

## The mood of a nation: Mirabel, Que.

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*Project developers Claude André and Murray Frankel assess the construction work so far on Lac Mirabel, a sprawling lifestyle centre to be constructed in Mirabel, north of Montreal. The development will need to attract consumers from the surrounding area, including the U.S., to*

*sustain itself or risk ending up like Mirabel's airport — built with great promise, but now underutilized.*

Before I even saw the site of the future Lac Mirabel, the complex's sprawling size was clear from the blueprints and drawings project developers Murray Frankel and Claude André had spread out on the boardroom table in the office of Le Groupe Murray Frankel. There were millions of square feet of retail space, restaurants, wetlands, future residential development — and lots of parking.

New York-based investment bank Morgan Stanley and Gordon Group Holdings, a prominent American mall developer, are financing the project, and Ruben Stahl, who promoted the West Edmonton Mall, is promoting this development, too. So why did these big names descend on Mirabel?

The town, about 30 minutes north of Montreal, looks like any other Canadian suburb, but the population is growing quickly and there is a lot of land yet to be developed. The project's promoters believe Mirabel is also close enough to Montreal, Ottawa and New York to bring in a steady stream of visitors willing to spend money. "This is not a shopping centre," Frankel said. "This is a destination centre."

He also brushed off concerns that the timing wasn't right given the uncertain economic outlook. "There's a different kind of confidence and a different type of momentum that Quebec has," Frankel said. So far, retail spending in Canada has remained strong, despite the constant reminders from media, economists and politicians that the U.S. is in or approaching a recession, and that [Canada could also stumble](#). Retail sales increased 1.5% in January, the third consecutive month of gains in Canada. Spending in Quebec has also been steadily rising, and the province boasted nearly \$8 billion in sales in January.

But the project has not been totally free of the impact of macroeconomic woes. "We're just all bogged down with sub-prime fallout," Frankel said. "It



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has affected everything, even this project.” Though he was reluctant to get into specifics, Frankel said the sub-prime loan credit crisis caused the project’s financial backers to require a higher percentage of leases to be in place before permanent financing kicked in. Currently, 60% of the retail space has been leased.

How further fallout and consumer spending habits could affect Lac Mirabel is anyone’s guess, but Frankel and André are confident the development will bring greater prosperity to the entire region. Considering the size of the project, it’s hard not to think of the gigantic Montreal-Mirabel International Airport opened in 1975. Once touted as a hub for international commercial travel in the region, it eventually lost that privilege in the 1990s to Pierre Elliott Trudeau International Airport in Montreal, and was relegated to cargo flight status.

That could change if the Mirabel community continues to grow, André said. “That airport is going to open up in the next 10 years. Common sense will dictate it.”

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