



Money and water woes plague The Cliffs golf resort

Residential and golf resort village granted court-ordered protection

Carla Wilson

Times Colonist

Tuesday, June 03, 2008

The planned residential and golf resort village of The Cliffs Over Maple Bay has run into financial difficulties and is still trying arrange access to water to irrigate its planned 18-hole championship golf course.

A monitor has been appointed by the Supreme Court of British Columbia for The Cliffs, owned by area resident Warren Paulin. A court order was granted May 26 in Vancouver, under the Companies' Creditors Arrangement Act, providing the company with a stay of proceedings against actions and creditors until its next court date June 25.

Justice Joel Groves appointed The Bowra Group, of Vancouver, as the monitor over the company. The court gave the company the right to downsize or close its business, subject to the monitor's approval.

Paulin could not be reached for comment. A real estate agent marketing the property said recently that sales were slower than expected.

The Cliffs, on Mount Tzouhalem northeast of Duncan, is one of several Vancouver Island developments marketed as residential-golf resort communities in recent years. A phased development plan calls for 349 single-family lots, 345 condominium units, and a hotel, court documents said.

Australian golfing legend Greg Norman designed an 18-hole, 7,000-yard course. That course is 70 per cent complete, documents said. "The completion of the construction of the golf course is of utmost importance to the economic viability of the development. The primary factor that has attracted people to purchasing a lot or unit in the development is the golf course."

The project needs enough funding to finish construction and it needs water access nailed down for the golf course's irrigation system, documents said.

In April, the company faced a demand for payment on its first and second mortgages totalling \$28.4 million. In the previous month, a meeting between the company and mortgage holders led to an agreement allowing for 60 days to sell the company and/or its lands, documents said. That effort was not successful, mainly because of the water issue.

The Cliffs is investigating if an agreement can be reached with Western Forest Products for use of water from a well five kilometres distant, documents said. Negotiations stalled on an earlier plan to get grey water from the local sewage plant.

The company is looking for more financing and hoping for a \$5-million debtor-in-possession loan to secure water access, continue construction on building sites and the golf course, and prepare the company for sale or for a joint venture with an experienced development company, said the documents.

More than \$31 million in sales and pre-sales for lots has taken place. An appraisal put the February value of the unsold property at \$33.46 million, documents said. The developer figures it will cost about \$10.3 million to finish the golf course.

Servicing has been carried out on close to 95 per cent of the first phase (70 single-family lots and two lots for condos) and half of the second phase (76 single-family lots), documents said.

North Cowichan Mayor Jon Lefebure said from Toronto, "We are very concerned about the project because it is one of the largest in our area."

The value of the land is there to support the project, he said. "It is our expectation that if not this developer, then another developer, will carry on with this project and complete it because it is a good solid project overall."

Mariners pulling up to the Maple Bay Marina are "desperately anticipating" the golf course, said general manager David Messier. Golf is so popular with visiting boaters that a shuttle bus carries them to four nearby courses.

The development would help diversify the local economy, Messier said.

If you have bought a unit at The Cliffs or are affected by recent developments at the project, please contact business reporter Carla Wilson at cjwilson@tc.canwest.com

© Times Colonist (Victoria) 2008

CLOSE WINDOW

Copyright © 2008 CanWest Interactive, a division of [CanWest MediaWorks Publications, Inc.](#). All rights reserved.
CanWest Interactive, a division of [CanWest MediaWorks Publications, Inc.](#). All rights reserved.