



**Central Alberta
Economic
Partnership
Region Tourism
Investment
Opportunity
Assessment

Tourism
Opportunity
Prospectuses**





Notice to Reader

The entire study is based on knowledge and information with respect to identified commercial tourism development opportunities in the Central Alberta Economic Partnership region during the study time frame of December 2015 to March 2016. It should be noted that the high level market and economic feasibility assessments for each tourism investment opportunity has been based on preliminary limited scope research and where applicable has relied on information provided by project proponents. A developer or investor interested in pursuing any of the identified opportunities would be expected to undertake their own market, financial, costing, land use and regulatory research and due diligence as part of their own internal business decision making process.

Information provided in this document is solely for the user's information and, while thought to be accurate, is provided strictly "as is" and without warranty of any kind, either expressed or implied. The Crown, its agents, employees or contractors, will not be liable to you for any damages, direct or indirect, or lost profits arising out of your use of information provided in this document.

The projects discussed within this report have been submitted by municipal members of Central Alberta Economic Partnership (CAEP), however the role that CAEP is to play in promoting future tourism investment has yet to be formalized by the CAEP Board of Directors.





Background

The Project

Alberta Culture and Tourism, in partnership with the Central Alberta Economic Partnership (CAEP), hired a consultant to undertake a tourism investment opportunity assessment for the Central Alberta Economic Partnership region as part of the Government of Alberta's role in facilitating product development and access to capital dollars for the tourism industry.

The assessment is considered high-level in nature and is not deemed to be a feasibility study. It contains high-level case assessments around a select number of identified opportunities and is aimed towards attracting private sector developers and investors. Primary motivations for the project include:

- Building capacity in the tourism sector which will diversify the regional economy and tax base.
- Engaging CAEP members with an opportunity that has yet to be tapped.
- Determining whether an initiative can be marketed through regional channels.
- Supporting communities that have tourism investment as a very high priority with an objective assessment of the opportunities.
- Supporting members' efforts to have more local budget directed towards tourism investment.
- Identifying projects that are shovel ready.

Part of Alberta Culture and Tourism, the Tourism Division mandate is to support and focus the tourism industry to create compelling, authentic tourism experiences that will grow Alberta as a leading tourism destination. This tourism investment opportunity assessment will actively assist in building entrepreneurial investment in tourism experiences, destination renewal, and new tourism destination areas within the Central Alberta Economic Partnership region.





Goal and Objectives

The central goal of this project is to complete a tourism investment opportunity assessment of the Central Alberta Economic Partnership region with a particular focus on opportunities that can be pursued by private developers and investors in the next 1-3 years. Other objectives that were accomplished through the project include:

- Identify tourism opportunities in the Central Alberta Economic Partnership region that are, or close to being, investor ready.
- Identify investment information that will support the case for tourism business development in the region.
- Outline elements that need to be in place to encourage private sector development and investment activity.
- Identify land-tenure and regulatory issues that need to be addressed with recommended possible solutions.
- Prepare business case assessments on the various tourism opportunities in Central Alberta.
- Prepare an action oriented tourism investment attraction strategy to position the identified opportunities with potential investors and developers.

The Process

A three phase process underlines the development of the tourism investment opportunities assessment for the Central Alberta Economic Partnership region.

1

Phase 1 – Project Initiation

Phase 1 saw the confirmation of project objectives alongside the selection of a Steering Committee that overlooked and supported the final selected investment opportunities.

2

Phase 2 – Prioritizing Investment Opportunities

Phase 2 saw the development of a prioritization methodology. It included the development of a survey that assisted in identifying opportunities for further investment. The survey results were then synthesized and each opportunity was scored and ranked in an evaluation matrix. The opportunities were then evaluated by the advisory team and follow up interviews with each opportunity trimmed the selected choices into the top 10 tourism investment opportunities for the Central Alberta Economic Partnership Region.

3

Phase 3 – Prospectuses and Investment Attraction Plan

Phase 3 saw the completion of 10 investment prospectuses and concluded with the development of an investment attraction plan for Central Alberta.



The Study Area

The Central Alberta Economic Partnership region stretches over 31,000 square kilometres, and is generally centred on the City of Red Deer, but extends to Wetaskiwin County in the north, County of Stettler No.6 in the east, Mountain View County in the south, and Clearwater County in the west (see Figure 2). In total CAEP covers 35 municipal members and one First Nation for a population of 298,247 (as of 2015). CAEP also includes 12 associate members which are liked minded organizations.

The study area is nestled between Alberta's two largest and fastest growing cities - Edmonton and Calgary. Central Alberta has a diverse economy and tourism is becoming an increasingly important industry. As of 2006, the service sector, within which the tourism industry fits, accounted for 63% of employment in the region. In 2011, Central Alberta saw 11 major tourism/recreation related construction projects worth about \$118.5 million when completed.

Central Alberta Economic Partnership Region





Tourism in Central Alberta

Tourism Trends

National Trends

Tourism is an \$84 billion sector that is of economic importance to every region of the country. Employing one in 10 Canadians -- one-third of who are under age 25 -- the strength and viability of the sector is fundamental to the health and growth of the Canadian economy. Globally, travel and tourism is among the highest performing sectors, experiencing an average growth of 5% in 2013 and generating over \$1 trillion of annual revenue from over a billion travellers. A 2014 labour force report published by the Tourism Industry Association of Canada (TIAC) suggested that the Canadian movement is lagging far behind global averages, with a growth rate of 1.5% (one-third of the global average). The report further explains that this sector (driven by entrepreneurs and innovators) needs to be further examined at the local and provincial levels as it typically represents one of the more resilient sectors during recessionary periods.

Provincial Trends

Tourism is big business in Alberta. The Central Alberta Destination Management Plan highlighted Alberta's Tourism industry as a \$8 billion industry that supports 19,000 businesses, employs about 127,000 people and as of 2013, attracts 34.3 million total visits on an annual basis. In 2013, tourism contributed \$2.9 billion in GDP to Alberta and approximately \$4 billion in total tax revenue to all levels of government.



1 IN 10
CANADIANS
WORK IN THE
TOURISM
INDUSTRY

TOURISM IS AN

\$8 B

INDUSTRY IN
ALBERTA





Central Alberta Trends

According to the latest Alberta Culture and Tourism Economic Impact of Tourism Study (which excludes Drumheller from its calculations), Central Alberta saw approximately \$1.09 billion in direct visitor spending in 2012. This spending resulted in a net economic impact (value-added) of approximately \$1.19 billion province-wide. A total of 14,858 full-time equivalent jobs were sustained as a result of visitor expenditures in Central Alberta.

In 2015, 8 million people visited Central Alberta, making up 24% of the total visits to the province. The majority, 94% of these tourists, arrived from within Alberta. Another 4% of tourists come from the rest of Canada. Half of all visitors come to the region to visit friends or family and another 40% for pleasure. Both trends are similar to the make up for travelers to the area in 2012.

Central Alberta has a diverse landscape which lends itself to a variety of tourism related opportunities. Visitors can enjoy the outdoors through a number of water-based activities (e.g. kayak, fishing, rafting), land-based activities (e.g. hiking, rock and ice climbing, skiing), and a number of other activities (e.g. art galleries, rodeos). Popular summer activities include nature and adventure-based activities (e.g. hiking, camping, and fishing) while popular winter activities include ice fishing, hiking, and trails. The tourism industry in Central Alberta is shifting towards experience-based travel (focused on authentic, memorable, and sustainable experiences) and away from commodities and products-based tourism. This shift is echoed across Alberta.

8 MILLION
ANNUAL VISITORS



14,858
EMPLOYED IN
CENTRAL
ALBERTA'S
TOURISM
INDUSTRY





Tourism Investment Opportunities

A list of opportunities was presented to the Steering Committee in February, 2016. The merits of each opportunity were discussed with the top 10 of those opportunities selected for further analysis.

Opportunities that were selected had less potential land tenure conflicts and were commercial opportunities, or opportunities to enhance existing commercial enterprises. Most of the opportunities have proper access and servicing to the development sites. Most of the opportunities will not require amendments to local plans and zoning bylaws; however it is expected that in the case of the couple of opportunities that do, municipal staff and councils will help to facilitate the approval processes.

Opportunities were selected from the following communities:

- Town of Blackfalds
- Village of Elnora
- Kneehill County
- Town of Olds
- City of Red Deer
- Town of Sylvan Lake
- City of Wetaskiwin

Opportunities are divided into those that are investment ready and those that are likely to be more than three years away from investment. Detailed investment prospectuses have been developed for each of the opportunities and are presented in the following pages.





Dry Island Artist Centre

Overview

Elnora is a quaint community of 330 people, located near the Red Deer River Valley, just off of Highway 21.

The Dry Island Artist Centre proposes to build and develop an incubator space for new and upcoming artists that live within Central Alberta. The centre would have 12 studios for rent, a workshop, a bistro-sales gallery, exhibition space and two classrooms for artist education and providing public classes. Storage and shipping/receiving areas would also be developed as part of the building.

The founder of the Dry Island Artist Centre, Richard Cloutier, is working with the local artist community to develop a dedicated space where they may be inspired by the surrounding rural landscape. The Artist Centre will be aggressive in building its identity as part of its marketing strategy. As such, it will connect with local community projects and support them as per the mission statement of the centre.

Market Attraction

Elnora is located near the Red Deer River Valley and Dry Island Buffalo Jump Provincial Park. The park includes a site which was a historic buffalo jump, where the Cree drove bison over a cliff as a means of hunting the large animal. The park was also the site of a significant archeological discovery of Albertosaurus bone.

Activities available to park users include bird watching (over 150 species have been spotted), canoeing, hiking, fishing in the Red Deer River, and mountain biking.

Several local farms near Elnora offer farm tours and are part of Alberta Open Farm Days, held in late August.

Elnora hosts an annual bull riding event that draws as many as 2,800 attendees and is a great opportunity to grow both features.

The Village also operates a small seasonal campground over the summer months.

Site Description

Elnora is located near the intersection of Highway 21 and Secondary Highway 590, approximately 70 kilometres southeast of Red Deer and 55 kilometres east of Innisfail, and Highway 2.

Elnora is located 90 minutes north of Calgary International Airport, which saw over 15 million passengers in 2015.



The artist centre is to be located on Main Street, within the existing community and has access to all services. The site is cleared and ready for development.

Estimated Capital Requirements

\$1,600,000 has been identified as needed to develop the building. The land has already been secured by a local developer.

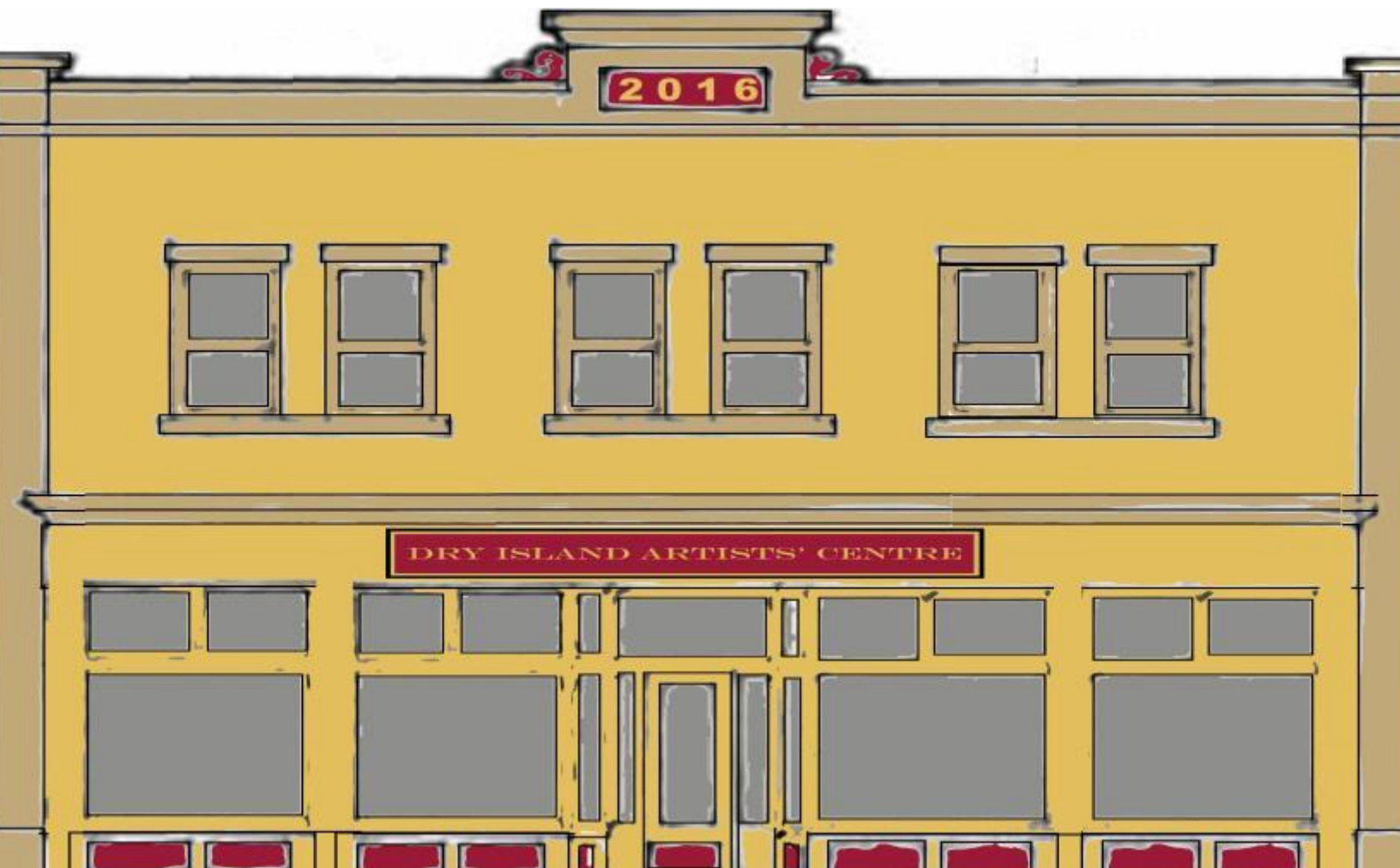
Elnora has also setup an Investment Cooperative for individuals wishing to invest in local opportunities.

Projected Operating Results Summary

The project proponent anticipates renting the artist studios for \$750/month to start, \$10,500/month in total for the 12 suites.

Further Information

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Elnora Hotel

Overview

Elnora is a quaint community of 330 people, located near the Red Deer River Valley, just off of Highway 21. The Elnora Hotel is a century old western style building that is a community institution. The hotel has 4 rooms and a restaurant. It has been well maintained but does not currently have rooms for rent.

The owner wishes to sell the business and retire. An opportunity exists to renovate the interior of the hotel and undertake a small expansion (4 additional rooms) to the hotel. A microbrew pub has also been suggested as an addition to the hotel.

Elnora's marketing plan motto will be "Stay, Play and Create". There is a gap along this section of Highway 21 for providing tourism even though we have great natural resources for people to experience. Having a place to stay again in Elnora will get people talking about this treasure that is hiding in their own back yard.

The opportunity to revitalize this community landmark comes at the right time with the development of the Dry Island Artist's Centre, across the street from the hotel.

The nearest operating hotel is the Super 8 in Three Hills, 37 kilometres to the south.

Market Attraction

Elnora is located near the Red Deer River Valley and Dry Island Buffalo Jump Provincial Park. The park includes a site which was a historic buffalo jump, where the Cree drove bison over a cliff as a means of hunting the large animal. The park was also the site of a significant archeological discovery of Albertosaurus bone.

Activities available to park users include bird watching (over 150 species have been spotted), canoeing, hiking, fishing in the Red Deer River, and mountain biking.

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The Village also operates a small seasonal campground over the summer months.

Site Description

Elnora is located near the intersection of Highway 21 and Secondary Highway 590, approximately 70 kilometres southeast of Red Deer and 55 kilometres east of Innisfail, and Highway 2.



Elnora is located 90 minutes north of Calgary International Airport, which saw over 15 million passengers in 2015.

The hotel is located on Main Street, within the existing community and has all utilities available to it. The hotel's property has space to accommodate a small expansion.

Estimated Capital Requirements

The building and property are for sale at a listed price of \$350,000.

Between \$200,000 and \$1,000,000 has been estimated to complete the project, including the hotel expansion and the brew pub. Local people are interested in operating the restaurant portion of the hotel and the hotel itself but cannot afford to purchase and develop on their own.

Elnora has also setup an Investment Cooperative for individuals wishing to invest in local opportunities.

Projected Operating Results Summary

Total annual revenue from an 8 unit hotel is projected to be \$175,200 with an average daily rate of \$80, and an occupancy rate of 75%.

Assuming a net operating income of 30%, the annual net revenue is projected to be \$52,560.

Further Information

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Sylvan Lake Hotel

Overview

The Town of Sylvan Lake is interested in attracting branded hotel development to its downtown waterfront core and has identified two potential sites. The Town has prepared a detailed prospectus, which is available upon request.

Market Attraction

A 2014 Economic Impact Assessment prepared for the Town of Sylvan Lake indicates that tourism is worth \$75 million to the local economy. The estimated 1,000,000 annual visitors (761,000 visitors during the summer months) to the Town enjoy lake activities such as fishing, swimming, and boating, as well as a marina, various water sports, golfing, hockey, curling, and more. There is an indoor BMX bike park, an aquatic centre, outdoor skating rinks, sports fields, parks and playgrounds and an extensive trail system throughout the Town.

The Corporate/Commercial market represented 43.7% of overall demand in the primary competitive market in 2014. This segment includes corporate representatives of industrial, agricultural, oil and gas, retail, petrochemical and other firms operating in the region. It also includes suppliers and distributors of raw materials and manufactured goods, and research specialists.

The Town is committed to the redevelopment of the Multi-Plex recreation facility, which lost an arena due to a roof collapse in 2014. Redevelopment plans for the Multi-Plex facility have been established with construction is well underway and conclude in the spring of 2017. With the redevelopment, the facility will be renamed “NexSource Centre” and is to include a revitalized arena, a new NHL-sized ice sheet, a 5-sheet curling rink, child and youth activity areas, a 3-lane walking/running track, and a seniors centre, in addition to 4,200 square feet of event function space. The existing aquatic centre and second arena will fit in with the overall recreation complex.

Site Description

Two sites have been identified by the Town of Sylvan Lake for consideration of hotel development. Both are waterfront sites, located on Lakeshore Drive in the town’s core and within walking distance of many services and amenities, as well as within proximity of the existing Best Western Chateau Inn.

The Town wishes to attract a branded hotel in one of the two identified locations, so guests and meeting delegates may walk to the services and amenities of Waterfront Commercial District on Sylvan Lake. Locating the new hotel within walking distance of



the Best Western Chateau Inn also allows for larger groups to be accommodated in both guest rooms and breakout meeting space.

The proposed hotel has been planned at a size of 125 rooms and 4,000 square feet of meeting space. Having meeting space within the hotel means that additional land would have to be acquired for both sites, however the Town is willing to assist in this matter.

Estimated Capital Requirements

The Town estimates that approximately \$23,000,000 will be required to construct the planned hotel with meeting space.

Projected Operating Results Summary

A feasibility study, prepared by PKF, contains a market study and projection of the proposed hotel as part of the Red Deer and Sylvan Lake competitive market. The study projects the market to have an annual occupancy in 2016 of 53.3%, and will increase annually by 2.5% to 60.9% in 2022. Over this period, the Market Average Daily Rate for the Red Deer-Sylvan Lake area is forecasted to grow by 2.5%, from \$122.79 in 2016 to \$142.40 in 2022.

Further Information

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Olds College Frank Grisdale Hall Repurposing

Overview

Olds College is seeking to attract a P2 or P3 partnership to repurpose Frank Grisdale Hall.

Frank Grisdale Hall, built in the 1960's, has served as a student dormitory for the college. With the construction and opening of a new student residence in 2015, Frank Grisdale Hall is partially vacant, with the upstairs dormitories closed, but the gymnasium and dining hall remain in use.

Construction of the residence also included an underground shelter (similar to the 'Diefenbunker' National Historic Site in Ontario), which was intended to be an evacuation site for senior members of the Alberta government during the Cold War.

Market Attraction

The Town of Olds is located on Highway 2, Alberta's busiest highway corridor, and is a major service centre and regional market for over 40,000 people in the Mountain View County area. The Town of Olds has a population of approximately 8,600 (2014 stats).

Olds is located 50 minutes north of Calgary International Airport, which saw over 15 million passengers in 2015.

Olds College has a significant post-secondary institution and attracts approximately 1,400 students to its main campus annually.

Olds is home to a number of recreational facilities including the Olds Regional Exhibition, which has been in operation since 1894. The Olds Regional Exhibition hosts events and attractions through the year, including:

- Farmers markets from spring through the fall
- Several equestrian and shows and exhibitions
- Indoor auto and RV shows in the winter
- Indoor BMX track in winter
- Summer Synergy, a gathering to celebrate youth in agriculture.



Site Description

The project site is located within the built up area of Olds, on the main campus of Olds College. Access is gained from 46 Avenue, and the building is approximately 5.5 km from Highway 2.

Estimated Capital Requirements

The College has retained an engineer to study what is required to upgrade the building to a commercial occupancy. The College has projected approximately \$38,000,000 required to repurpose and renovate the building.

In order to accomplish this, the College would like to enter into a P2 or P3 partnership that may involve the Town of Olds.

Projected Operating Results Summary

Operating results from this project will vary based on the type of use proposed.

Further Information

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Wetaskiwin Hotel

Overview

The City of Wetaskiwin seeks to attract a hotel to be developed within the city. Currently, there are three hotels operating in Wetaskiwin, with a total of 147 rooms suitable for business travellers. This has hindered the City's ability to market itself as a conference destination, despite having space within a number of facilities for over 7000 people.

The following hotels are currently operating in Wetaskiwin:

Hotel	Rooms
Super 8 Hotel	89
Best Western Wayside Inn	28
Alberta Inn and Suites	30
Total	147

The City has identified a site as being suitable for the development of a hotel. The owners may be interested in partnering with the hotel developer, with the land investment being one option for structuring an investment partnership; the other option being the sale of the property.

The following venues in Wetaskiwin can accommodate large meetings or conventions:

Venue	Meeting Areas	Total Spaces
Civic Arena (2 pads)	2	3695
Wetaskiwin Drill Hall	1	1000
Reynolds Alberta Museum	4	415
Memorial Arts Centre	2	350
Best Western Wayside Inn	3	314
Montgomery Glen Golf Club	2	275
Manluk Aquatic Centre	4	258
Senior's Centre	1	200
Moose Hall	1	200
By-the-Lake Park	1	100
Heritage Museum	2	92
Masonic Hall	1	85
Tourist Centre	1	75
Super 8	2	70
Total		7129



Market Attraction

The City of Wetaskiwin is located 30 minutes from the Edmonton International Airport, which has recently completed a large expansion and saw 8 million travellers in 2015.

Major local tourist attractions are the Reynolds-Alberta Museum, a world-class transportation museum, and Canada's Aviation Hall of Fame. The Alberta Central Railway Museum and the Wetaskiwin and District Heritage Museum also offer a diverse range of scheduled programming.

Wetaskiwin is also home to a large number of spectator events that attract thousands of visitors every year:

- NASCAR Canadian Tire auto racing series, presented at the Edmonton International Speedway, located 4 kilometres outside of the city
- Wetaskiwin Agricultural Society presents the annual Rawhide Rodeo, the second-largest amateur rodeo in Alberta
- Western Canada Snowmobile Championships
- History Road Classic Car Show
- Wetaskiwin Summer Festival
- Loonstock Music Festival.

Over 25,000 amateur athletes travel to Wetaskiwin annually for sports competitions which are offered at hockey arenas, baseball/softball diamonds, soccer pitches, curling rinks, gymnastic centres, and the regional aquatic centre.

Wetaskiwin is the location for the Home Hardware Western Canada Distribution Centre, a 700,000 sq. ft. facility which employs over 400 workers. Several advanced manufacturing companies - Supreme International, Manluk Global Manufacturing and A.C. Dandy Electrical Products - ship their products to a global marketplace. These companies are a significant source of hotel rooms, not only for their customers, but also for staff from other branch locations.

Site Description

Wetaskiwin is located on Highway 2A, 18 km east of Highway 2, Alberta's busiest highway, and 45 km south of the Edmonton International Airport.

The development site is 1.89 acres in size and located at the south end of the city, adjacent to the Wetaskiwin Mall. Access to the site would come from 36 Avenue, which intersects with Highway 2A (the main north-south road running through Wetaskiwin).

The site is also located 1 kilometre south of the intersection of Highway 13 and Highway 2A, the main connecting highway to Highway 2.



Estimated Capital Requirements

The City estimates that approximately \$3,000,000 to \$10,000,000 would be required to develop a hotel on one of the identified sites, subject to land acquisition costs. The City is willing to help facilitate negotiations, if needed.

Projected Operating Results Summary

Total annual revenue from a 80 unit hotel is projected to be \$2,347,680, with an average daily rate of \$120, and an occupancy rate of 67%.

Assuming a net operating income of 25%, the annual net revenue is projected to be \$586,920.

Further Information

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Wadey House Restoration

Overview

Wadey House is a historic residence within the Town of Blackfalds. The building was originally purchased from the T. Eaton Co. and shipped by rail to Blackfalds in 1916.

The Town of Blackfalds will relocate the Wadey House in 2016 from its present location to All Star Park, which is the recreation hub of the town. The house will be renovated and is projected to be reopened in 2017 as a visitor information centre and office space for the Blackfalds Chamber of Commerce and Blackfalds Historical Society.

The renovation will allow for a commercial-retail or hospitality use to locate within 250 – 300 square feet of leased space within the building.

Market Attraction

The Wadey House will be moved from its original location to All-Star Park grounds, so the visitor will have access to these amenities: nearby off-leash dog park, campground, visitor information centre.

The 55 acre All-Star Park has several recreational amenities, including ball diamonds, soccer fields, and trails. All-Star Park also has additional proposed skateboard park and bike park amenities. The Wadey House with its visitor information centre and other tenants will provide services and information on all forms of tourism offerings to visitors to the CAEP region.

This opportunity ties with numerous community projects that are being planned for All-Star Park and also aligns with the service stop role for the Town of Blackfalds as outlined in the Central Alberta Tourism Destination Management Plan.

Site Description

The project site is located within the south area of Blackfalds, approximately 1.5 kilometres from Highway 2 to the west and 1.5 kilometres from Highway 2A in the east.

Blackfalds (population 8,800) is in the middle of the Edmonton – Calgary corridor, and is located 14 km north of Red Deer.

The town is located one hour south of the Edmonton International Airport, which has recently completed a large expansion and saw 8 million travellers in 2015.



Estimated Capital Requirements

The Wadey House restoration is being funded jointly by the Town of Blackfalds and Western Diversification Canada 150 funding.

Substantial research on this project was undertaken for the approval of this project and support for the project has been received from Tourism Red Deer, Lacombe Regional Tourism, Blackfalds Chamber of Commerce, and Blackfalds Historical Society. The lease space in the building will be available and potential business operators will have access to that research to incorporate into their business plan.

Projected Operating Results Summary

Operating results from this project will vary based on the type of use proposed.

Further Information

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Kneehill County Horseshoe Canyon Campground Park

Overview

Kneehill County is looking to develop out a mixed site RV and tent campground with additional lots for tourism and retail operators.

The County is currently in final negotiations to purchase the quarter section comprising most of the canyon. The other major portion of the lands, a half section, is owned by the Nature Conservancy of Canada. The County is interested in developing a range of campsites on the property, including recreational vehicle, tenting, and day use/picnicking sites. Walking trails will connect sites developed on the plateau and down within the canyon valley.

Kneehill County Council's investment into this campground will provide the catalyst for attracting new tourism and retail operators into the market. Accommodation is also in high demand near this area of potential sites supporting existing attraction to the Red Deer River, Drumheller, and the badlands operations already available.

With increased visitation and accommodations with the campground, the County expects related development demand adjacent to the site. The County will attempt to work with adjacent landowners to the south, north and east of the site to look at subdividing their parcels in interest of other investment attraction related to the campground and destination site. Discussions with the Nature Conservancy holdings to the west of the site could allow even a larger scope of experience to tourism in the area.

Market Attraction

The badlands, along the Red Deer River, is an area with unique ecological aspects and dramatic landscapes. The campground with proximity to the river will provide opportunities for nearby fishing, canoeing, and kayaking. Demand for campground space within the area is high, and the County seeks to provide a quality and sustainable product for tourists and longer term visitors.

Horseshoe Canyon itself is a unique landform, near the badlands that formed part of the Red Deer River Valley. The current landowner has operated a popular helicopter tour attraction over Horseshoe Canyon.

The provincial government has a strong conservation mandate within the area and has designated provincial parks within this part of the County. As well, the Nature Conservancy of Canada owns property immediately to the west of the campground site. The County wishes to follow a sustainable and conservation-focussed approach



to the development of the campground, utilizing only native plant species, water conservation designed into buildings and landscapes.

Site Description

The property is located in the south-east portion of Kneehill County, 17 kilometres southwest of Drumheller.

The property is accessed from Township Road 284, which intersects Highway 9 (the main highway between Calgary and Saskatoon, Saskatchewan). The County already owns a paved visitor parking lot/ rest area; with portable washroom facilities, waste disposal bins, interpretive signage, and a lookout point already exists and is visible from Highway 9. No improvements to Highway 9 are anticipated, as acceleration and deceleration lanes have already been incorporated into the highway design.

The site is located 1 hour 10 minutes northeast of Calgary International Airport, which saw over 15 million passengers in 2015 (source: Calgary International Airport website).

Roadside development permits from Alberta Transportation will be required once site plans and approach locations are finalized.

Estimated Capital Requirements

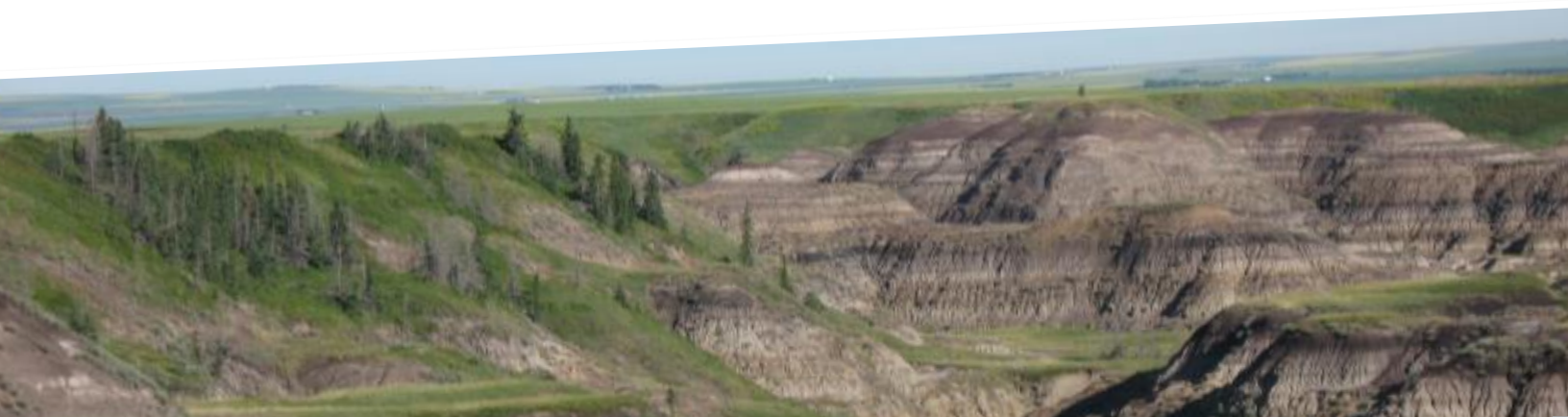
The amount of capital to develop the lands will depend upon the use proposed. The County has estimated approximately \$2,000,000 will be required for servicing and development of the lands. It is expected that the County will be preparing more detailed financial projections as they prepare to market the site in earnest.

Projected Operating Results Summary

Operating results from this project will vary based on the type of use proposed.

Further Information

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Olds Regional Exhibition Facility Renovation and Expansion

Overview

The Olds Regional Exhibition (formerly Olds Agricultural Society) has been serving the Town of Olds and surrounding districts since 1894. The Olds Regional Exhibition attracts more than 46,000 visitors to the community of Olds annually.

The Exhibition's Board of Directors have an interim goal of renovating a number of their existing buildings, but also have a long term goal of expanding their facilities and operations south of 54th Street. The Board of Directors are seeking either a P2 or P3 partnership to undertake the projects. Renovation ideas include:

- Installation of a commercial kitchen within the Cow Palace;
- Façade upgrades to a number of buildings;
- Installation of electrical outlets along the perimeter of an adjoining soccer pitch to allow for temporary summer camping for participants and spectators.

The renovations would allow the Exhibition to be attractive for a greater variety of events. It would enable them to maintain their continued focus on capturing hospitality revenue and other income diversification, while attracting major events like the Canadian National Junior Hereford Bonanza in 2016, the 4-H Alberta Centennial in 2017, and horseracing industry opportunities.

Market Attraction

The Town of Olds is located on Highway 2, Alberta's busiest highway corridor, and is a major service centre and regional market for over 40,000 people in the Mountain View County area. The Town of Olds has a population of approximately 8,600 (2014 stats).

Olds is located 50 minutes north of Calgary International Airport, which saw over 15 million passengers in 2015.

Olds College has a significant post-secondary institution and attracts approximately 1,400 students to its main campus annually.

Olds is home to a number of recreational facilities including the Olds Regional Exhibition, which has been in operation since 1894. The Olds Regional Exhibition hosts events and attractions through the year, including:

- Farmers markets from spring through the fall



- Several equestrian and shows and exhibitions
- Indoor auto and RV shows in the winter
- Indoor BMX track in winter
- Summer Synergy, a gathering to celebrate youth in agriculture

Site Description

The project site is located within the built up area of Olds, approximately 6.5 km from Highway 2. Olds is located 60 km south of Red Deer and 95 km north of Calgary and Calgary International Airport.

The Exhibition owns the existing lands and proposed expansion lands south of 54th Street.

Estimated Capital Requirements

The Exhibition estimates that renovation costs to be between \$500,000 and \$2,000,000.

Projected Operating Results Summary

Operating results from this project will vary based on the type of use proposed.

Further Information

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Olds Hotel and Power Centre

Overview

An opportunity has been identified to develop a vacant 9 acre parcel adjacent to the central area of Olds. The site is the former location of a school; however the land has been cleared and access approved with Alberta Transportation.

The Town's economic development authority wishes to promote the property as a potential commercial development site, either for a hotel or for highway commercial-type development.

The following hotels are currently operating in Olds:

Hotel	Rooms
Pomeroy Inn and Suites	82
Ramada	98
Best Western	41
Total	221

Market Attraction

The Town of Olds is located on Highway 2, Alberta's busiest highway corridor, and is a major service centre and regional market for over 40,000 people in the Mountain View County area. The Town of Olds has a population of approximately 8,600 (2014 stats).

Olds is located 50 minutes north of Calgary International Airport, which saw over 15 million passengers in 2015.

Olds College has a significant post-secondary institution and attracts approximately 1,400 students to its main campus annually.

Olds is home to a number of recreational facilities including the Olds Regional Exhibition, which has been in operation since 1894. The Olds Regional Exhibition hosts events and attractions through the year, including:

- Farmers markets from spring through the fall
- Several equestrian and shows and exhibitions
- Indoor auto and RV shows in the winter
- Indoor BMX track in winter
- Summer Synergy, a gathering to celebrate youth in agriculture



Site Description

The project site is located within the built up area of Olds, approximately 6.5 km from Highway 2, 60 km south of Red Deer.

Olds is located 50 minutes north of Calgary International Airport, which saw over 15 million passengers in 2015.

The site is located northwest of the corner of 46 Street (Highway 27) and 50 Avenue. Access to the site is currently available from 44 Street, which services a residential neighbourhood to the north.

There are a number of commercial uses to the south and west of the site. Residential uses border the site to the north and east.

The site is located adjacent to Highway 27 on the fringe of the Uptown Core, in the heart of Olds. The site is currently owned by Chinooks Edge School Division. As part of the development process, the School Division would be required to request approval from the Minister of Education to dispose of the site. This is not expected to be an onerous process as a similar surplus school property in Olds was recently sold to a commercial business.

The Town has made overtures to the School Division to facilitate a land swap in order to create a full access into the site from 46 Street (Highway 27). The Town's planning documents currently designate the site as future residential and would have to be amended by Council for the proposal to go through.

Estimated Capital Requirements

Similar hotel projects within the region are estimated to have capital requirements of \$10,000,000 to \$15,000,000.

Projected Operating Results Summary

Total annual revenue from a 60 unit hotel is projected to be \$1,095,000, with an average daily rate of \$100, and an occupancy rate of 50%.

Assuming a net operating income of 25%, the annual net revenue is projected to be \$273,750.

Further Information

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Riverlands Hotel and Convention Centre

Overview

The Riverlands Hotel and Convention Centre is a proposed new development to be located in the Riverlands District of the City of Red Deer. Based on market commentary shared with The City, the Riverlands Hotel and Convention Centre will likely be suitable as a three storey hotel with 125-250 rooms and 5,000 to 8,000 square feet of convention space.

The site for the Riverlands Hotel and Convention Centre is currently slated to be within the Riverlands District, an area of Red Deer that has been approved by Council for massive new investment and redevelopment (see the “Riverlands Area Redevelopment Plan”). This new development is slated to transform the Riverlands area from its current mix of light industrial and commercial to into a signature area for Red Deer that combines mixed use residential neighbourhoods with commercial and public gathering areas and improved connections to the local environment and existing trail system. Specific elements of this redevelopment plan include:

- Medium to high density housing, including the opportunity for an up to 10-storey residential building
- Commercial development, including stores, retail, and restaurants
- Public spaces, including space along the river for gatherings and events and a linear park system running through the development
- Proposed future cultural facilities, such as a public market and artist studios
- Unique public amenities, including a Riverwalk (that will include planting of vegetation, natural materials for trails, and sustainable maintenance of the river’s edge), enhanced trail connections to Waskasoo Park, and a proposed bridge over the river to Bower Ponds

The Riverlands Hotel and Convention Centre is one of the first new developments the City of Red Deer has identified that it will pursue in the 2016/2017 fiscal year.

Red Deer has a number of large hotels currently operating within the city, the largest being the Sheraton Red Deer with 241 rooms and 50,000 square feet of rentable space. Within the downtown, however; Baymont Inn and Suites is the only major operating hotel.



Market Attraction

The Riverlands District is already home to many popular amenities such as a craft-brewery, multiple fitness centres, organic food grocery stores, a theatre, and other unique entertainment venues. The proposed development site is located in a central area of the Riverlands District, in close proximity to the Riverwalk Square that will be a one-of-a-kind public space right on the banks of the river and the new Riverwalk. The square is also the proposed landing point of the future Riverlands bridge that connects Riverlands to the Bower Ponds. The construction of the Riverlands Hotel and Convention Centre will be an important part in attracting more foot traffic and new clientele to the area for the benefit of local businesses. As foot traffic increases with the area's redevelopment plans, the Riverlands District will become one of the primary downtown hubs in Red Deer.

The Riverlands Hotel and Convention Centre would also position Red Deer to host larger events in the city and provide new meeting services for local and regional organizations. One such example is the potential to provide hotel and meeting space to the 2019 Canada Winter Games. Also, the development would allow for an alternative location that the City of Red Deer could include when bidding for large events to host, reducing the need of having to rely so heavily on partnering with other nearby locations in Edmonton or Calgary to meet the event logistical needs.

Site Description

Multi-million dollar investments to improve the infrastructure on or around the site have already been made in preparation for redevelopment. These improvements include the burial of a transmission line to enhance the aesthetics of the area, road and sidewalk enhancements to improve safety and walkability in the neighbourhood, relocation of the City's Civic Yards facilities, remediation of the site, and investment in the underutilized riverbank to create the Riverwalk. Moving forward, the City will service the site as part of the Alexander Way construction scheduled for 2016. The site should be ready for redevelopment as of fall 2017.

The City of Red Deer currently owns the proposed site. The site can be subdivided to suit redevelopment needs, but size typical to this type of development is between two and four acres – with a maximum footprint of six acres (which is comparable to the Red Deer Sheraton site). Land use bylaw amendments may be needed for the site.

Estimated Capital Requirements

The estimated value of the capital investment required to build the Riverlands Hotel and Convention Centre is between \$10 million and \$50 million. Once built and operating, the estimated annual expenditures for this business is between \$100,000 and \$500,000.



Projected Operating Results Summary

Total annual revenue from a 250 unit hotel is projected to be \$6,524,375, with an average daily rate of \$130, and an occupancy rate of 67%.

Assuming a net operating income of 30%, the annual net revenue is projected to be \$1,957,313.

Further Information

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Local Opportunity Contacts

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Wetaskiwin Hotel:

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Wadey House Restoration

Jennifer Hartigh, Town of Blackfalds, 403 885 6246, jhartigh@blackfalds.com

Kneehill County Campground and Horseshoe Canyon Campground Park

Patrick Earl, Kneehill County, 403 443 554, patrick.earl@kneehillcounty.com

Sylvan Lake Hotel:

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Olds College Frank Grisdale Hall Repurposing:

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