

INVEST IN ALBERTA'S TOURISM INDUSTRY

Northwest Alberta





INTRODUCTION

Alberta's Tourism Framework supports and focuses the tourism industry by creating compelling, authentic tourism experiences that will grow Alberta as a leading tourism destination.

It actively encourages entrepreneurial investment in traveller-focused development of innovative tourism experiences, destination renewal, and new destination areas through new collaborative partnerships with regions, communities and industry stakeholders. This approach will create and enhance traveller-focused experiences around the province by identifying and prioritizing areas holding high tourism value.

Through support from Alberta Tourism, Parks and Recreation (TPR), the Regional Economic Development Initiative (REDI) for Northwest Alberta completed a tourism investment opportunity assessment for the region. This initiative supports Alberta's Tourism Framework, and reflects the Government of Alberta's role in facilitating access to capital for the tourism industry.

The assessment is considered high-level in nature, and was not deemed to be a feasibility study. It contains high-level business case assessments around the identified opportunities, and is aimed towards attracting private sector developers and investors. This publication provides a summary of the opportunities identified in the report. All dollar amounts are expressed in Canadian dollars unless otherwise stated.

NORTHWEST ALBERTA

The Regional Economic Development Initiative for Northwest Alberta (REDI) promotes and enhances economic growth amongst its member communities and for the region as a whole through information gathering and dissemination, advocacy, and partnerships.

The organization envisions a sustained and diversified economy that creates prosperity and opportunity for all residents by capitalizing on the region's abundant natural resources, promoting strong business relationships, and supporting cooperative partnerships.

The REDI region is located in the far northwest portion of Alberta within Mackenzie County and the Métis settlement of Paddle Prairie. With a population of more than 20,000 residents, it is home to a number of progressive and established resource industries such as agriculture, forestry, and oil and gas. The region's oil and gas industry has been prominent since the discovery of oil fields at Rainbow Lake, High Level and Zama City during the 1960s. Approximately 6 per cent of the regional labour force is employed in this industry.

The REDI region's natural geographic characteristics, including its access to wilderness areas along the Peace River, provide potential eco-tourism, adventure and recreational opportunities which could cater to the recreational vehicle (RV) touring market. A mosaic of English, French, Mennonite, First Nations and Métis culture and history present opportunities for cultural tourism while rich agricultural lands offer potential for agri-tourism.



Destination attractions in this region include the Peace River, wildland provincial parks, the Fort Vermilion Historic Trading Post and Waterfront, the La Crete Heritage Centre, the Mennonite Heritage Village, regional golf courses and provincial recreation areas. Although not part of the REDI region, the neighbouring Wood Buffalo National Park—the largest national park in Canada and one of the largest in the world - provides the region with an opportunity to leverage its proximity to this UNESCO World Heritage Site. Wood Buffalo is home to the world's largest herd of wood bison and is one of two known nesting sites of whooping cranes. It was designated as a Dark Sky Preserve by the Royal Astronomical Society of Canada to protect nocturnal wildlife and to preserve the dark skies over the park for visitors to experience the northern lights.

The region also provides highway access to and from these potential markets:

- **North:** Yellowknife (Northwest Territories) along the Mackenzie Highway (approximately 11 hour drive from the Town of High Level);
- **South:** Edmonton (Alberta) along Highway 2 or 44 off the Mackenzie Highway (approximately 8 hour drive from High Level);
- **West:** Fort Nelson (British Columbia) along the Alaska Highway (about 10.5 hour drive from High Level); and
- **Northwest:** Alaska (U.S.) along the Alaska Highway (about 37 hour drive from High Level).



NORTHWEST ALBERTA INVESTMENT OPPORTUNITIES

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CARIBOU MOUNTAINS WILDLAND PROVINCIAL PARK

Tourism Base Camp and Research Station Development

An opportunity exists for the development of a minimum-footprint, seasonal (June to September) tourism base camp and research station (BC&RS) in the Caribou Mountains Wildland Provincial Park. It is envisioned that this eco-tourism opportunity will promote and facilitate tourism and research visitation to northern Alberta parks.

The BC&RS model includes semi-permanent or permanent accommodations that are typically located in remote wilderness settings near large protected landscapes such as provincial parks. These experiences are developed using the principles of sustainable tourism.

The proposed development would feature 30 double occupancy tent platform accommodation

structures. It would also require a central building to include laboratory space and a dining and meeting area. The potential sites for the BC&RS each include an existing cabin that could be renovated and converted into a central building. Additional tent and small eco-cabin accommodations could also be built along outpost locations. There is also the possibility of extending the operating season to accommodate visitors during the shoulder season (fall and winter).

It is anticipated that the BC&RS could potentially be developed through a public-private partnership including the Little Red River Cree Nation, federal and provincial governments, a private investor/operator and an academic institution.



Site

Within the Caribou Mountains Wildland Provincial Park, the Little Red River Cree First Nation owns properties along Margaret Lake, Eva Lake, Pitchimi Lake and Wentzel Lake. These properties were once operated as commercial fly-in fishing lodges.

Two potential sites for the BC&RS are Wentzel Lake and Pitchimi Lake; however, Wentzel Lake is closer in proximity to the park and would provide potential viewing opportunities for wood bison herds known to populate the area. The potential sites would be accessed by visitors via fixed-wing airplane or helicopter.

Potential development locations would require further investigation and consultations with the Little Red River Cree Nation, the Government of Alberta and Mackenzie County.



Market Attraction

The proposed BC&RS could appeal to domestic and international soft adventure and eco-tourism enthusiasts. This market has a high propensity to visit national/provincial parks and other protected areas. Visitors in this market may also be interested in wilderness excursions and Aboriginal cultural opportunities. Recreational activities such as northern lights viewing, hiking, bird watching, wildlife photography, sustainable sport fishing, cross-country skiing and snowshoeing could also be promoted to attract potential markets.

The proposed research station could draw universities from Alberta, other Canadian provinces and international research teams with an interest in northern research.

Financial Information

The estimated capital cost for this development opportunity ranges from \$2.2 million to \$2.7 million, depending on the scale of the renovation/expansion of an existing cabin into a central building. Capital costs also include the development of the 30 tent platform accommodation structures, other site infrastructure costs, furniture, fixtures and equipment and soft costs.

It is expected that the tourism base camp would generate 79 per cent of total revenues and the research station would yield the remaining 21 per cent.

TOURISM BASE CAMP AND RESEARCH STATION DEVELOPMENT

Capital Requirements

\$2.22 - 2.72 M

**Effective Seasonal
Occupancy Rate**
(4 month operating season)

40-50%

Average Daily Rate

\$300

Total Revenues
(Years 1 to 5)

\$833 K - 1.1 M

**Net Operating Income
Before Debt**
(Years 1 to 5)

\$205 - 275 K

SOURCE: REDI FOR NORTH-WEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

CARIBOU MOUNTAINS WILDLAND PROVINCIAL PARK

Fishing Lodge Revival

An opportunity exists to reopen the Margaret Lake Lodge, located within the Caribou Mountains Wildland Provincial Park, in partnership with the Little Red River Cree Nation or—through an agreement with the First Nation—to act as independent operator.

To preserve and protect the remote and natural landscape of the Caribou Mountains Wildland Provincial Park, new lodge development within wildland parks is limited. However, Margaret Lake Lodge, which is owned by the Little Red River Cree Nation, offers an opportunity for reinvestment in a fly-in fishing lodge.

The proposed reopening would likely require renovations to the existing two-storey lodge. Similar renovations to the eight to ten existing rental cabins in the area, which can accommodate 30 to 40 guests, and enhancements to the existing outpost locations could also be considered. Other on-site enhancements would also be required, as well as the development and implementation of a renewed branding and marketing strategy for the lodge.



Site

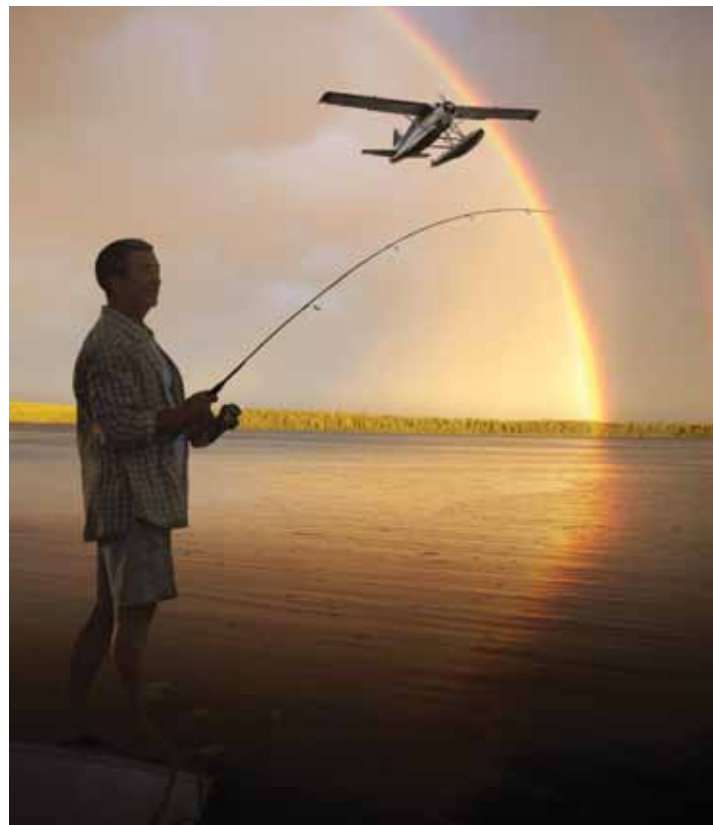
Margaret Lake is considered one of Alberta's trophy lakes and features large lake trout, pike and whitefish. It is located within a relatively short distance from the local airstrips. The Little Red River Cree Nation owns the property along Margaret Lake. Potential redevelopment of the lodge and site would require further investigation and consultations with the Little Red River Cree Nation, the Government of Alberta and Mackenzie County.

Market Attraction

The reopening of Margaret Lake Lodge could draw fishing enthusiasts, soft adventure travellers and eco-tourists seeking wilderness experiences. Recreational activities such as bird watching, wildlife viewing and wildlife photography could also be promoted to attract visitation to the lodge.

Financial Information

The capital cost for this reinvestment opportunity has not been fully assessed; however it is assumed that only upgrades to the existing facilities (two-storey lodge, log cabins and fishing outposts) would be required.



FISHING LODGE REVIVAL

Capital Requirements

Undetermined

Cabin Occupancy Rate
(5 month operating season)

50%

Average Rate
(Per cabin, per 3 day trip)

\$3 K

Total Revenues
(Years 1 to 5)

\$814 - 916 K

Net Operating Income Before Debt
(Years 1 to 5)

\$106 - 120 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

FORT VERMILION AREA

Agricultural Education Hostel Development

An opportunity exists to develop an agriculture-themed educational hostel that would provide interpretive and education opportunities related to agricultural sciences as well as meet tourism demand for accommodations in Fort Vermilion and the surrounding area.

The proposed hostel would feature the development of two new dormitories that can accommodate eight guests each, eight new double occupancy rooms, a kitchen/restaurant area, meeting rooms and offer agricultural interpretive programming.

The development of a hostel could provide an important source of revenue for the Rocky Acres Program, an agricultural program that provides off-campus learning for students through hands-on farm operations. The program is a partnership between the Fort Vermilion School Division, Rocky Lane School, Rocky Lane Agricultural Society, Mackenzie County, Beaver First Nation and the Government of Alberta. The continued growth and development of the Rocky Acres Program would also be critical to the success of the proposed hostel.



Site

Rocky Lane is a community located approximately 29 kilometres northeast of Fort Vermilion. Other attractions in the area include the Fort Vermilion Heritage Centre and the Historical Fort Vermilion Experimental Farm site at Stoney Point.

The land on which the Rocky Acres Program operates is owned by the Rocky Acres Agricultural Society and leased to the Fort Vermilion School Division, a partner in the program. Under terms of the lease, the school division can consider additional development on the site during the lease period. The proposed development would require further investigation and consultations with the Rocky Acres Agricultural Society, the Fort Vermilion School Division and other relevant organizations.

Market Attraction

The Rocky Acres Program could draw regional students and visitors seeking ag-tourism and educational experiences. To increase potential visitation, the program could also offer summer student camps involving both day and overnight stays.

Financial Information

The estimated capital cost for this development opportunity is nearly \$2.7 million. Capital requirements are inclusive of site infrastructure costs, base building hard construction costs, design and soft costs, and furniture, fixtures and equipment.



AGRICULTURAL EDUCATION HOSTEL DEVELOPMENT

Capital Requirements

\$2.66 M

**Effective Seasonal
Occupancy Rate**
(6 month operating season)

66%

Average Daily Rate
Room / Dormitories

\$100 / \$300

Total Revenues
(Years 1 to 5)

\$294 - 330 K

**Net Operating Income
Before Debt**
(Years 1 to 5)

\$131 - 147 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

HIGH LEVEL, FORT VERMILION, LA CRETE, OLD CARCAJOU AND TOMPKINS LANDING

Driving Tour Development

The area between the communities of High Level, Fort Vermilion, La Crete, Old Carcajou and Tompkins Landing is home to a number of cultural heritage assets, providing an opportunity for the development of a circular themed driving tour.

A designated, self-guided driving tour would provide visitors with access to historical and cultural points, natural landmarks and other tourist attractions and services within the area. There is also potential to develop a seasonal visitor information centre at a point along the proposed route.

The proposed route could also feature off-season programming to extend the driving tour's operating season. The route's possible proximity to local accommodations and access to Aboriginal cultural experiences, local cuisine, and other recreational opportunities such as hiking/walking trails, golfing and river tours could attract interest in the route. The promotion of special events and festivals could also be strategically used to attract potential visitors. It is anticipated that this initiative could support the development of new and enhanced tourism business opportunities in the region.



Site

The communities that could form part of the proposed route have rich historical and cultural links to the First Nations, European, Métis and Mennonite settlements. The highways and ferry infrastructure within the region also provides potential opportunities to draw visitors to the driving tour.

The development of the route would require further investigation and consultations with the Government of Alberta, local communities and other relevant parties.

Market Attraction

The proposed route could draw visitors travelling along the Deh Cho Travel Connection¹, and the Mackenzie Highway and Alaska Highway routes to incorporate overnight stays in the region as part of their travel plans. Potential target markets could include:

- Regional visitors from Alberta and British Columbia;
- Smaller, but potentially high-value market from the U.S., particularly from California and Texas;
- Older travellers (55 years and over);
- Family travellers;
- Long-stay RV travellers; and
- Visitors seeking experiential learning (e.g. wildlife viewing, historical and First Nations cultural experiences).

Marketing and branding efforts could be coordinated in partnership with the Mackenzie Frontier Tourist Association, which is located in the Town of High Level.



Financial Information

It is anticipated that a multi-year strategy would be required to develop the route. Potential partnership and funding models for the proposed route would require further investigation and consultations with the Government of Alberta, Travel Alberta, communities, private businesses and other interested parties.

Expected requirements would include:

- Funding for the creation of marketing and branding materials, and engagement of service providers to link tourism-related opportunities to the proposed route;
- Research and development to support marketing products, which would include route maps accessible via print, online and mobile applications;
- A web-based tourism portal geared at linking activities along the route with accommodations, restaurants and other amenities (e.g. packaged offers/discounts); and
- An estimated budget of \$500,000 to begin the development of the route. This excludes any capital investment required for potential enhancements related to roadside services and interpretive signage.

¹ The Deh Cho Travel Connection is a route that spans approximately 1,800 kilometres and links the Mackenzie, Liard and Alaska Highways in northern Canada. The route travels across the grasslands of the Peace River region, through the boreal forests and along the mountainous landscapes of the Mackenzie and Canadian Rocky Mountains.

MACKENZIE COUNTY

Horse Riding Stable Development

The opportunity exists for a horse riding school and trail riding operation near the Provincial Recreation Area (PRA) at Machesis Lake, near Fort Vermilion. Although there are other potentially suitable sites within the region, Machesis Lake currently offers recreational areas, trails and services to visitors and could potentially draw more visitors seeking soft adventure experiences. The development of formal riding stables would extend the range of soft adventure tourism opportunities available in the area.

It is envisioned that the riding school would offer a broad range of year-round services such as education and training to serve both local and visiting horse riding enthusiasts. The riding school would feature 15 to 20 horse stables, an office, visitor amenities and parking, as well as the possible development of paddocks, summer stables, fences and trails. Additional tourism related amenities and services could be added as market demand is established.



Site

The iconic nature of the La Crete-Fort Vermilion corridor, its status as the world's most northerly agricultural zone and its 18 hour days in summer, would provide a potentially suitable location for a horse ranch.

A site alternative to Machesis Lake is the Watt Mountain area, which currently has a significant trail network (principally used for snowmobile travel) and views overlooking the Town of High Level and the Peace River valley. Watt Mountain also provides opportunities for wildlife viewing.

The specific site should be based on where the potential for iconic horse riding trails can be maximized and where complementary amenities and services can be provided. Further investigation and consultations with the Government of Alberta, Mackenzie County and other relevant parties would be required.

Market Attraction

Equine tourism would provide a unique opportunity for tourism development within the region. The proposed site would be relatively accessible from Highway 58 east of High Level via gravel road. According to Mackenzie County, visitors to the area include horseback riding in their travel plans. The development of a formal riding stable could help satisfy this potential demand.



Financial Information

The capital cost for this development opportunity is estimated at nearly \$1.2 million. Capital requirements are inclusive of site infrastructure costs, base building hard construction costs, soft costs, and furniture, fixtures and equipment.

Potential revenue sources would include trail riding (38 per cent) lessons/clinics (29 per cent), therapeutic horseback riding (27 per cent) and boarding (6 per cent).

HORSE RIDING STABLE DEVELOPMENT

Capital Requirements

\$1.15 M

Total Revenues (Years 1 to 5)

\$306 - 345 K

Net Operating Income Before Debt (Years 1 to 5)

\$96 - 107 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

HIGH LEVEL, FORT VERMILION AND HUTCH LAKE

RV Campground Expansions

Numerous locations throughout the REDI region offer potential opportunities for the expansion of existing RV campground facilities. Three proposed locations for expansion include the Fox Haven Golf & Country Club, the Fort Vermilion Bridge Campground and Hutch Lake Campground & Day Use Area. Enhanced RV site capacity would have the potential to attract overnight visitors travelling through the region.

It is envisioned that up to 30 new serviced sites could be added to the existing facilities at Fox Haven Golf & Country Club, as well as the development of a central washroom facility

and internal road access. It is assumed that operations for the golf club's existing RV sites would be included as part of the proposal.

The expansion of Fort Vermilion Bridge Campground could feature the addition of 20 serviced sites and the conversion of 10 unserviced sites to serviced, and the building of a central washroom facility and internal road access.

Hutch Lake Campground could expand by an additional 17 serviced sites and see the conversion of 13 unserviced to serviced sites.



Site

Fox Haven Golf & Country Club is located three kilometres north of the Town of High Level. The golf club, operated by the Fox Haven Golf & Country Club Society, has expressed interest in expanding its existing campgrounds to include more serviced RV sites.

Fort Vermilion Bridge Campground is situated 10 kilometres northwest of Fort Vermilion and northeast of the Fort Vermilion Bridge. The campground is also located along the Buttertown Loop trail. The campground is operated by Mackenzie County under lease from the Government of Alberta. The county is seeking to expand in an area along the Peace River, east of the current campground location. If amendments to the existing lease are approved, the development site could be located within this area.

The Hutch Lake Campground & Day Use Area is 35 kilometres north of High Level, west of Hutch Lake. It is operated by Mackenzie County and the Town of High Level. Visitor statistics for day and overnight use from 2009 to 2012 indicate increased usage of the Hutch Lake Campground facilities. The campground offers several potential locations for the proposed RV site expansion.

Further investigation and consultation with the Government of Alberta, Mackenzie County, the Town of High Level and other relevant parties regarding potential development sites would be required.

Market Attraction

The RV travel market is expected to remain an important component of the tourism sector in northern Alberta. The proposed expansion(s) could cater to long-haul RV travellers, regional vacationers, weekend getaway markets or the international touring market.

Regional stakeholders have identified a general lack of serviced sites for RV travellers. Many existing campsites along the Mackenzie Highway are filled to capacity in the summer, representing potential demand for increased serviced RV camping facilities.

Financial Information

Fox Haven Golf & Country Club

The capital cost associated with the 30 new serviced RV sites, central washroom facility and internal road access is estimated at nearly \$891,000 (\$29,685 per site).

Capital costs include site infrastructure costs, base building construction costs, allocation for design and soft costs, and furniture, fixtures and equipment. The conversion of the club's existing unserviced sites to serviced would represent an additional capital cost.

Potential revenue sources would include revenue from the 30 new serviced RV sites and the 10 existing serviced sites (70 per cent), the existing 12 unserviced sites (17 per cent) and ancillary revenues (13 per cent) to the golf course (e.g. rentals, retail).

FOX HAVEN GOLF & COUNTRY CLUB

Capital Requirements

\$891 K

**Effective Seasonal
Occupancy Rate**
(6 month operating season)

59%

Average Daily Rate
Daily / Weekly (per night)

\$30 / \$25

Total Revenues
(Years 1 to 5)

\$205 - 230 K

**Net Operating Income
Before Debt**

\$76 - 86 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

Fort Vermilion Bridge Campground

The capital cost is estimated at almost \$670,000, which includes the costs for the 20 new serviced sites, the 10 existing (converted to serviced) sites, central washroom facility and internal road access. Capital costs are inclusive of site infrastructure and building costs, allocation for design and soft costs, and furniture, fixtures and equipment.

Potential revenue sources would include revenues from the new serviced RV sites (56 per cent), the existing converted sites (28 per cent) and ancillary revenues (16 per cent).

Hutch Lake Campground

The capital cost for the proposed RV expansion is estimated at approximately \$587,300. The estimate includes the costs for 17 new serviced sites and the conversion of the existing 13 unserviced sites to serviced, central washroom facility and internal road access. Capital requirements are inclusive of site infrastructure and building costs, design and soft costs, and furniture, fixtures and equipment.

Potential revenue sources would include revenues from the new serviced RV sites (48 per cent), the existing (converted to serviced) RV sites (36 per cent) as well as ancillary revenues (16 per cent).

FORT VERMILION BRIDGE CAMPGROUND

Capital Requirements

\$670 K

**Effective Seasonal
Occupancy Rate**
(6 month operating season)

52%

Average Daily Rate
Daily / Weekly (per night)

\$30 / \$25

Total Revenues
(Years 1 to 5)

\$131 - 147K

**Net Operating Income
Before Debt**
(Years 1 to 5)

\$46 - 51K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

HUTCH LAKE CAMPGROUND

Capital Requirements

\$587 K

**Effective Seasonal
Occupancy Rate**
(6 month operating season)

52%

Average Daily Rate
Daily / Weekly (per night)

\$30 / \$25

Total Revenues
(Years 1 to 5)

\$131 - 147 K

**Net Operating Income
Before Debt**
(Years 1 to 5)

\$47 - 53 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

HAY-ZAMA LAKES WILDLAND PROVINCIAL PARK

Cultural Learning Centre and Summer Lodge Development

An opportunity exists to develop a multi-purpose and multi-season facility to serve as both a Dene Tha' First Nation cultural learning centre and summer lodge near the Hay-Zama Lakes Wildland Provincial Park area. The development of this facility would be part of a potential longer term opportunity to create a sustainable model for tourism in the park area.

During the winter and spring, the facility would serve as a cultural learning centre focusing on traditional activities, storytelling, land-based skills and youth programs. During the summer and fall period (May to October), the facility would be used as a lodge to accommodate visitors. The facility could also be used by local Dene Tha' communities during the off-season.

Site

Hay-Zama Lakes Wildland Provincial Park is one of two wildland provincial parks in the REDI region. It is located approximately 50 kilometres northeast of the Town of Rainbow Lake and 50 kilometres southwest of Zama City.

The provincial park was designated as a Wetland of International Importance by the Ramsar Convention on Wetlands and is recognized as an important area for migratory birds. The park is twinned with the Dalai Lake Biosphere Reserve in northeast China, making it a prime area for wetland tourism and research.

Potential development would require further consultations with the Dene Tha' First Nation, the Government of Alberta and Mackenzie County.

Market Attraction

As a wetland complex, the park draws visitors seeking unique wilderness and cultural experiences. Although camping is permitted, the wet terrain makes the area unsuitable for this activity. There are currently no developed camping facilities adjacent to or in the vicinity of the park. The area could be difficult terrain to navigate; however, the Dene Tha' First Nation could potentially offer visitors with guided services.

The Koeeye Lodge in the Great Bear Rainforest located between the Alaska panhandle and northern Vancouver Island could be used as a best practice example to look at potential target markets for this development opportunity. The Koeeye Lodge is part of the traditional lands of the Heiltsuk First Nation and is owned and operated by the QQS Projects Society, a registered charity and non-profit organization created by the Heiltsuk. The QQS Projects Society has a mandate to support Heiltsuk youth, culture and environment through eco-tourism and camp programming, and week-long training retreats.

Financial Information

This potential opportunity would require funding for the development of the proposed facility as well as investment in creating cultural and guided programming that would build on the area's wilderness opportunities. Additionally, investment in services and amenities to attract sufficient visitation to the facility every year would be required.

Further consultations with the Dene Tha' First Nation, Mackenzie County, the Mackenzie Frontier Tourist Association and the Government of Alberta would be required to assess the respective level of interest by each, determine the financial viability of the proposed project and explore potential operating and funding models that may be suitable for this type of eco-tourism project.



MACKENZIE COUNTY

Bed and Breakfast Development

An opportunity exists for the development of an authentic character-style bed and breakfast (B&B) within or near the Hamlet of La Crete. The proposed year-round operation would feature a 10-room guest house, breakfast service and a high end restaurant catering to both guests and local residents. It is envisioned that the B&B would offer visitors themed accommodations, possibly in the style of 20th century settlements, or representative of traditional German, Mennonite or northern cultures.

La Crete is considered to be one of the fastest growing communities in northern Alberta. The completion of the paving of Highway 88 could potentially increase the demand for fixed roof accommodations.



Site

The proposed B&B could be located on land outside of La Crete, or within the hamlet's main urban area or as part of an existing farming operation. A location in proximity to the La Crete Heritage Centre could also maximize the marketing potential for the proposed B&B. The community could also serve as a natural breakpoint for visitors travelling along a proposed driving tour that would connect La Crete, High Level to Fort Vermilion, Old Carcajou and Tompkins Landing. La Crete is also recognized as an agricultural industry service centre and a social hub for the local farming community.

Depending on the potential site location, there is the possibility of developing a full-service inn rather than a B&B. Further investigation and consultation with the Hamlet of La Crete, Mackenzie County and respective landowner(s) would be required.

Market Attraction

The proposed B&B could potentially attract RV travellers journeying through the Deh Cho Travel Connection, including international visitors from Germany.

The B&B could also draw business travellers and tourists visiting friends and relatives in the region. The main hotel in La Crete expanded its operations in response to demand from these markets.

Financial Information

The capital cost for the proposed B&B is estimated at nearly \$1.6 million. This estimate assumes the costs associated with the development of a new building that would house 10 rooms and a common area (restaurant, lounge and meeting space).

Capital costs are inclusive of site infrastructure costs, base buildings hard construction costs, design and soft costs, furniture, fixtures and equipment and pre-opening, marketing and logistical costs.



BED AND BREAKFAST DEVELOPMENT

Capital Requirements

\$1.59 M

**Effective Seasonal
Occupancy Rate**
(12 month operating season)

65%

Average Daily Rate
Summer (May-Oct) /
Winter (Nov-Apr)

\$175 / \$100

Total Revenues
(Years 1 to 5)

\$578 - 650 K

**Net Operating Income
Before Debt**
(Years 1 to 5)

\$102 - 115 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

MACKENZIE COUNTY

La Crete Ferry Campground Expansion

An opportunity exists for the development of 10 secluded, self-catered log cabins offering potential views of the Peace River. The proposed cabins would be located at the La Crete Ferry Campground, an RV park and campsite on the eastern banks of the Peace River, south of Highway 697. It is envisioned that the operating season for the cabins would run from April to October.

The La Crete Ferry Campground currently provides amenities that include 64 powered RV sites, 40 non-powered sites, group use areas, a boat launch, day use area, shelter and on-site caretaker. In summer 2010, as part of a phased development plan, new campsites and enhancements were completed.



Site

The campground is located approximately 68 kilometres southeast of La Crete and 78 kilometres south of the Town of High Level. It is also situated next to the La Crete ferry crossing at Tompkins Landing, Alberta's most northerly located ferry.

The campground is operated by the La Crete Ferry Campground Society under a lease with Mackenzie County. The cabins could be developed under a possible joint venture and include a private investor who would provide the required capital and act as operator for the cabins. Further investigation and consultation with Mackenzie County and the La Crete Ferry Campground Society would be required.

Market Attraction

The proximity of the campground to the Peace River, the Mackenzie Highway and the La Crete/Fort Vermilion area could potentially draw visitors seeking remote wilderness, cultural or historical tourism experiences.

According to the La Crete Ferry Campground Society, about 50 to 60 sites are used during the summer weekends (50 to 60 per cent occupancy rate which could potentially peak as high as 75 per cent). According to Alberta Transportation, the annual average daily traffic (AADT) heading east over the La Crete Ferry numbered between 380 to 390 vehicles during the summer of 2012.



Financial Information

The capital cost for the proposed suite of 10 rustic cabins is estimated at nearly \$632,000. The cabins would be equipped with water, sanitary and electricity supply.

Capital requirements are inclusive of site infrastructure costs, base building hard construction costs, design and soft costs, and furniture, fixtures and equipment.

LA CRETE FERRY CAMPGROUND EXPANSION

Capital Requirements

\$632 K

Effective Seasonal Occupancy Rate (7 month operating season)	Average Daily Rate	Total Revenues (Years 1 to 5)	Net Operating Income Before Debt (Years 1 to 5)
69%	\$110	\$101 - 114 K	\$42 - 47 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

MACKENZIE COUNTY

Downhill Ski Facility Development

The area of Buffalo Head Hills offers an opportunity for the potential development of a downhill ski facility. The land adjacent to this area is also conducive for possible snowmobile and cross-country ski trail development.

Phase one of the proposed ski facility would feature the installation of one double chair lift and one beginner double chair lift, creation of a 45-acre ski trail system, acquisition of snow grooming equipment and the development of snowmaking capabilities, as well as the construction of an access road, a 6,000 square foot lodge at the base of the ski hill and one maintenance building.

Potential exists to market the ski facility as a diversified, year-round recreation centre by considering other winter season activities like snow tubing and off-season activities such as ziplining and mountain biking, and opportunities for cabin/fixed roof accommodations at the base of the ski hill.

Snow tubing could broaden the ski facility's market appeal as a winter recreation facility. Some ski areas have diversified their facilities to include summer and other off-season activities in order to maintain staff and distribute capital costs over a greater range of revenue streams. A tubing hill may require some additional capital if it is included as part of phase one of the development.



Site

In 2008, REDI commissioned the Northwest Alberta Downhill Ski Facility Site Selection Study to assess the feasibility of a downhill ski facility in the REDI region. The study determined that Buffalo Head Hills would be the most appropriate site for such a facility.

Buffalo Head Hills could be a suitable option given the site's potential vertical drop of 170 metres, the range of potential ski terrain available and suitable exposure and snowfall. The area is relatively close to the Town of High Level (within a 1.25 hour drive). Temperatures here are also conducive to installing a snowmaking system to ensure a good overall skier experience. Potential development would require further investigation and consultations with the Government of Alberta and Mackenzie County.

Market Attraction

The primary market for the potential ski hill facility is expected to include the area around the Hamlet of La Crete, extending north of Peace River. A broader draw of visitors located within a 3.5 to 4-hour drive from Buffalo Head Hills could enhance visitation to the facility.

Skiing and snowboarding are both inversely age-related (participation declines with age). The average participation rate for these sports, across Canada, is typically estimated at 10 per cent. The population of the REDI region has a relatively higher proportion of young cohorts, which could result in a higher participation rate in these sports.

Financial Information

While there could be potential market draw for a ski hill facility in the REDI region, competition from ski facilities located further south and relatively closer to larger population areas could impact the financial feasibility of this project. Further due diligence would be required to determine the feasibility of the project, as well as consultations with municipal officials, REDI and other relevant organizations such as local ski or snowmobile associations to explore potential funding/partnership models.

The capital cost for phase one of the proposed ski facility is estimated at nearly \$10.6 million. Capital requirements are inclusive of chair lift installations, a 45-acre ski trail development, snowcat machine, snowmaking system, construction of maintenance building, development of six kilometres of road access, and base lodge construction.

Revenue sources would include sales from ski passes, equipment rentals, food and beverage, programs and retail concession.

DOWNHILL SKI FACILITY DEVELOPMENT

Capital Requirements

\$10.56 M

Visitor Capacity Per Day / Utilization Rate Per Day (387 people per day)

860 / 45%

Length of Operating Season

52 days

Average Lift Pass

\$30

Total Revenues (Years 1 to 5)

\$1.1 - 1.2 M

Net Operating Income Before Debt (Years 1 to 5)

\$204 - 230 K

SOURCE: REDI FOR NORTHWEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

MACKENZIE COUNTY

Tapawingo Lodge Enhancement

An opportunity exists to purchase and expand the current Tapawingo Lodge, a fly-in fishing lodge located on the shores of Bistcho Lake. The investment opportunity would include the construction of six new waterfront rental cabins as well as the operation of nine existing rental cabins.

The lodge currently includes 11 basic cabins (nine of these units are rental cabins) that each can accommodate up to six people. Cabins include wood heaters, propane light fixtures and cook stoves. The complex also features a central lodge. Additional guest amenities and services provided by the lodge include a recreation area, barbeques and picnic tables, motorboats, shower facilities, a private unlicensed air strip and retail store. Guests can bring their own sleeping bags, food supplies and fishing gear.



Site

Tapawingo Lodge, privately owned and operated, is located near the remote Bistcho Lake on 22 acres of land leased through the Government of Alberta. Bistcho Lake is one of Alberta's largest lakes. Access to the lake during winter is available through an ice road owned by the Dene Tha' First Nation. This road, if winterized, could potentially enable use of the lodge during the winter season. Bistcho Lake is relatively shallow and is stocked with walleye, pike, whitefish, burbot and arctic grayling.

Land surrounding the lodge is called Bistcho. Over 70 per cent of the Bistcho area is designated as a provincial Environmentally Significant Area. Species found in the area include woodland caribou, moose, wolverines, black bears, muskrats and various birds.

Potential development would require further investigation and consultations with the Government of Alberta, relevant municipal authorities and the Dene Tha' First Nation.

Market Attraction

Tapawingo Lodge provides visitors with fishing and hunting opportunities in a remote area of Alberta's northwest. The lodge would appeal to visitors seeking opportunities for wildlife and northern lights viewing, as well as traditional Aboriginal cultural experiences.



Financial Information

The capital cost for this development opportunity is estimated at nearly \$1.36 million. Capital costs are inclusive of the purchase of the existing lodge, construction of the six new waterfront cabins, the required site infrastructure work associated with the proposed expansion, design and soft costs, furniture, fixtures and equipment, and potential minor upgrades to the nine existing rental cabins.

The purchase price of the existing lodge is estimated at \$880,000, and would include 13 moose hunting allocations. The price is assumed to have been assessed based on the viability of the operation as well as the capital assets and value of the land lease.

Potential revenue sources would include lodge rental fees, use of the private airstrip and ancillary revenues such as equipment sales.

TAPAWINGO LODGE ENHANCEMENT

Capital Requirements

\$1.36 M

Cabin Occupancy Rate
(Operating season
mid-May to mid-Oct)

45%

Cabins for Rent

15

Total Revenues
(Years 1 to 5)

\$1.1 - 1.3 M

**Net Operating Income
Before Debt**
(Years 1 to 5)

\$196 - 220 K

SOURCE: REDI FOR NORTH-WEST ALBERTA - TOURISM INVESTMENT OPPORTUNITIES ASSESSMENT (2013)

LONGER TERM OPPORTUNITIES

Northwest Alberta

The REDI for Northwest Alberta Tourism Investment Opportunities Assessment also identifies other medium to longer term investment opportunities within the northwest region. However, no detailed site investigations were undertaken as part of this report. Interested parties should undertake their own due diligence with regards to any of the opportunities.

TOWN OF RAINBOW LAKE Golf & Country Club Expansion

An opportunity exists for the expansion of the Rainbow Lake Golf & Country Club from a 9-hole to an 18-hole facility. The club is located along Rainbow Drive immediately north of Highway 58 in the Town of Rainbow Lake.

There is also potential to expand the golf club's recreational offering to local and regional visitors. The region's long summer days also provide a unique opportunity for night-time golfing. The planned expansion of Highway 58 to Fort Nelson, British Columbia could strengthen the Town of Rainbow Lake as a service hub and increase the number of pass through travellers, thus potentially enhancing visitation to the club over the long term.





FORT VERMILION

Recreational Trail Expansion

The opportunity exists to work with the Rocky Lane Agricultural Society to expand the Rocky Lane Recreational Trails. The expansion would feature lighted trails and the linking of existing trails to the Ponton River to facilitate activities such as canoeing and survival type skiing expeditions.

The non-profit society has approximately 100 acres of land currently being used for cross-country skiing, including more than 15 kilometres of groomed trails for beginner to advance levels of classic and skate skiing. The society works with local community groups and schools to provide agricultural education, cultural development and recreation opportunities in the Rocky Lane area.

LA CRETE

Development of Mennonite Tourism Initiative

The La Crete area offers the potential to develop a Mennonite tourism initiative that could be branded as the La Crete Mennonite Country where visitors can experience the local culture. The development of Mennonite farm stays, bed and breakfasts and farmers market as well as existing Mennonite-related establishments would form part of this branded experience.

Existing Mennonite-related establishments include the La Crete Heritage Centre, the La Crete Mennonite Heritage Village, the Jubilee Commemorative Park along with various annual events, all of which are currently managed by the La Crete Agricultural Society. The proposed development would be considered long term as community buy-in and support would be required for such an initiative.



MACKENZIE COUNTY

Development of Ecotourism Initiative

The western border of Mackenzie County, neighbouring the Wood Buffalo National Park, offers an opportunity for the development of an ecotourism-based canoe outfitting operation. The proposed development could feature canoeing along the Peace River into the national park as well as designated zones for four to six day camping excursions. Return trips by motorized craft could be possible if the national park's policies allow for such access.

Currently, there is little access into the Wood Buffalo National Park at its western border. There may be potential demand for remote access to the national park via the Peace River and possibly to its outflow into Lake Athabasca, particularly among backcountry and river travel enthusiasts.

Cabin Development along Snowmobile Trails

Snowmobiling remains a popular activity within the REDI region. Snowmobiling opportunities exist at various locations along the region's backcountry and trail systems. These trails are inclusive of routes maintained by local groups as well as numerous unmaintained trails.

An opportunity exists for the development of log cabins along trails currently maintained by the two regional snowmobile associations: the Watt Mountain Snowmobile Wanderers Club and the La Crete Polar Cats. Various locations along these trails offer potential for the development of clusters of five basic log cabins accommodating up to five persons per unit. Cabins would be furnished with lighting and basic cooking facilities, and outhouses would be provided; however, supplies would be purchased by visitors.

CAMERON HILLS, MACKENZIE COUNTY

RV Park and Campsite Development

Cameron Hills is designated as a provincial Environmentally Significant Area. It is located in the far northwest of Mackenzie County, south of the Northwest Territories border and west of Indian Cabins. The remote area measures approximately 309 square kilometres and is an important habitat for the woodland caribou.

According to the Alberta Wilderness Association, there are plans for the designation of Cameron Hills as a wildland provincial park. This could present an opportunity for the development of an RV campground in Cameron Hills. The proposed site could serve as a potential stopping point for overnight visitors travelling along exit routes from the REDI region and en route to the Northwest Territories via Mackenzie Highway. The development of access roads that link to the Mackenzie Highway would be critical to attracting visitors to the area.

MACKENZIE COUNTY

Development of First Nations and Métis Cultural Centres

The opportunity exists for the development of two cultural centres to showcase First Nation and Métis heritage through hands-on learning opportunities and could cater to visitors seeking Aboriginal, historical and cultural tourism experiences.

The site for the first cultural centre would potentially be located along Highway 88 south of Fort Vermilion. The area is home to a number of Tallcree First Nation communities. The second cultural centre showcasing the Paddle Prairie Métis Settlement would be located along Highway 35 at the gateway location between the Paddle Prairie Métis Settlement and Mackenzie County.



ALBERTA GOVERNMENT SUPPORT

Alberta Tourism, Parks and Recreation's Tourism Division offers a variety of services for investors seeking to invest in and develop tourism projects, businesses, and land in Alberta.

Our interest is in helping investors and developers identify viable tourism development opportunities in the province. With our knowledge of the resources, land base and characteristics of tourist visitation across Alberta, we can tailor our assistance to your needs.

Once you decide on a particular location in the province, we will direct you to key community business contacts. Our services are free of charge to qualified business investors.

Tourism Related Investment Services

Some of the services available through the Government of Alberta are described below. You can access our services through the Alberta government's international offices or by visiting us at: www.tourism.alberta.ca.

<p>Assessing and matching investment interests and financial resources with appropriate tourism business investment opportunities.</p> 	<p>Organizing site visits to review investment opportunities.</p> 	<p>Introducing investors to relevant business contacts and facilitating meetings to assist with investment interests.</p> 
<p>Availing tourism research and development information to assist with business cases or feasibility studies.</p> 	<p>Providing detailed information on tourism sectors of interest.</p> 	<p>Assistance with Crown land leasing opportunities through the Alberta Tourism Recreation Leasing process.</p> 
<p>Supplying links to the Federal Government's Business Immigration Program.</p> 	<p>Providing access to tourism related investment services through the Alberta government's international office network (Singapore, New Delhi, Beijing, Shanghai, Tokyo, Hong Kong, Taipei, Seoul, Mexico City, London, Munich and Washington).</p> 	

INVEST IN ALBERTA'S TOURISM INDUSTRY

For additional information on the opportunities contained in this booklet, and to obtain a copy of the REDI for Northwest Alberta Tourism Investment Opportunities Assessment, please contact:

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