

# Newell Region

TOURISM OPERATOR BUSINESS PLANS





# Introduction

## TOURISM OPERATOR BUSINESS PLANS

Annually, approximately 100,000 tourists visit Dinosaur Provincial Park, which is located within the County of Newell and is a UNESCO World Heritage Site. Tourists come to camp and experience the naturally occurring beauty, but there is a lack of other tourist destinations and tourism opportunities to expand or enhance their experience.

The County is also home to Lake Newell, a large man-made reservoir located 14 kilometres south of the City of Brooks. Travel Alberta refers to the lake as “one of Alberta’s best kept secrets - Southern Alberta’s largest and warmest lake. Perfect for canoing, sailing, fishing, swimming, etc.”

To best leverage the region’s tourism assets and recognizing the need for more adventure tourism opportunities, the Newell Region embarked on something new; the creation of business plans for tourism operators. These plans create opportunities for investors and entrepreneurs to capitalize on existing, popular tourist destinations.

Outcomes for the project included;

1. Increasing support for entrepreneurs;
2. Improving the local business environment;
3. Enhancing support for industries that provide job diversification to our region;
4. Increasing the ability to attract visitors, which aids in the promotion of rural Alberta;
5. Job creation; and,
6. Enhancing collaborative inter-relationships in the Newell Region.

This project was made possible through the province of Alberta’s Community and Regional Economic Support grant program.

Please see the key contact page for further information in terms of pursuing and developing these business plans.





# Region

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*\*\*Disclaimer: Information in this document, including financial information, should not be considered as advice or a recommendation. Before acting on any information, please seek independent financial advice.*

# Business Cases



## WATER SPORT RENTALS

The opportunity exists on both Lake Newell and Red Deer River for rentals of water sport equipment. The development of water sport rentals at these two locations would extend the range of outdoor adventure tourism opportunities available in the area. **PG. 6**



## COMFORT CAMPING

The opportunity exists for the creation of comfort camping facilities on the privately owned land surrounding Dinosaur Provincial Park. The development of comfort camping facilities would significantly increase luxury camping capacity in the region to meet increasing demand. **PG. 9**



## NORDIC SPA

There is an opportunity to build a Nordic Spa on the land surrounding Lake Newell. The development near Lake Newell Resort would be the largest spa in Southern Alberta and the only Nordic Spa in the province. **PG. 13**



## CAMPGROUNDS

Building additional campgrounds is a tourism business opportunity available to the private landowners surrounding Dinosaur Provincial Park. Over 100,000 tourists visit the Park each year, placing significant strain on the campground accommodations within the Park itself. **PG. 16**



## FISHING & CAMPING TOURS

The rise of glamping and guided excursions, alongside the rise of self-developed expertise and the extension of local knowledge networks via the internet, combine to create an interesting opportunity for the region. **PG. 18**





## TRANSPORTATION SHUTTLE & AGRICULTURE TOURS

There is an opportunity to develop tourism around the pre-existing agricultural infrastructure and cultural heritage of the region. Many agricultural regions have branded themselves based on their produce and there is the chance to create a circuit or network of businesses and groups that tie into the cultural history of agriculture in the County of Newell. **PG. 20**



## ARCHERY TAG

Combat archery games have existed alongside paint ball and lasertag for many years, but it has recently exploded in popularity. This is partially due to the rise of franchises with bow-and-arrow wielding characters, such as Game of Thrones, The Hunger Games and Lord of the Rings. 2011 saw John Jackson invent a formalized version called "Archery Tag". He has now licensed his concepts and gear to more than 170 locations. **PG. 22**



## ESCAPE ROOM

There is an opportunity for the region to participate in a rapidly growing trend which is an indoor, four-season attraction. "Escape Rooms" originated in Asia in the early 2010s, naturally evolving from exploration-themed video games. There is a following for escape rooms, known as "Escape Room Enthusiasts". **PG. 24**



## ADVENTURE TOURS

There is an opportunity to develop a network of "adventure touring activities" on off-road private land and public roads in the County of Newell. These tours would involve renting a vehicle or animal for guided or self-guided day-tours. **PG. 26**

# Newell Region





# Water sport Rentals

The opportunity exists on both Lake Newell and Red Deer River for rentals of water sport equipment. The development of water sport rentals at these two locations would extend the range of outdoor adventure tourism opportunities available in the area.

Lake Newell is the largest and warmest man made lake in Alberta and one of the fastest lakes for sailing and windsurfing. Visitors to Lake Newell currently boat, swim, sail, fish, camp, hike and bird watch using their own equipment.

Red Deer River runs 724 km from Banff

National Park to the South Saskatchewan River. A stretch of the river located in the County of Newell is ideal for paddling and runs from Steeveville to Dinosaur Provincial Park. Currently, there are no boat rentals available along this stretch of the river.

It is envisioned that the water sport rentals would offer a broad range of water activities between the two locations for both local residents and visitors. The Lake Newell rental location would offer canoes and kayaks, as well as potential opportunities for power vessel and other water sport rentals. The Red Deer River location would feature canoe

and kayak rentals. Both locations could also potentially offer guided tours or a skipper.

## Business Description

Water sport rentals on Lake Newell and the Red Deer River would take place seasonally between May and October, weather permitting.

It is anticipated both locations will have a variety of paddle rentals, including: single kayak rentals, double kayak rentals, and canoe rentals. Potential business owners can limit expenses by purchasing used equipment.

Based on a competitive analysis, it is suggested







the single sit-in kayak rentals be Pelican Quest 100, Dagger, Old Town, or Wilderness Systems. The suggested double (tandem) kayak is the Perception Cove, while the Coleman 15.5 Ram-X and Old Town Saranac 160 canoes are suitable for the water sport rentals.

It is estimated the Lake Newell location will have ten single kayaks, five double kayaks, and five canoes for rent. The Red Deer River location will have four single kayaks, two double kayaks, and one canoe for rent.

A boat shed can be built near the boat launches of both locations to store the rental equipment. Alternatively, the Red Deer River location can be serviced from the boat shed on Lake Newell or elsewhere by delivering equipment on an as needed basis. The Red Deer River location will likely need a shuttle service as paddlers will be starting and ending their journey at different locations on the water.

Rentals can be conducted out of the sheds and online. Paddles, personal flotation devices, and all required safety equipment should be included with rentals.

In addition, the Lake Newell location has the potential to support sailboat, water ski, jet ski, paddle boat, fishing, and motorboat rentals. These further water sport activities can be considerable revenue generators and can serve as significant visitor attractors to the region. Adding these services can be considered Phase 2 of this development, based on market demand.

## Site

Lake Newell is 16 km long and 6.5 km wide, with a surface area of 67 sq km. The lake has a total shoreline of approximately 70 km with a maximum depth of just under 20 m. The lake is deep, fast, and warm, which allows for many types of wind craft to be used and also allows for sailing earlier in the spring.

Lake Newell is located immediately adjacent to Kinbrook Island Provincial Park. The lake is also located 12 km south of Brooks, approximately 10 minutes on Secondary Highway 873. Dinosaur Provincial Park is a 45-minute drive to the northeast. Lake Newell is within a 2 hour drive to any major Southern Alberta urban centre.

A boat launch, hand boat launch, and sailboat launch offer a number of options for water sport activities on the lake. Power vessels are subject to a 12 km/h speed limit in the posted swimming area. A seasonal convenience store offering snacks is currently available on site, as well as a fish cleaning stand.

The closest upstream access to the Red Deer River from Dinosaur Provincial Park is located at the Steveville Campground, approximately a 20 minute drive. It is located immediately after the small Steveville Bridge off Highway 876, on the west edge of the park.

With the exception of the first 100 m, the roads within the campground include large potholes that may cause accessibility problems for some vehicles. There are up to 15 campsites

available and a beach along a bend of the Red Deer River. Picnic tables and pit toilets are available, though there is no access to utilities. Following the river, it is 13 km from Steveville to the Dinosaur Provincial Park campground. This can take 2.5 to 4 hours to paddle, depending on the water level and time of year. The river is generally fast flowing and the current is strong. While in Dinosaur Provincial Park, camping is only allowed at the designated campground. The land surrounding the park is private and paddlers require the landowner's permission to access these areas. The boat launch in the day use area of the park is recommended for hand launch only. Boat trailers and vehicles may get stuck in the river sediment and silt.

Both the Lake Newell and Red Deer River locations are on land that is designated for provincial parks and campgrounds. Contact your local government to determine zoning and permitting requirements. Further investigations and consultations with Alberta Parks and the Eastern Irrigation District may be required.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm businesses can operate within provincial parks
- Check environmental regulations and species protection
- Determine legal and insurance requirements



## Market Attraction

The Lake Newell rental location will be the higher traffic location and will attract both local customers and tourists alike. A number of locals already use the lake year-round, providing a steady revenue stream for potential business owners. Much of the local market may already own water sport equipment, but may be interested in rentals for convenience or the diverse experiences offered on the water.

Tourists to the Lake Newell location are likely to be visitors to Kinbrook Island Provincial Park or from the surrounding regions in Alberta, Saskatchewan, and the United States. This group is likely to be attracted by the natural beauty of the area, an outdoor lifestyle, and the landscape. The tourism market for water sport rentals on Lake Newell will be recreation tourists, whose demographics may include families, millennials, and couples.

The market for paddling on the Red Deer River will more likely be tourists attracted to Dinosaur Provincial Park. These visitors may be attracted to the natural landscape of the Alberta Badlands, but may also be education or attraction tourists interested in paleontology or dinosaur fossils. This market's demand for paddling may therefore be driven by demand for alternative activities in addition to the primary purpose of the visit to the region.

The majority of tourists will be from the surrounding regions or Canada more broadly. Visitors to the Red Deer River location will also be more likely than those visiting Lake Newell to be from other regions of the world. They may have less experience on the water and will be looking to disembark at Dinosaur Provincial Park. Their demographics may include families, millennials, and couples.

## Financial Information

The initial capital investment requirements are \$25k for the Lake Newell location and \$15k for the Red Deer River location. This includes boating equipment, a boat shed, and safety equipment. Single kayaks are estimated to be \$500 each, while double kayaks and canoes are \$1,000 each. A boat shed is estimated to cost \$5,000, while another \$5,000 is allocated toward boating equipment, safety equipment, and maintenance for each location.

This financial information in this section assumes two staff members working 12 hours/day for the open season of 180 days at the Lake Newell location. Staff wages are estimated to be \$15/hour. One staff member will be required

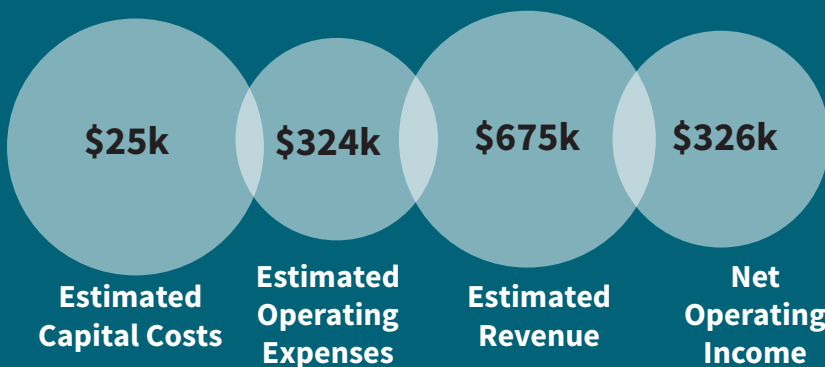
at the Red Deer River location for the same period. It should be noted that staff wages comprise the majority of expenses. Profit margins would significantly increase should the businesses be self-staffed or a family business.

Single kayaks are estimated to be \$35 for a half day and \$50 for a full day rental. Double kayaks and canoes will be \$60 for a half day and \$80

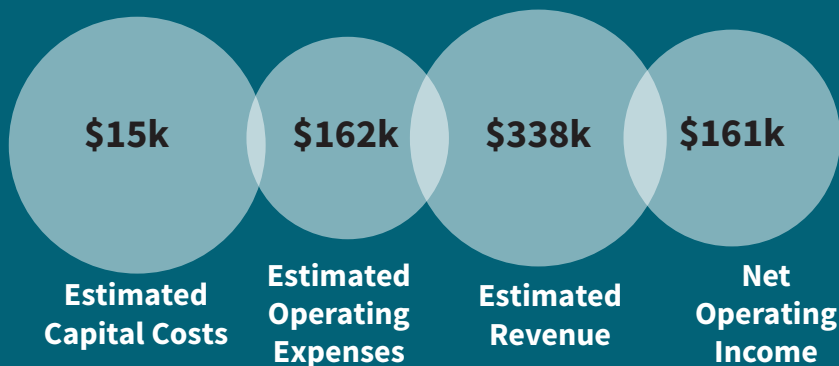
for a full day rental.

Revenue is targeted at \$750/day at the Lake Newell location and \$375/day at the Red Deer River location, based on a competitive analysis of prices for similar water sport rentals in the region. This is the average daily targeted revenue, as receipts are likely to be higher during the May-August period and decline from September-October.

### LAKE NEWELL 5 YEAR FINANCIAL PROJECTIONS



### RED DEER RIVER 5 YEAR FINANCIAL PROJECTIONS



# Newell

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# Comfort Camping

The opportunity exists for the creation of comfort camping facilities on the privately-owned land surrounding Dinosaur Provincial Park. The development of comfort camping facilities would significantly increase luxury camping capacity in the region to meet increasing demand.

Dinosaur Provincial Park is a UNESCO World Heritage Site located about 2.5 hours east of Calgary and 30 minutes northeast of Brooks. The park is home to the highest concentration of Cretaceous fossils in the world. To date, dozens of dinosaur species have been unearthed and more than 300 specimens grace museums around the world.

Dinosaur Provincial Park already provides seven comfort camping units within the park

premises. Three premium units are riverfront with a spacious floorplan. Four standard units have park views and a standard floorplan. All units can accommodate up to four people.

Current comfort camping facilities include: handmade furnishings; one queen-sized bed, one pull-out futon, pillow, and bedding; cooking implements, utensils, a fridge, and kitchen table; a private deck with deck furniture; a BBQ, fire pit, and picnic table; and electricity. Comfort campers also have access to shared potable water, firewood, flush toilets, coin-operated showers, and laundry facilities.

Due to the large number of visitors to Dinosaur Provincial Park and the quality of the amenities, the comfort camping facilities within the park are in high demand and often

completely booked months in advance. There is little capacity to build additional comfort camping units in the park. It is anticipated that developing additional comfort camping facilities on the privately-owned land surrounding the park will help the region meet the unmet demand for luxury camping facilities.

## Business Description

Comfort camping describes a style of camping with amenities and, in some cases, hotel-style services not associated with traditional camping. Comfort camping has become increasingly popular amongst tourists seeking the luxuries of hotel accommodation alongside the escapism and adventure recreation of camping. The appeal is sustainable, quasi-outdoor lodging that offers travelers





comfortable experiences in nature.

Comfort camping will take place seasonally between May and October on the privately-owned land surrounding Dinosaur Provincial Park, weather permitting. This seasonal availability mirrors the comfort camping season within the park.

The likely comfort camping business model will be B&B style; where the landowner is also the proprietor, who builds a small number of comfort camping units on their land to provide additional income.

An alternative business model would involve a business owner leasing or buying a parcel of private land for the operation of the comfort camping facilities.

The business owner has three options to develop comfort camping accommodations: canvas wall tents, yurts, and pods. Canvas wall tents are the same type of comfort camping accommodation used in Dinosaur Provincial Park. Apart from the canvas exterior, these tents are usually placed on wood flooring, are well-ventilated, and are often placed under a more permanent wooden gazebo to protect the tent from the elements.

Camping yurts are a modernized version of the circular shaped abode used as portable homes by nomadic people. These modernized versions are warmer than a tent and have insulated walls and roofs. In the summer, the yurts are kept cool with windows, dome, and door openings that provide cross ventilation. Yurts come in three different sizes; sleeping four, six, or eight people.

Pods are semi-permanent, hard-walled, and pre-fabricated comfort camping structures. The exterior of these structures is most commonly

made of wood, with insulation installed inside the walls, a minimum of a soft floor covering or carpet, and often a double-glazed window and lockable French doors to reduce condensation and provide sound insulation.

The business owner may also wish to use a combination of these three types of comfort camping accommodations to provide options for potential tourists. This may be implemented in phases; where two canvas wall tents are available during the first phase to enhance the supply of these accommodations in the area, and yurts and pods are erected in the second phase to provide alternatives to the accommodations offered in the park.

In terms of amenities, the business should provide similar offerings as found in the park to remain competitive. This would include: bedding amenities, cooking and kitchen amenities, an outdoor seating area, BBQ, fire pit, firewood, electricity, and potable water.

Access to flush toilets, showers, and laundry facilities may also be provided in the business owner's home. This may not be an option if the business model involves the business owner leasing or purchasing land for comfort camping operations. Alternatively, an outhouse, portable toilet, or portable shower may be provided. However, this may limit the appeal of the comfort camping business to luxury tourists.

Luxury hotel amenities may also be provided for a fee, such as room service meals, bar service, horse riding, and guided tours.

## Site

Badlands are dramatic landforms that develop an intricate network of deeply incised, narrow, winding gullies and fantastically shaped hoodoo rocks. Areas of badlands occur at



scattered locations throughout the prairies of Western Canada, where they stand in stark contrast to the gently rolling landscape of the plains. Badlands are particularly prevalent along the river valleys of southern Alberta, especially along the Red Deer River, where they flank the river for 300 km and culminate in their most impressive display at Dinosaur Provincial Park.

While the badlands within Dinosaur Provincial Park are managed by Alberta Parks, a number of privately owned plots of land surrounding the park also include badlands on the property. These plots are particularly concentrated to the area southwest of Steveston, on the western bank of the Red Deer River.

Driving from Steveston to Dinosaur Provincial







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Park is approximately 30 minutes. The close proximity to the park allows tourists staying in comfort camping accommodations on privately-owned land access to Dinosaur Provincial Park with a relatively short commute.

Most private land owners in this area also reside on their property. This provides two options for those land owners wishing to pursue comfort camping business opportunities: develop the campsite close to their home or develop the campsite on a far corner of their property.

Those landowners that wish to develop the campsite close to their homes can easily connect the comfort camping accommodations to the electricity grid. Roads would likely not have to be built, assuming vehicles already have easy access to the

owner's home. Proximity to the owner's home will also allow for the easy provision of visitor services and amenities.

Those landowners that wish to develop the campsite far from their homes will likely need to provide a power generator for the comfort camping accommodations. If a dirt road is not already connecting the home to the campsite, then a gravel road may be developed. Alternatively, visitors with smaller vehicles may have to park at the owner's home, where the owner will provide a shuttle to the campsite. Connecting the campsite to the electrical grid may be cost-prohibitive in this scenario.

Business owners pursuing a business model that involves leasing or buying private land for comfort camping operations will likely

face similar site requirements at landowners developing the campsite far from their homes.

As the badlands are a protected area, business owners will have to ensure that tourists comply with all applicable regulations on site. These include regulations related to fishing on the Red Deer River, hunting, protected species, open fires, and fossil preservation.

A number of agricultural plots of land also exist around the hamlet of Patricia, which is approximately a 15 minute drive to Dinosaur Provincial Park. The owners of these plots may also be interested in pursuing the development of comfort camping on their property.

The land surrounding Dinosaur Provincial Park has been designated for residential



use for private landowners. Contact your local government to determine zoning and permitting requirements. Further investigations and consultations with Alberta Parks and private landowners may be required.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

### Market Attraction

Dinosaur Provincial Park is a high traffic tourist destination, attracting over 100,000 visitors a year. There is therefore a large market for additional comfort camping accommodations on privately-owned land around the park. This market is diverse and comprised of: international tourists from Asia, Europe, and the United States; Canadian tourists from other provinces; and local tourists from Alberta.

These visitors may be attracted to the natural landscape of the Alberta Badlands, but may also be education or attraction tourists interested in paleontology, research, or dinosaur fossils. Visitors to Dinosaur Provincial Park also have a range of household incomes.

The prime target market for business owners developing comfort camping on their privately-owned land will be overflow comfort campers from Dinosaur Provincial Park. The seven comfort camping units within the park are often full, forcing park staff to turn away campers. Developing additional comfort camping facilities on privately-owned land nearby will provide an attractive alternative to traditional campsites or the closest hotels in Brooks.

Visitors seeking comfort camping accommodations are more likely to be international tourists, tourists from other Canadian provinces, high income tourists, and a luxury demographic. International tourists and tourists arriving from distant Canadian provinces are less likely to be traveling with their own camping equipment.

High income and luxury tourists are more likely to be seeking the adventure tourism of camping combined with modern luxuries and amenities. Private business owners operating

comfort camping facilities therefore have an opportunity to compete directly with Dinosaur Provincial Park to attract this tourist demographic. Providing higher quality or more amenities than are provided at the comfort camping facilities in the park can make privately-owned comfort camping accommodations the location of choice for these tourists. This group may also prefer the relative quiet of privately-owned campsites to the crowded park facilities.

### Financial Information

Two options are provided for the development of comfort camping on the privately-owned land surrounding Dinosaur Provincial Park. The first option assumes two canvas wall tents are used for the entire five-year assessment period. The second option assumes that two canvas wall tents are used for the first two years of operation, where a yurt and a pod are added to this inventory in year three for the remainder of the assessment period.

Canvas wall tents are estimated to cost \$1,500 each. A yurt is estimated to cost \$4,000 and a pod is \$10,000. An additional \$5,000 is allocated for each accommodation's furniture, bedding amenities, kitchen amenities, BBQ, and picnic table. A generator is estimated to cost \$2,500 per comfort camping unit, as well

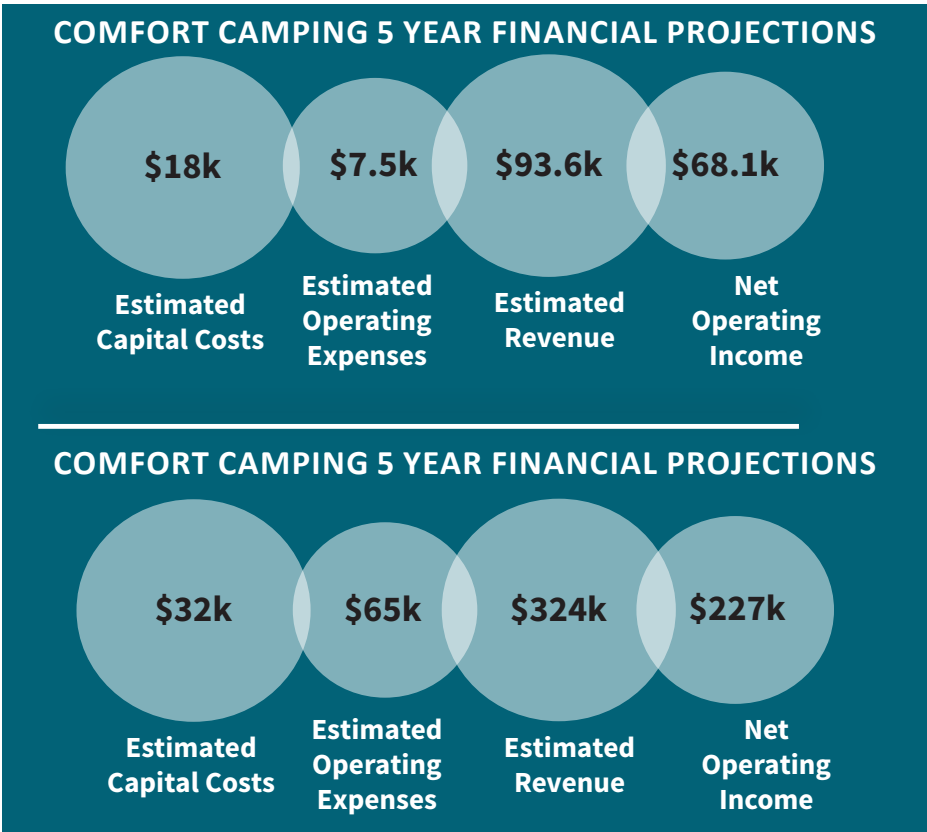
as \$2,500 for gasoline and firewood each year.

After a competitive analysis of other comfort camping units within Alberta Parks, the price point for canvas wall tents should be \$130/night. The yurt should be priced at \$150/night and the pod at \$170/night. It is projected the occupancy rate will be 80% for the six months the comfort camping facilities will be available between May and October.

If the business owner pursues a business model that involves leasing or purchasing land for the comfort camping operations, then a staff member may be required. It is estimated that \$64,800 will be needed annually for these staffing requirements, where one employee will be needed 24 hours/day for six months at a salary of \$15/hour.

If a gravel road is required, then costs can range from \$2,000 to \$60,000, depending on the distance, curves, and terrain. Additional revenue may also be derived from value-added luxury services, such as room service and laundry.

The cost of buying or leasing the land, a staff member, a road, and the potential revenue from these added services are not included in the financial projections due to the specific context of this business opportunity.



# Nordic Spa

There is an opportunity to build a Nordic spa on the land surrounding Lake Newell. The development near Lake Newell Resort would be the largest spa in Southern Alberta and the only Nordic spa in the province.

Lake Newell Resort is located on the shores of Lake Newell, southern Alberta's largest and warmest lake. Only ten minutes to the city of Brooks, all amenities are available, including shopping, schools, churches, banking institutions, and health care. Lake Newell Resort is a short drive from several golf courses, including the Brooks Golf Course & Meadowlark Par 3.

This area provides a picturesque setting in which to locate a Nordic spa. Visitors could expect to enjoy a view of the lake, bird watching, and the beauty of Kinbrook Island

Provincial Park the natural features of the surrounding areas.

It is envisioned that the Nordic spa would offer a range of spa activities year-round. These would include spa treatments, massages, baths, pools, and saunas. This relaxation and healing centre would mainly be focused on heat therapy, hydrotherapy, and relaxation techniques from Scandinavian countries. It would offer a multi-sensory experience in a surrounding natural setting and is aimed at contributing to the health and wellness of its guests.

## Business Description

The main feature of the resort is the bath process whereby customers alternate body warming in the hot baths, Finnish sauna

or steam rooms with refreshing cold-water plunges and relaxation sessions. The thermal cycle is a heat therapy treatment that involves alternating between hot and cold, followed by a rest period. This relaxation ritual is based on a 2000-year-old tradition founded in Nordic countries. After completing three or four times, the process is designed to cleanse skin, improve physical condition and provide a sense of well-being.

The first thermal therapy stage is to increase the body's temperature. During this thermal cycle step, skin pores open, the body stores heat, and toxins are expelled. Sweating cleanses the body from the inside out by eliminating the toxins that have built up over time. These toxins impede proper functioning, which may be a factor in ageing. This step most often involves a Finnish dry sauna, but can also include a



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Eucalyptus steam bath, hot baths, or a thermal waterfall.

To respect the steps of the thermal cycle and to draw maximum benefit, it is essential to cool the body after the intense heat of the sauna. The second step causes the pores of the skin to close, with a brief but highly beneficial cool rinse in Lake Newell, icy Nordic waterfalls, cold plunge pools, or cool showers.

From 10 to 15 seconds is enough to cool the body. If possible, submerging the head under water provides a more complete experience. A walk in the cold air can also be enough for a gentle experience. The transition from hot to cold produces a thermal shock, which will close skin pores and release adrenaline, a hormone that stimulates the body.

The third and final step of the thermal cycle is critical: 20 minutes of relaxation. It can be fulfilled in a variety of ways: in a hot tub, relaxation pavilion around a fire, hammock, solarium, terrace, or zero-gravity saltwater pool. The final stage in the cycle is recommended to rest the body and heart rate.

The spa should also provide massages and body treatments for an additional fee to offer the full wellness experience. Massage options may include: Swedish, Californian, deep tissue,

tonic, Thai, hot stone, lymphatic drainage, and prenatal. Couples massages may also be provided, as well as massages performed outdoors in nature.

The body treatments offered may include: facial care, anti-aging and nourishing body treatments, vivifying treatments for revitalization and detoxification, beating treatments with birch branches, and foot care.

A restaurant, bar, spa boutique, and accommodations may also be available at the Nordic spa.

## Site

The average Nordic spa requires approximately 30,000-40,000 sq. ft. of space. In general, this includes nine baths (hot, cold, and temperate), nine saunas, an infinity pool, several outdoor relaxation pavilions, one outdoor massage area, and a main complex that includes a yoga and meditation room, restaurant and bar, indoor massage areas, a boutique, terraces, and a parking lot.

The likeliest location for the Nordic spa is the northernmost tip of Lake Newell, near the Lake Newell Resort. Lake Newell Resort is a hamlet in southern Alberta, Canada within the County of Newell that was established in 2007. The hamlet is located on northern shore of the Lake

Newell Reservoir, approximately 5.0 km south of Brooks and 3.2 km west of Highway 873. It is accessed from Highway 873 via Township Road 182 to Lake Newell Resort Road.

Lake Newell Resort is comprised of five estates: Blue Heron, White Pelican, Kingfisher Estates, Kingfisher Bay, and Sandpiper Estates. Most of the parcels of land have been purchased by residential owners, with a number of homes already built.

A number of contiguous parcels of land in Kingfisher Estates present a potential location for a Nordic spa. Though these lots are currently owned by Deloitte Restructuring Incorporated, they may be individually sold to different buyers. Therefore, the development of a Nordic spa in this location may require negotiations with multiple landowners.

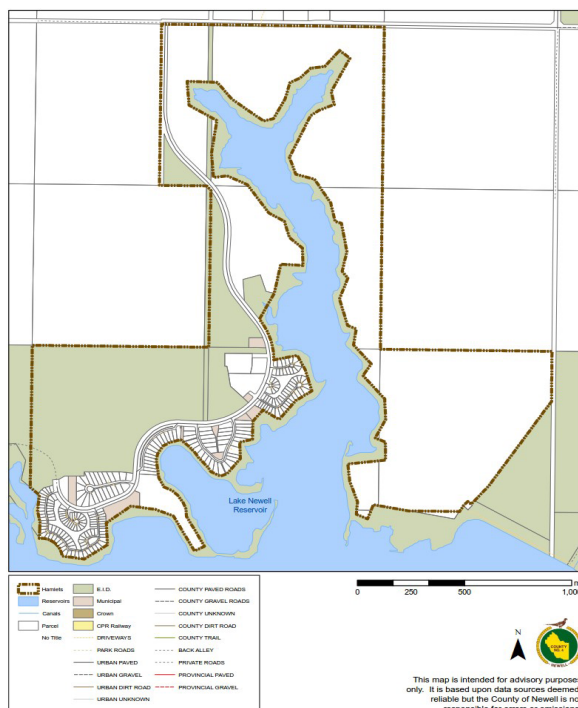
Several plots in and around Lake Newell Resort are municipally owned as well. In addition, much of the land surrounding the Lake Newell Reservoir is owned by the K300 Financial Corporation. This land may be a potential target for acquisition by a developer seeking to build a Nordic spa.

Map 1 also indicates that very large tracts of land in the surrounding area is owned by the Eastern Irrigation District (EID), which operates under the authority of the Alberta Irrigation Districts Act. The development of a Nordic spa on Lake Newell would likely have to be approved by the EID, no matter the landowner.

EID's primary business is the management of an extensive water distribution network in support of irrigated agriculture. In addition to conveying water to approximately 300,000 acres of irrigated farmland owned by private families and corporations, the EID also conveys water through their distribution network to benefit municipal, industrial, wildlife habitat and recreational purposes.

EID has indicated that it is open to the development of a Nordic spa if the developer can demonstrate that the facility will not interfere with the operation, quality, and safety of the irrigation system.

Electricity, water, and roads are readily available in the area due to the development of Lake Newell Resort over the past decade. Municipal and privately-owned plots of land within the boundaries of the resort will already be connected to this infrastructure. Developing EID or K300 Financial Corporation land may require utility connection and road



**Map 1: Lake Newell Resort**

construction. However, these will likely be straightforward and economical considering the proximity to a developed area in Lake Newell Resort.

The land surrounding Lake Newell Resort has been designated for residential use for private landowners or has been designated for irrigation use. Contact your local government to determine zoning and permitting requirements. Further investigations and consultations with Lake Newell Resort Developers Ltd., private landowners, and the Eastern Irrigation District may be required.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

### Market Attraction

Nordic spas are one of the fastest growing trends in the health and wellness experience market. Over the past decade, Scandinave Spa has opened locations in Whistler, Old Montreal, Mont-Tremblant, and Blue Mountain. The Nordik Group has opened locations in Chelsea and Winnipeg over the same period and is currently in the process of opening a new location in Whitby.

However, no Nordic spas currently exist in Alberta or Saskatchewan, indicating a large gap in the regional market. While a number of hot springs exist in locations like Banff and Jasper, these types of spas offer altogether different experiences.

Overall, Nordic spas tend to attract customers from the wellness market and the luxury market. Though all genders patronize Nordic spas, the clientele and target market tends to skew towards women. In particular, the primary focus is on women in mid to high household income brackets.

Age groups that patronize Nordic spas range from 18 to 65. Within this age group, the clientele tends to skew younger, with those aged 18-40 comprising the largest share of the market. Many would be considered young professionals or millennials. Children under

the age of 18 are typically not allowed on the premises, significantly limiting the family demographic.

Clients tend to be single adults and married and unmarried couples. A large section of the market attend Nordic spas on date nights. Many Nordic spa businesses also offer couples packages in partnership with local golf courses, where one member will spend the day at the Nordic spa while the other enjoys a day at the golf course.

Lake Newell Resort is centrally located between the large municipalities of Calgary, Medicine Hat, and Lethbridge. This location would provide the Nordic spa with an immediate market of 1.4 million people within a two-hour drive. In addition, the spa would also enjoy a group of core clients that are local residents of Lake Newell Resort.

### Financial Information

Based on a competitive analysis of other Nordic spas that have been developed across Canada, it is estimated that development costs can range from \$4M to \$12M. The initial investment for the Nordic spa in Chelsea was \$4M, though significant expansions have taken place over the past decade. The location currently being developed in Whitby has an initial investment of \$12M.

Other factors may impact the investment necessary to develop a Nordic spa. At the Winnipeg location, the harsh winters and complex construction market led to project delays and large cost overruns. Additionally, the investment required for the Whitby location may increase to \$35M if a hotel is determined to be feasible at this location.

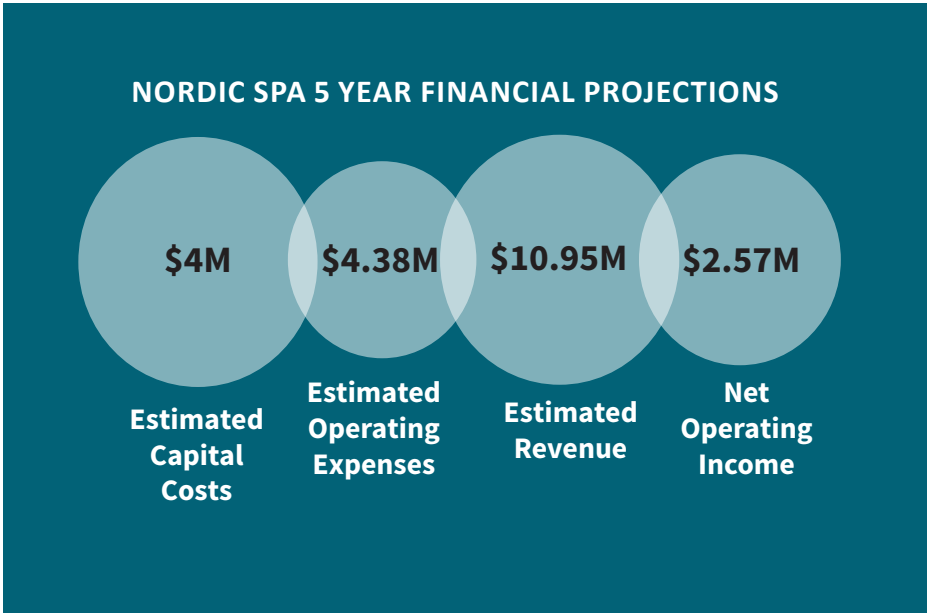
For the purposes of this financial assessment, an average of \$8M will be used for the initial development phase. It is assumed a second phase of development may significantly expand the facility after five years of operation, depending on market demand.

This initial investment includes all bath, sauna, body treatment, relaxation area, boutique, and restaurant and bar facilities. A zero-gravity saltwater pool and accommodations are not included in this initiative investment.

The operations of the Nordic spa will require approximately 30 staff members. These include: a General Manager, a Restaurant and Bar Manager, three Restaurant and Bar Servers, a Boutique Manager, a Boutique Customer Service Representative, four Massage Therapists, four Estheticians, ten Pool Staff, three Yoga Instructors, and two Receptionists. It should be noted that many of these positions will only be required part-time.

The thermal bath experience should range between \$50-\$70 to remain competitive in the marketplace. Massage and body care treatments tend to range between \$100-\$160. Specialty treatments, such as access to a zero-gravity saltwater pool – usually cost an additional \$40-\$70. Additional revenue may also be derived from food, drinks, and boutique merchandise.

For the purposes of this financial assessment, it is assumed that clients will spend on average \$120 per person on the Nordic spa's different services. Average daily patronage is projected to be 50 clients/day for 365 days a year.





# Newell Region

## Campgrounds

Building additional campgrounds is a tourism business opportunity available to the private landowners surrounding Dinosaur Provincial Park. Over 100,000 tourists visit the park each year, placing significant strain on the campground accommodations within the park itself.

The immediate benefit of expanding privatized campsites is the addressing of

these demand issues. There are not enough spots to meet demand via provincial park services during the summer, and as the visitor rate to the region climbs, this disparity will be exacerbated.

Creating additional camping space on the privately owned land around Dinosaur Provincial Park will, therefore, increase the accommodation capacity of the region and

introduce tourists to the surrounding areas. These campgrounds will also meet market demand for more local or private camping accommodations.

### **Business Description**

The business will be a campground, divided into a number of pitches, where people can camp overnight using tents, camper vans, or caravans. The campground will be operational



six months of the year, during the peak camping season from May to October. The campground will be based on private land; where the land and the campground will most likely be owned by the same individual. Investing in private camping sites via privately owned land, farms, or indeed smaller properties will provide the opportunity to broaden the services provided to campers. It is possible to cater to different age groups via infrastructure strategies as well as levels of service.

Services other than accommodations may also be offered at the campground. Wood may be available for sale for use in cooking or for a campfire. Sundries may also be offered for sale, such as toothpaste, toilet paper, snacks, and drinks. A portable toilet or outhouse, as well as a portable camping shower, may also be offered as a free amenity or for a fee.

Tailoring the experiences of various sites will be further compounded by other initiatives, such as the development of agri-tourism, which could be extended to include on-site camping facilities for participating farms for example. Activities such as horseback riding or ATV rentals may also be an option at the campground.

## Site

There are two likely potential locations to build additional campgrounds. The first is the privately owned land surrounding Dinosaur Provincial Park that has badlands terrain. The second is the agricultural farmland near the hamlet Patricia, which is the nearest community to Dinosaur Provincial Park.

Apart from a camp pitch, raised platforms may also be included on which to set up tents. Marked spaces indicating the boundary for one camper or a group of campers may also be necessary.

The campgrounds may also include fireplaces or fire pits in which to build campfires. These can be anything from a circle of rock, a metal enclosure, a metal grate, a concrete spot, or even a simple hole. Picnic tables may also be included for campers to eat their meals. Garbage cans will also likely be necessary for campers to place their refuse.

Pit toilets or a portable toilet will be needed on site. Similarly, a portable camp shower will also likely be needed. These battery-powered shower heads are able to turn water from a bucket into a shower stream.

Campers will likely be arriving by vehicle, necessitating road access to the campsite. A gravel or concrete pad on which to park a vehicle may also be a necessity, particularly for those tourists arriving in recreational vehicles. Utility hookups, such as electricity and water, would be useful for travel trailers and recreational vehicles as well.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

## Market Attraction

Campers will be attracted to the privately owned campgrounds for two reasons. First, the core market demographic will be tourists visiting Dinosaur Provincial Park when the campground is full during the peak summer season.

Private campgrounds located near the park will benefit from overflow tourists seeking alternative accommodation options. These tourists are unlikely to prefer hotel accommodations due to the higher price range and distance from the park. Other provincial park campgrounds are also available, but at a further distance.

The second group of tourists will be those that prefer private campgrounds to the camping

facilities at Dinosaur Provincial Park. This may be because the private campgrounds may be less crowded or offer more privacy and a quiet atmosphere. The personalized service at a private campground may also be appealing to campers.

Campers are a loyal demographic, returning to the same region and indeed the same site year after year, and sometimes even for generations. Families are a prime target market for these campgrounds for this reason.

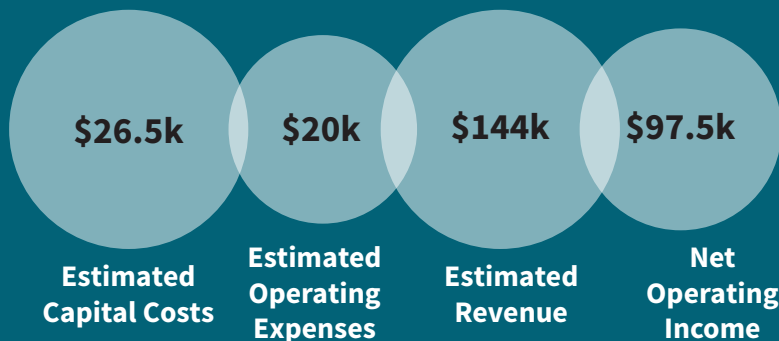
## Financial Information

The major expenses for the campground will be providing road and utility access. For the purposes of this financial assessment, it is estimated that creating road access and gravel pads will cost approximately \$20k. In addition, it is estimated that electricity and water access will be another \$20k over the five year period of the business plan. It is also assumed that the campground will be self-staffed by the business owner. These costs may be significantly lower depending on the accessibility of the sites chosen.

Additional expenses are estimated to be \$3k for two portable toilets, \$1k for two portable showers, and \$2.5k for ten fire pits.

In terms of revenues, the average rate for campsites at Dinosaur Provincial Park is \$30/night. It is also estimated that visitors to each campsite will spend \$10/night on sundries, such as bottled water, toothpaste, snacks, etc. Overall, it is assumed that five campsites will be created in the campground, where occupancy will be 80% between the May-October peak tourist season.

### CAMPPGROUND 5 YEAR FINANCIAL PROJECTIONS





# Fishing and Camping Tours

The rise of glamping and guided excursions, alongside the rise of self-developed expertise and the extension of local knowledge networks via the internet combine to create an interesting opportunity for the region.

Through guided fishing trips and/or camping trips, the unique history, landscape, and ecosystems of the area can be introduced to a new group of visitors while attracting more who would not ordinarily choose the area to holiday. For those who have experience either in the technical side of fishing or have an intimate knowledge of the area,

sophisticated and advanced lessons and tours can be provided.

## Business Description

The region is known for its spectacular fishing and camping opportunities, as well as the local culture around those activities. There is a prime chance to connect these activities as being essential to the regional experience.

Camping tours as a broad base offer the chance for entry at various levels for individuals and businesses. Larger companies can build on existing product relationships with clients and visitors (such as a camping equipment shop),

and expand their offerings to include guided hikes and nature tours.

Beginner campers can have the option of meeting with a guide and learning how to set up a campsite. Another option could have the guide transport the gear to the campsites, set up the tents, and create a meal to welcome the visitors.

This side can include private fishing instruction as well as insider tips for the more advanced. Various types of fishing gear and styles can be prioritized or provided as a menu of options beforehand. Fishing boats can be provided to



customers for the tours.

For the more independent participants, arrangements can be made to meet a fishing expert at a campsite. The participants hike and establish their own campsite, then partner with the fishing expert. For those groups that want to maintain a sense of privacy or an increased sense of adventure, printed maps and guides, including wildlife-spotting cards for example, can be provided along with gear as a package experience.

At every price point, trips can include themes such as wildlife photography, bird-watching, fossil-bed examination and paleontological history, or even just simple geography and geology.

Food can be integrated at basic levels of picnic supplies all the way up to fully-local, gourmet meals sourced from the region. Gear can be expanded to include binoculars, telescopes, and cameras.

All styles of fishing/camping trips can include educational versions, which highlight themes such as sustainability or appreciation and understanding of the region's natural resources. There is an opportunity to work with local First Nations to develop educational materials that teach about the original relationship with the land and ecosystems that were in practice before the arrival of colonists. Tours can even be operated with parts of the proceeds going to charitable organizations or initiatives.

## Site

The fishing and camping tours will be operated at existing sites in the region. Likely fishing locations are: Lake Newell, San Francisco Lake, Crawling Valley Reservoir, Brooks Aqueduct Pond, Cowoki Lake, Rolling Hills Reservoir, Scots Lake, and the Red Deer River.

The fishing locations in the County of Newell are located in Zone 2 of Alberta's sportfishing regulations. This zone consists approximately of the southeastern quarter of the province, east of Highway 2 from the Montana border to the North Saskatchewan River.

Four major rivers that start in the mountains flow through the Parkland-Prairie Zone 2. For most of the summer, these rivers are large, silty and warm. Shallow lakes and reservoirs are also found in the Parkland-Prairie. The most common game fish of the zone are yellow perch, northern pike and lake whitefish, although walleye have been introduced into several reservoirs. Rainbow trout are

stocked into many ponds and small reservoirs throughout the Parkland-Prairie.

For adventure tourists, popular back-country locations can be used for camping. These locations will not require infrastructural enhancements to maintain the adventure experience.

For tourists seeking more luxurious experiences, existing campgrounds can be used. Potential locations include: Tillebrook Provincial Park, Kinbrook Island Provincial Park, Rolling Hills Reservoir Campground, Dinosaur Provincial Park, Emerson Bridge Campground, Poplar Grove Campground, and Crawling Valley Campground. It should be noted that these campgrounds are usually full on weekends during the peak tourism season.

Since a number of fishers and campers already frequent these campgrounds, it is assumed that these sites will not require additional road access or utility access. The business will simply organize tours to the best locations where fishing and camping is already taking place.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

## Market Attraction

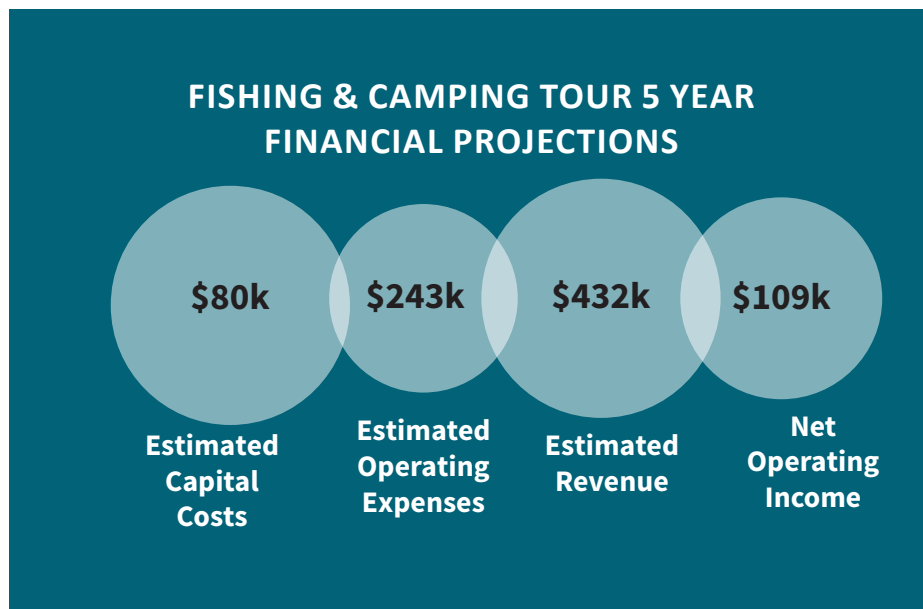
Employment opportunities can be built into and around these programs, with students apprenticing at the side of experienced locals in the fishing, camping, and tourism industries.

There is an untapped market of visitors to the region who would like to try fishing or more adventurous hiking/camping, but are overwhelmed by the resources necessary to learn. In general, tourists and hobbyists have a case of data-saturation; so much information is available online that people become paralyzed by the decisions necessary to buy gear, research the trip and the conditions, etc. The region can connect with visitors by offering a menu of options that have a focus on local knowledge and businesses, as well as focusing on historical aspects as well as environmental impacts of human activity in the surrounding area.

## Financial Information

The major expenses for this business model will be two fishing boats and fishing and camping equipment. It is estimated that each fishing boat will cost approximately \$30k. Each boat will require \$5k in fishing and camping equipment. An additional \$10k is estimated for two boat sheds, one of which can also be used as a storefront location.

In terms of revenue, the average market rate for fishing tours is \$600/day all inclusive. It is estimated that the usage rate of the business will be 40% during the peak tourism season from May to October. One staff member will be needed for each boat at a wage rate of \$15/hour for 18 hours.





# Transportation Shuttle and Agri-Tour

There is an opportunity to develop tourism around the pre-existing agricultural infrastructure and cultural heritage of the region. Many agricultural regions have branded themselves based on their produce and there is the chance to create a circuit or network of businesses and groups that tie into the cultural history of agriculture in the County of Newell as well as its present and future.

The agri-tour shuttle will be a standalone business that provides transportation

to various agri-tourism destinations. The farms will be separate tourism businesses in themselves, garnering revenue based on the sale of their products. The result is a spinoff effect of economic development amongst complementary tourism businesses.

## Business Description

The popularity of the farm-to-table culture represents a wider opportunity to engage visitors to the region. The creation of an “agri-tourism circuit” would not only encourage longer trips to the area by visitors, but also

incentivize the local community to provide innovative insights into their businesses.

Small-scale farms and businesses are able to participate by curating classic examples of “country-side” activities. Experiences such as hay-rides can be paired with seasonal offerings of picnics. Spring can see children and adults alike engage with baby animals, and experiences can even be guided by large-animal veterinarians.

Larger-scale productions can provide tours of facilities with different themes such as



agricultural technology or a walk-through of the elements that guarantee an “organic” status.

For those who want a more fully immersive experience, overnight stays can be established in different tiers and themes. A “farm-to-table” experience could see a family waking up, working on the farm to gather various elements of their meal and helping throughout the day, and then finishing off with a dinner they have helped create. A “retreat-from-technology” experience could have a focus on the physical aspect of farm work, with deliberate shunning of internet connectivity in favor of outdoor activity.

Overnight field trips could have students camping by night and by day focusing on researching reports on various elements of the agricultural experiences they have.

Educational presentations can be integrated into food stands and farmers’ markets, providing a “drop-in” browsing style engagement with the culture of food production.

The region also has the opportunity to emphasize its long-term history, with contextualization of what the dinosaurs were thought to have eaten, along with the climate of the period and what the growing conditions and weather were like as opposed to modern-day history.

Crucial to the success of initiatives like these would be the development of an agri-tourism circuit. Groups or businesses could apply or be designated points of interest on a published map. There could be trail biking routes between certain destinations and a regular shuttle bus could make a rotation between larger destinations. The products from these businesses could also be included in special markets or gift shops, perhaps even with an appellation process.

The tourism office and hotels would carry these maps as well as booking information for the shuttle. The shuttle would permit accessibility both for more remote areas to participate as well as for those visitors with less mobility.

Site

The main sites of the agri-tour will be locally owned farms on agricultural land. Many of these sites will likely already have the agricultural features necessary for this business venture.

However, these farms will need to alter their

venues to be more receptive to tourism. This may involve building roads to improve accessibility and allow for shuttle service. This may also involve safety precautions regarding animals and health regulations related to livestock and food.

Additionally, many of these farms may need to build picnic or dining areas for the full agri-tour experience. Running water and electricity will not be necessary. However, an outhouse or portable toilet may be necessary if washroom facilities do not currently exist.

The shuttle itself will need capacity to carry a number of passengers. The vehicle will likely be a large van or a small bus. Since the shuttle service will visit tourism sites in the County, the vehicle may also need the capability to travel on gravel or dirt roads. This may limit the use of a bus shuttle. Alternatively, some roads to tourist destinations may need to be paved to allow for shuttle access.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

Market Attraction

There is fairly universal appeal to creating an agri-tourism circuit in the region. Families, individuals and groups wanting to engage

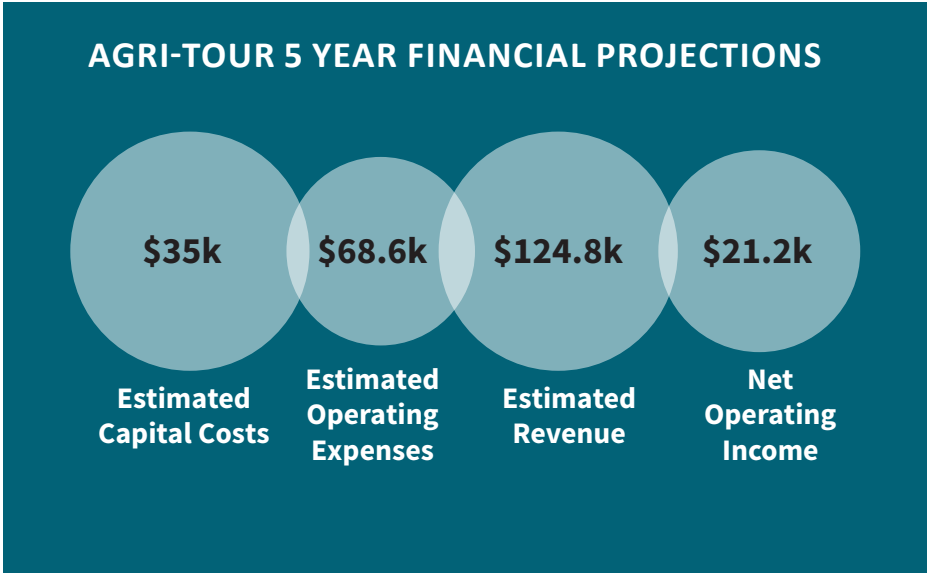
further with the origins of food will be inherently interested, and the possible tie-ins to the Dinosaur Provincial Park are strong. Curiosity about the lives of the dinosaurs, how they lived and ate, can be segued into learning about the various animals in the agricultural landscape. Educational groups that are already making the park a destination can increase the value of their trips by pairing the paleontological aspects of their visits with the current technology and processes around food production.

There are also opportunities to create or liaise with charitable programs that take urban youth out of the cities to experience agriculture, nature, and the scale of the land in Canada. Volunteer positions can be offered to agricultural science students to lead tours and set up exhibits in the summers or as part of agricultural-education research. The gathering of these activities and possibilities onto an agri-tourism map ensure the widest reach across visiting demographics.

Financial Information

Business expenses are estimated to be comprised of \$25k for a minibus and \$15k for gas and maintenance. An additional \$10k is estimated for shed storage, including office space and overhead. A driver is estimated to fetch a wage rate of \$15/hour for 8 hours/day and 3 days/week. A tour guide is estimated at \$15/hour for 8 hours/day and 3 days/week.

The pricing for the agri-tour should be \$40/ person. It is assumed that 8 people will travel three days/week during the peak tourism season between May and October.





# Archery Tag

Combat archery games have existed alongside paint ball and lasertag for many years, but it has recently exploded in popularity. This is partially due to the rise of franchises with bow-and-arrow-wielding characters, such as Game of Thrones, The Hunger Games and Lord of the Rings. 2011 saw John Jackson invent a formalized version called “Archery Tag”. He has now licensed his concepts and gear to more than 170 locations.

There is an opportunity to develop a year-round attraction, either by licensing from an existing combat archery company or establishing a new brand particular to the region.

## Business Description

Predicated on dodgeball, “combat archery” sees participants shoot safe, foam-tipped arrows at each other using a bow. Similarly to paint ball, there are obstacles and objects on the field of play behind which to hide and strategize. The scoring system is commonly points-based or elimination-based, but opportunities exist to tailor the game’s goals into different challenges or modes.

The competition occurs within a restricted time frame, usually along hour-based increments. The games operate with a team-based model. Groups can book private sessions or participants can join public play and be assigned to a team.

Upon arrival, participants are provided with access to a training area and instruction. This serves both to emphasize safety rules and procedures as well as teach the techniques

required to fire the arrows from the bows. This is also when players are introduced to their safety gear, most notably a protective face/eye mask or helmet. These masks tend to have anti-fogging abilities. Sometimes chest and wrist guards are provided as well.

The most common form of gameplay sees the two teams aligned along opposite sides of the arena. At the signal, they race towards the center where all the bows and arrows are lined up to be claimed.

Retreating back to their own sides, participants take strategic cover. In this “elimination” version, players are out of the game when they are hit by an arrow or when an opposing team member catches an arrow shot by them.

There are also options for other types of game play. For example, using a points system that permits all players to remain “active” in the



game for the duration of the time frame. The game is notable for its rapid learning curve. Participants of all ages are able to easily wield the specialized bows and arrows. The bows have a maximum of thirty pounds of “draw weight”, ensuring accessibility as well as safety. Often the range is between ten and twenty pounds of draw weight.

Usually, there is a spectator area which enables participants who are awaiting their turns, parents, or interested visitors to watch the games. Establishing a “private” room for parties and other bookings is also common.

The region is primed for the introduction of this growing sport. The ability to establish arenas of play both indoors and out leads to a wide variety of possible settings and themes. The region also has a notable opportunity to expand the traditional, smaller training area into a larger, stand-alone experience. This would expand the offerings to those seeking less of an adrenaline-charged or competitive atmosphere. Target-based challenges or single-player obstacle courses could supplement the “classic” arena-based team play. There are also companies that specialize in mobile combat archery installations which enable the game to be played in fields, gyms, or even office buildings. Costumes and themes are becoming increasingly popular as well, from movie-focused to historical.

## Site

Archery tag is most often played at an indoor location to allow for year-round availability

and to limit the impact of the elements on play.

Potential indoor sites for archery tag locations include gymnasiums, indoor sports fields, warehouses, and office buildings with high ceiling clearance. Sites with these facilities are more likely to be located near town centres.

Air-supported domes are also often used for archery tag and these structures can be built on agricultural land. However, these structures can be rather cost-prohibitive. Archery tag is, therefore, normally combined with indoor driving ranges and indoor sports fields in air-supported domes to make this type of venture more feasible.

The site will require both road access and electricity. As most archery tag locations include a change room, access to running water is also likely needed. A small parking lot or access to street parking will be required.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

## Market Attraction

First and foremost, combat archery is a family-friendly, accessible sport that provides the

stimulation of the ever-popular paint ball but without the physical pain and danger. The charm of the bows and arrows creates a more wholesome environment than the use of paint ball guns as well.

The ability to quickly learn the techniques has been demonstrated across all age groups. It also has a more gender neutral appeal than dodgeball, with many more co-ed groups participating as teams than are seen in municipal dodgeball leagues. The strategizing, teamwork, partnership and physical engagement as well as competition lends itself to professional group activities.

It is easily tailored to groups such as birthday parties, bachelor and bachelorette parties, and even summer or winter camp activities. The nature of the inflatable obstacles also provides a wider range of options in terms of locations.

## Financial Information

The main expense for archery tag is determined to be the venue, on average costing \$5k/month. Archery tag equipment will be a one-time cost of \$11k, while insurance and operations will be \$20k. It is estimated that an average of two staff members will be needed each day at a rate of \$15/hour for 8 hours.

The fee for an average archery tag session is \$24. For the purposes of this financial analysis, it is assumed that an average of 40 individuals will play each day and that the business will operate year-round.

**LOOKING FOR MORE INFORMATION?**

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## ARCHERY TAG 5 YEAR FINANCIAL PROJECTIONS

**\$11k**

**Estimated  
Capital Costs**

**\$939k**

**Estimated  
Operating  
Expenses**

**\$1.752M**

**Estimated  
Revenue**

**\$802k**

**Net  
Operating  
Income**



# Escape Room

There is an opportunity for the region to participate in a rapidly growing trend which is an indoor, four-season attraction. “Escape Rooms” originated in Asia in the early 2010s, naturally evolving from exploration-themed video games. There is a following for escape rooms, known as “Escape Room Enthusiasts”.

The escape rooms can be easily integrated into existing tourism ecosystems. There are possibilities of themed tie-ins via the plots or mysteries involved; partnerships with museums or schools, and of course the local history.

## Business Description

“Escape Rooms” at their core are physical adventure games. In a restricted time frame, players solve a series of puzzles to move from challenge to challenge, often unraveling a mystery in the process. Crucial to the process is the balance between forging a linear narrative through the puzzles, while also evoking a sense of an “open world” where the participants can discover and unlock other secrets.

There are different possibilities for strategy, some of which include clues built into the room

and limited-access hints from the “outside”.

The fictional settings of the rooms are the foundation of the businesses. There are a large variety of established models, from prison cells to spaceships to moments or scenes from history. The opportunity exists in this case to emphasize the historical aspects of the region while simultaneously creating a lower barrier to entry for the installation of the Escape Rooms on private land.

For instance, the setting of “western” or “old-time” saloon would provide a chance for participants to experience immersion in a unique cultural aspect of the region’s history. This increases the desirability to attend, as it elevates the attraction into a “can’t-miss” experience.

The resources required to create this atmosphere are readily available in the area. Reclaimed barn wood, straw, and other props can quickly evoke the time period. There is also potential to integrate live actors into the escape rooms, as fellow players around a poker table for example, which could take the experience in a different direction.

Upon arrival, participants are greeted by knowledgeable staff that adjusts the escape room experience to the ages, sizes, and preferences of the group. In larger venues, there may be a themed restaurant, cafeteria, or cafe attached. A picnic area would also be a good pairing, and would be a low-maintenance way to encourage group bonding before and after the experience.

After the rules and safety measures are explained, the experience begins. Often, this is through a video that starts the immersion process and establishes the narrative. This could also be achieved by live actors as well. Clues are unlocked as well as hidden throughout the space. There are also options to get “hints” from the staff; sometimes these are unlimited, sometimes there are a certain amount available.

There are several possibilities for technology integration; for example, the hints could be



provided by actors in-character or via pre-recorded videos. Both these options maintain the “fourth wall”; however walkie-talkies to the staff can be just as effective.

The staff is supervising the group at all times via camera and microphones. As the participants move through the puzzles, there can also be warnings of the timer running down or merely a visual representation of the time remaining in the room (which could be anything from a digital display to an hourglass filled with sand).

The plot and puzzles can be updated seasonally or on a more rapid schedule. This leads to repeat visits and can also be parlayed into becoming a competition of sorts. The competition can be extended via websites or social media to ensure a connection with the region after the visitors have returned to their homes.

## Site

A likely site for an escape room is on privately owned agricultural land. Many private land owners have structures on their property – such as barns or animal stables - that can be converted into an escape room with minimal effort. These existing farm structures would limit the escape room business to seasonal activity due to the lack of insulation or heating. Alternatively, these land owners could also construct a new building to house an escape room, making the business available year-round.

With a few design adjustments, these sites would provide a logical location for a Western-style escape room. Road access would need to be developed if it does not already exist. Electricity is also likely necessary for the more interactive aspects of escape rooms, through the use of videos, lighting, and sound recordings.

Alternatively, an escape room can also be housed in an existing building in one of the town centres in the county. This may be in existing commercial, residential, or industrial space. These sites would likely already include

road access, electricity access, and heating.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

## Market Attraction

As a rapidly growing trend, awareness of escape rooms has achieved enough market penetration to be easily recognizable to visitors. The demographic appeal is extensive; all ages are able to participate as the puzzle experiences may be tailored to different skill levels.

Domestic tourists from other regions of Canada and international tourists may be particularly attracted to a Western-themed escape room as a cultural experience.

Escape rooms are also particularly ideal for groups. This can range from a basic family unit

to classes or camps of children, partnerships with tour groups, bachelor and bachelorette parties, birthday parties, sports teams, professional groups and corporate retreats.

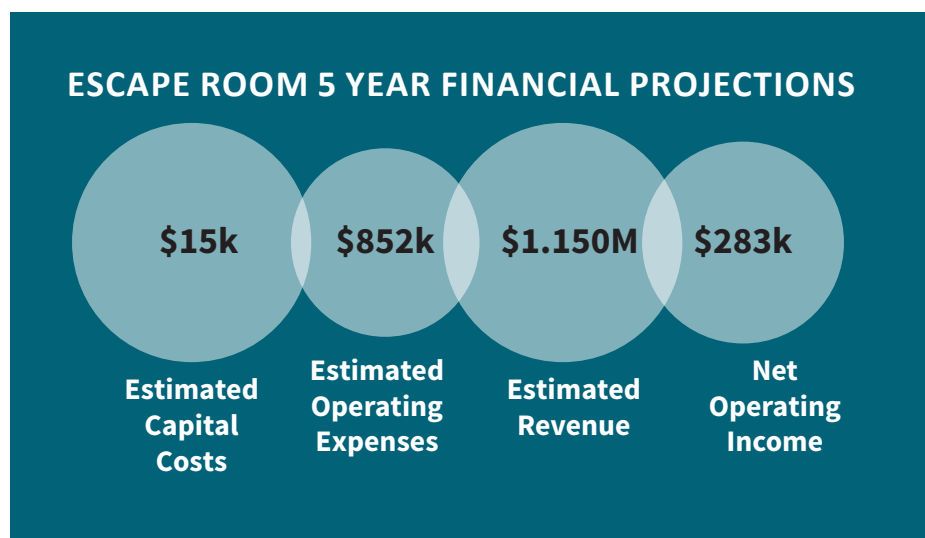
The team-building aspect has developed into a lucrative stream for escape rooms, as companies large and small find the group challenge empowers and enables leadership development as well as teamwork and diplomacy.

Income groups are reflected across the board as the experience has a universal appeal that crosses all income demographics.

## Financial Information

The main expense for the escape room is determined to be the venue, on average costing \$3k/month. Escape room decor will be a one-time cost of \$15k, while insurance and operations will also be \$15k. It is estimated that an average of three staff members will be needed each day at a rate of \$15/hour for 8 hours.

The fee for an average escape room session is \$21. For the purposes of this financial analysis, it is assumed that an average of 30 individuals will play each day for 365 days/year.



# Newell Region



# Adventure Tours

There is an opportunity to develop a network of “adventure touring activities” on off-road private land and public roads in the County of Newell. These tours would involve renting a vehicle or animal for guided or self-guided day-tours.

Whether in combination or on separate pieces of land, the many elements can even be transformed based on seasons. It is anticipated that the development of adventure tours in the County would extend the range of outdoor tourism opportunities available in the area.

## Business Description

Trail biking groups can be established via new paths created for the purpose. These trails can be morphed in the winter to accommodate cross-country skiing or indeed, even the newer



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sport of snow bicycling.

Horseback riding trails can be established as both smaller rides and more extensive, even overnight sessions on larger plots of land. The aspect of connecting with the animal is so crucial to the region's agricultural development and is particularly relevant in integrating the area's economic development with its existing history.

Motorcycle and dirt bike tours can also be established. Participants can cruise open highways, scenic back roads, past rural farmlands and through small town main streets by renting a motorcycle or using their own. By taking advantage of the long, warm summer season and the crisp, clean fall days, participants hit the road and tour all corners of the County by following pre-planned routes, attending an event, or creating a customized itinerary.

Similarly, a dirt bike is a lightweight motorcycle for use on rough surfaces, such as dirt roads or trails. Dirt bike tours will, therefore, provide an off-roading option on the land and rugged terrain characteristic of the region.

All-terrain vehicle (ATV) tours are another option for off-road adventure tourism. These four-wheel vehicles provide the stability for tourists to explore areas of the region that are inaccessible by other forms of transportation. This adventure tourism option also provides the possibility of two individuals occupying the same vehicle through the use of a two-seater.

## Site

The business model requires a location to house any vehicles or horses used in adventure tours. It is anticipated that this site will be located on the business owner's private land. This will likely be agricultural farmland in the region or the privately owned badlands around Dinosaur Provincial Park.

If a storage structure does not already exist on the owner's land, then a garage or storage shed will likely have to be built to store the vehicles. Similarly, stables will have to be constructed for the horse riding business if the owner does not already have these on their property.

Very little is determined to be necessary in terms of electricity, water, and road access. None of the adventure tours require electricity or running water. A number of the tours – such as trail biking, horseback riding, dirt biking, and ATVs – need to be conducted at off-road

locations.

The exception is motorcycle tours, which would be conducted on County roads. Road access from the business owner's private land to a main road would likely be necessary in this context. In addition, some County roads may need to be paved to allow motorcycle access to certain areas and sites on the tour route.

The following checklist should be used when determining site eligibility:

- Check zoning
- Ensure proper permits are in place
- Confirm business can operate on the designated land
- Check environmental regulations and species protection
- Determine legal and insurance requirements

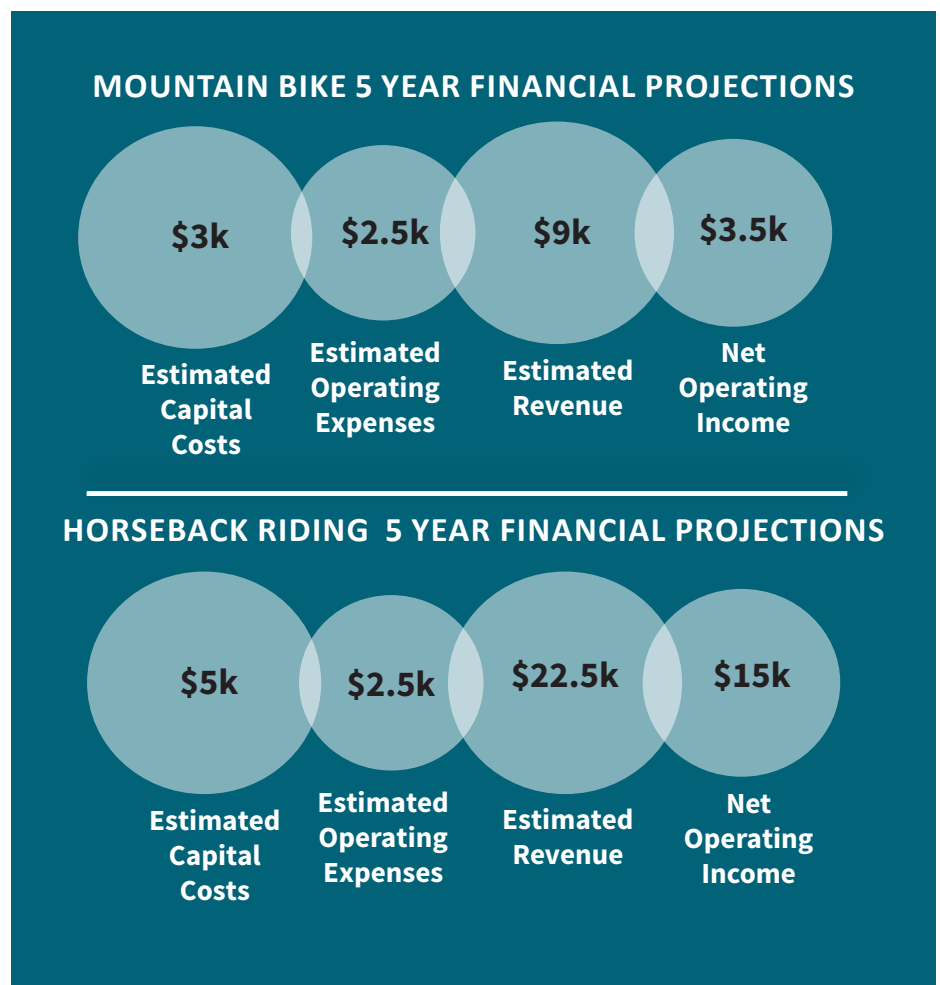
## Market Attraction

Adventure tours will attract two different demographics. The first is tourists and locals

who regularly engage in adventure activities. Certain groups of tourists may partake in adventure tours wherever they travel or even seek out the County of Newell specifically because its natural features are good for adventure tours. This group will likely not require guided tours and will be seeking a higher degree of difficulty from the tours.

Another market demographic will be those visitors that are seeking a new experience, but have little background or expertise in adventure tourism activities. These tourists may be from more urban areas or regions where outdoor adventure activities are more difficult to find. They will require lessons, guided tours, and a lower degree of tour difficulty.

Though both genders are potential markets for adventure tours, the demographics for trail biking, motorcycling, dirt biking, and ATVs will skew towards men between the ages of 16 and 50. This also creates the opportunity to attract groups such as bachelor parties. Horseback riding will attract both men and women equally.





## Financial Information

A number of expenses will be required for a base of operations for the adventure tours. Two storage sheds are estimated at \$10k, a portable toilet at \$1.5k, and trail maintenance at \$30k. Two staff members are estimated to each receive a wage of \$15/hour for 8 hours/day during the peak tourism season between May and October. As a result, total base expenses are calculated at \$84.7k.

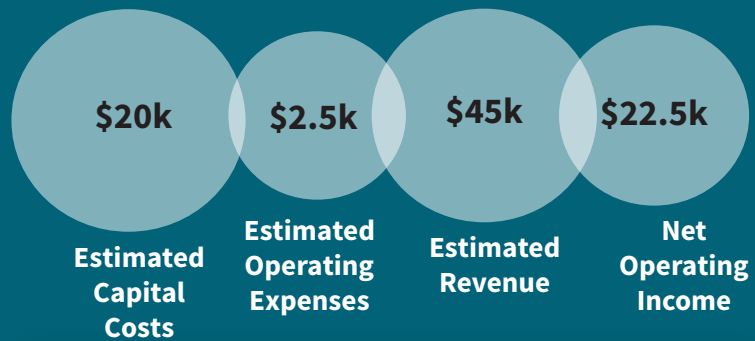
Activity expenses will primarily be based on the cost of vehicles and equipment for each particular experience. For the purposes of this analysis, the following costs are estimated: mountain bike - \$3k; motorcycle - \$20k; dirt bike - \$6k; ATV - \$11k. These estimates include storage costs, gas, and maintenance. Insurance costs are estimated at \$500/year for each activity.

In the case of horseback riding, it is assumed that any entrepreneur interested in pursuing this opportunity will already own a horse and provide for stables, food, and health care. As a result, estimated horseback riding expenses are pro-rated in the financial analysis at \$1k/year.

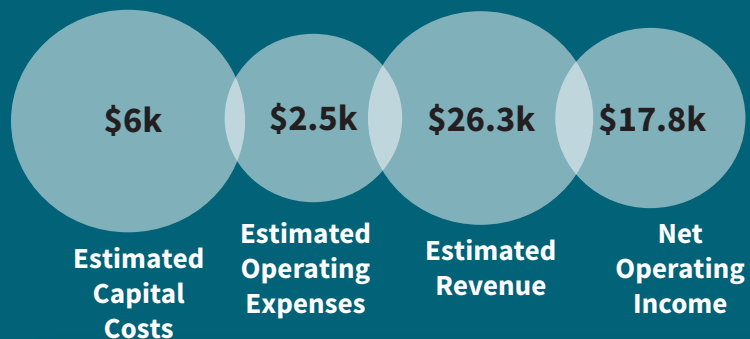
In terms of revenues, the following average rates will apply: mountain bike - \$60/day; motorcycle - \$300/day; dirt bike - \$175/day; ATV - \$200/day; horseback riding - \$150/day. It is estimated that usage rates will be 30 days/year for all activities.

It is assumed that the business owner will choose the type of adventure tours available, as well as the number of pieces of equipment for each activity. The financial projections provided below are on a per unit basis for each type of equipment, excluding the cost of base operations. It is assumed the business owner will choose a combination of adventure tour activities, where the combined net operating income will cover \$84.7k in base operations expenses and the desired profit margin of the owner.

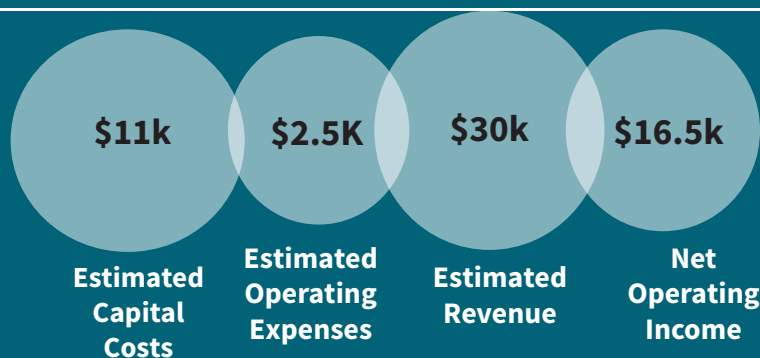
### MOTORCYCLE 5 YEAR FINANCIAL PROJECTIONS



### DIRTBIKE 5 YEAR FINANCIAL PROJECTIONS



### ATV 5 YEAR FINANCIAL PROJECTIONS



**LOOKING FOR MORE  
INFORMATION?**

brooksadmin@brooks.ca  
www.brooks.ca  
403-362-3333

# Newell Re

**Interested in exploring one  
or more of the business cases  
further? Need funding to support  
one of these ventures?**

# Key Contacts

## JOINT SERVICES Economic Development

Economic Development direction throughout the City of Brooks and County of Newell is provided by the Joint Services Committee. The Committee consists of members from the City and County, as well as the small municipalities within the County. During the 2016 Strategic Planning session, supporting entrepreneurship was identified as one of the Committee's focus areas. The Tourism Operator Business Plan Project will direct prospective entrepreneurs and tourism investors/developers to unfulfilled gaps in the regional tourism industry by leveraging current tourism destinations.

**[www.brooks.ca](http://www.brooks.ca)  
403-362-3333**

## COMMUNITY FUTURES Entre-Corp

Community Futures Entre-Corp is a community driven, non-profit organization staffed by business professionals and guided by a volunteer Board of Directors. Funded in Western Canada by Western Economic Diversification Canada, they provide a wide range of small business services and business management tools for people wanting to start, expand, franchise or sell a business. They also actively work with community and business leaders to foster rural economic growth.

**[entre-corp.alberta.ca](http://entre-corp.alberta.ca)  
403-376-1099**

## NEWELL REGIONAL TOURISM ASSOCIATION

The Newell Regional Tourism Association (NRTA) is a destination marketing organization serving the communities of City of Brooks, Town of Bassano, Villages of Duchess and Rosemary and the County of Newell. Their goal is to provide destination awareness and to enhance tourism opportunities in the Newell Region. The organization has a tourism fund which is designed to extend tourism marketing support through project funding of new or enhanced marketing initiatives in the region, with a goal of increasing the number of events, creating sustainable organizations and enhancing the image of region as a tourism destination.

**[www.visitnewell.ca](http://www.visitnewell.ca)  
403-794-2262**

## ALBERTA CULTURE & TOURISM

Alberta Culture and Tourism supports the development and sustainability of Alberta's cultural industries, tourism, the arts, recreation and sport, heritage and non-profit voluntary sector. The Government of Alberta has several grant programs and foundations to assist organizations/investors wanting to build a vibrant culture sector, marketing Alberta as a world-class destination and promoting active, healthy lifestyles.

**[www.culturetourism.alberta.ca](http://www.culturetourism.alberta.ca)  
780-427-2711**

## CANADIAN BADLANDS

Canadian Badlands Tourism (CBT) is a not-for-profit Alberta Corporation providing a new and innovative approach to creating an integrated, destination-based tourism industry in South-Eastern Alberta. This involves the implementation of strategic priorities that are most critical to the region's success and long-term viability, including:

- Developing the tourism Hubs and Attractors
- Tying these hubs and attractors together through themed touring routes
- Developing the infrastructure required to support hub development and attractor enhancements
- Attracting and maintaining a strong labour force.

**[www.canadianbadlands.com](http://www.canadianbadlands.com)  
403-823-7741**

## TRAVEL ALBERTA

Travel Alberta is the tourism marketing agency of the Government of Alberta. Established on April 1, 2009 as a Crown corporation, they operate under the authority of the Travel Alberta Act and a Board of Directors accountable to the Minister of Culture and Tourism. They are a team of youthfully spirited adventurers that lead in marketing the province and provide resources to help other business with tourism marketing activities.

**[www.travelalberta.com](http://www.travelalberta.com)  
403-648-1000**

egion



# Newell Region

**TOURISM OPERATOR BUSINESS PLANS**

## **GET IN TOUCH**

Phone: 403.362.3333  
email: [brooksadmin@brooks.ca](mailto:brooksadmin@brooks.ca)  
website: [www.brooks.ca](http://www.brooks.ca)

201- 1st Avenue West  
Brooks, AB T1R 1B7