homer Street, kitty-corner from the Vancouver Public Library's main branch.

Vance Campbell says a million-dollar revamp will see the Powell-at-Columbia Canvas uber-lounge open soon.

Jake Wiebe and Yumi Eto hope deals with a Richard Branson airline and Steve Wynn hotel will get their Modan Apparel Group flying.

■

SIR RICHARD BRANSON and equally flamboyant billionaire **Steve Wynn** may get a pair of local apparel entrepreneurs flying high and winning the schmatte game's inevitable gamble.

The two are fledgling Modan Apparel Group principals **Yumi Eto**, 38, and **Jake Wiebe**, 55. They say they have a "verbal agreement" to design and supply flight-attendant uniforms for Branson's Virgin America airline, which will begin operating out of San Francisco this summer as the self-styled "W hotel of the sky." Eto will be in that city next week, taking part in a design-and-fit review she hopes will lead to a deal by month's end.

Her aim, Eto says, has been "to recreate the more characteristic [meaning classier] look flight attendants had in years gone by."

Wynn's wife **Elaine** is reportedly pleased by the sample outfits they showed for 500 guest-services staff at the 9,000-employee Encore that will open soon beside Las Vegas's original Wynn hotel complex.

Modan is a new operation, but Wiebe and Eto are veterans. He served a six-year term at Joe Segal's Mr. Jax organization, which had posted annual sales volumes of $25-million when Koret acquired that firm in 1995. That's when he and former Mr. Jax designer **Ron Leal** and majority-partners **Marshall** and **Sally Cramer** formed TAG, The Apparel Group, which hit $7 million US volumes in the early 2000s before closing last year. Wiebe also worked as director of manufacturing operations for three months with **Brian Hill**'s ultra-successful Aritzia concern before admitting that "as a 12-year entrepreneur, I had to set my own rules."

Eto closed her own high-style Yumi Eto Design firm in 2004 and moved temporarily to Europe after seeing annual sales peak at $3 million.

Wiebe and Eto use the term "corporate image apparel" to describe what some might call uniforms — or, in their particular case, yumiforms. Whatever, it's a garment category that doesn't require sample lines to be researched, designed and produced two to three times yearly since basic designs are varied with colour and accessorizing options. That alone means that start-up costs can be a tenth of the $1 million to $2 million conventional ranges require.

Still, Modan will need to hit seven-figure volumes soon if it is to undertake its own speed-enhancing pattern-service and sampling operations. Manufacturing will always be undertaken by local and international contractors, the two say.

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Offshore wind farm looking for direction

NaiKun Wind Energy Group proposes project in shallow waters of Hecate Strait

BY LEANNE RITCHIE

PRINCE RUPERT — An offshore wind farm development in the Hecate Strait is diving into new waters and looking for direction.

The NaiKun Wind Energy Group, the company proposing a wind farm in the shallow waters northeast of the Queen Charlotte Islands, is the first company in Canada to have officially entered into the environmental assessment process for an offshore wind farm.

Archie Riddell, project assessment director of the provincial environmental assessment office, said NaiKun has submitted its draft terms of reference and now it is the public's turn to comment.

"At this stage, the proponent [NaiKun] works with government agencies to identify the material that will go into the application — what issues are out there and how do they propose to deal with them," Riddell said.

"The terms of reference are a really important part of the process because it does guide the content of the final application."

The project is unique as this is the first time an offshore wind farm has gone through an environmental assessment in Canada. As such, there are no other examples for government or the public to draw upon.

"This is Canada's first offshore wind proposal and there is a lot of interest as you can imagine in green energy and innovation and this projects excites people," he said.

The public comment period on the draft terms of reference ends April 28. After that, NaiKun will review government and public comment, and address those issues.

"Then they'll want to finalize their terms of reference so they can get out in the field and do the work that will support their application," he said.

After the company submits its application, the public will get another opportunity to comment.

NaiKun is proposing to build a five phase 1,750 megawatt wind farm, however the environmental assessment is only for the first phase.

This includes between 67 and 110 turbines that generate 350 megawatts and cover an area approximately 36 square kilometres on Dogfish Banks.

The electricity from the turbines will be gathered via sea cables at an offshore substation and transmitted to the mainland, interconnecting with BC Hydro's 287-kV power line at a point near Prince Rupert.

The planned transmission route may cross Porcher and Smith Islands with overhead transmission lines.

The 30-day public comment period began March 30.

The draft terms of reference and information on submissions are available at www.eao.gov.bc.ca

Filing the draft terms of reference is just one highlight for the company in 2006.

At is annual general meeting in Vancouver on March 30, Michael Burns, chairman, noted the company also secured funding of more than $9 million through two separate offerings to the investment community.

It also secured a contribution from the ENMAX strategic partnership as well as the exercise of warrants and stock options.

CanWest News Service

Role of U.S. buyout firms in BCE bidding raises concern

Aggressive outfits would dictate changes in a privatized setting

BY ROBERT GIBBENS and ROBERT ROCHA

MONTREAL — CEO Michael Sabia may have opened up telecom giant BCE Inc. to a lengthy bidding war between Canada's biggest pension funds, but criticism of the potential role of powerful U.S. private equity funds is mounting.

One of the potential bidding groups has the world's biggest buyout fund Kohlberg Kravis Roberts & Co. as a minority partner and the other Providence Equity Partners Inc., another huge U.S. buyout firm in the same role.

In the event BCE is taken private, Canadian pension funds would be passive partners seeking to bolster returns, while rapid changes at BCE would be dictated by these highly experienced and aggressive U.S. buyout firms that would aim to cash out in two or three years, several investors said Wednesday.

They support billionaire money manager Stephen Jarislowsky's contention that the bidders have arrived just as BCE's struggles with technology and marketing are paying off and that Sabia and his directors should fight back with their own recovery strategy.

BCE's stock, after rising six per cent on Tuesday, closed Wednesday at $38.35, down 35 cents, but still showing a handsome gain from $28 before the March 29 rumour of a KKR bid with the Ontario Teachers Pension Fund.

Standard & Poor's, the credit rating agency, pointed to the risks of a standard buyout. It put BCE's long-term A-minus corporate credit rating on "credit watch" with negative implications. BCE at year-end had $10 billion of debt.

"Privatization of BCE would lead to a marked deterioration of its financial risk profile, hurt its business strategy and weaken its competitive position," S&P said. "With a successful leveraged buyout debt would significantly increase, leading to a multi-notch downgrade."

BCE on Monday signed a non-exclusive standstill pact with a group led by the Canada Pension Plan Investment Board, the Caisse de depot et placement du Quebec, the Public Sector Pension Investment Board and New York's KKR. The Ontario Teachers' Pension Board, the largest shareholder in BCE with 5.3 per cent, was absent.

Teachers is working with Providence Equity Partners to put together a rival group.

In five years at the helm, Sabia has cut 9,000 jobs, sold assets including satellite unit Telesat Canada for $3.25 billion and tackled the technology and management problems.

Several institutional managers support Jarislowsky's opposition to a privatization deal, but most investment analysts insisted Wednesday that BCE is in play and could go at $40 to $45 a share to one of the bidding groups.

Mackenzie Financial Corp., BCE's second-biggest stockholder, is content to see two potential bidders or even a third. A bid in the $40 range is likely, said Bill Procter, senior vice-president.

"KKR has done all this before and they're going to wield a pretty big stick if they get into BCE," he said.

Ron Mayers, a Desjardins Securities risk arbitrageur, said BCE's management has had ample time to come up with a recovery strategy to raise its sagging stock price, but investors are frustrated.

Several analysts including Joseph MacKay, of Desjardins Securities, said a BCE-Telus merger is now possible and it would create much more shareholder value than a private-equity deal. The overlap of wireless networks and competition problems could be overcome.

A big share buyback program, including the $3.4 billion BCE will get from the sale of Telesat, is also possible, he said.

A corporate accountability watchdog wants regulators to investigate whether BCE misled shareholders when it denied it was in talks with private equity firms on March 29.

Richard Finlay of the Centre for Corporate and Public Governance said many shareholders relied on BCE's affirmation that it had no plans to take the company private.

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