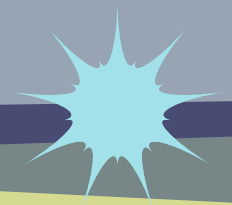
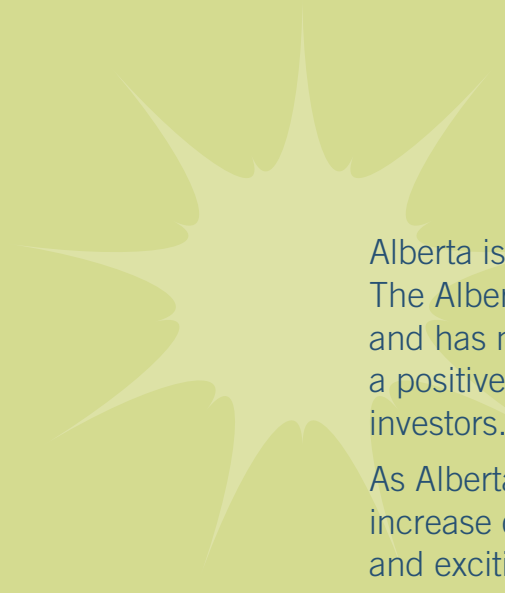


# Tourism Investment Opportunities

Brazeau County/Town of Drayton Valley







Alberta is a place where entrepreneurial spirit thrives. The Alberta government is committed to free enterprise and has maximized our natural strengths by fostering a positive business climate that delivers dividends for investors.

As Alberta's advantages and economy continue to increase our international profile, the demand for new and exciting tourism products and services is growing. Alberta's tourism industry makes a multi billion-dollar contribution to our growing economy each year and we are committed to fostering continued growth.

Alberta is a world-class tourist destination. Our spectacular surroundings, vibrant economy, and commitment to the growth of tourism make Alberta an ideal place to invest. Let us help you capitalize on Alberta's wealth of opportunities today.





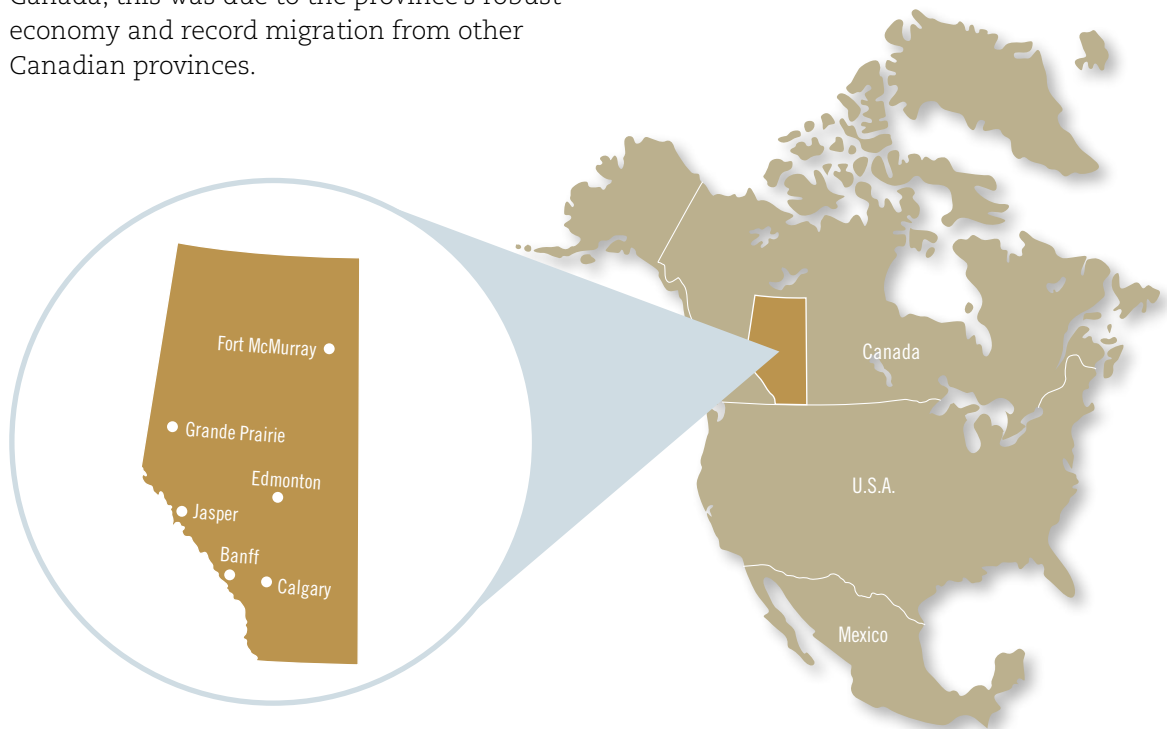
# The Province of Alberta

The province of Alberta is located in Western Canada, and has a population of more than 3.5 million people covering an area of 661,000 square kilometres. Alberta's two major cities, Edmonton and Calgary, each have populations in excess of 1 million people. The Western Canada market has a population of more than 10 million people, and Alberta's proximity to the western United States provides easy access to an overall market of 60.5 million people, including 10 states, from Colorado west to the Pacific Coast.

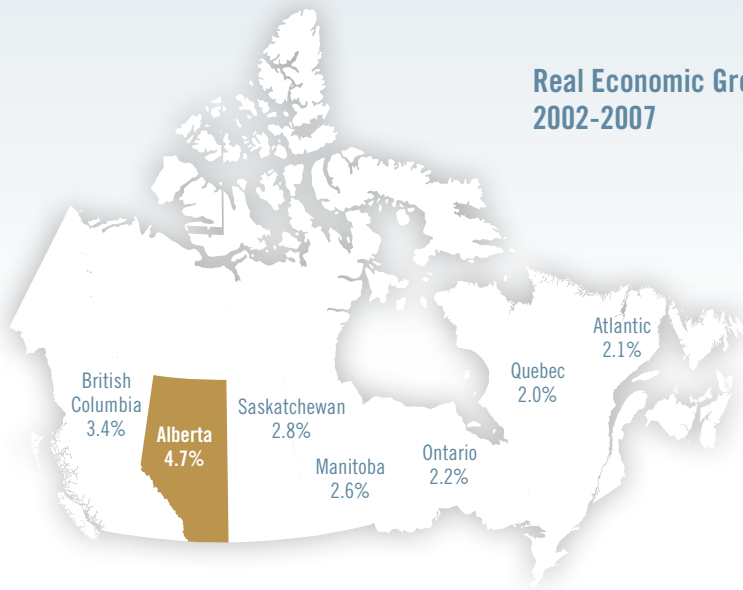
Alberta is served by Canadian and international air carriers through two international airports in Edmonton and Calgary. The airports are supported by a well developed and maintained provincial highway system that extends throughout Alberta.

In 2007, Alberta's population grew at a nation leading rate of 3.1%. This was three times the Canadian growth rate. According to Statistics Canada, this was due to the province's robust economy and record migration from other Canadian provinces.

Alberta's total Gross Domestic Product was \$240 billion in 2006. The provincial economy is supported by traditional resource sectors such as oil and gas, agriculture and forestry, along with manufacturing, technology and service related sectors such as tourism. Tourism is one of the pillars of Alberta's economy.



## Real Economic Growth 2002-2007



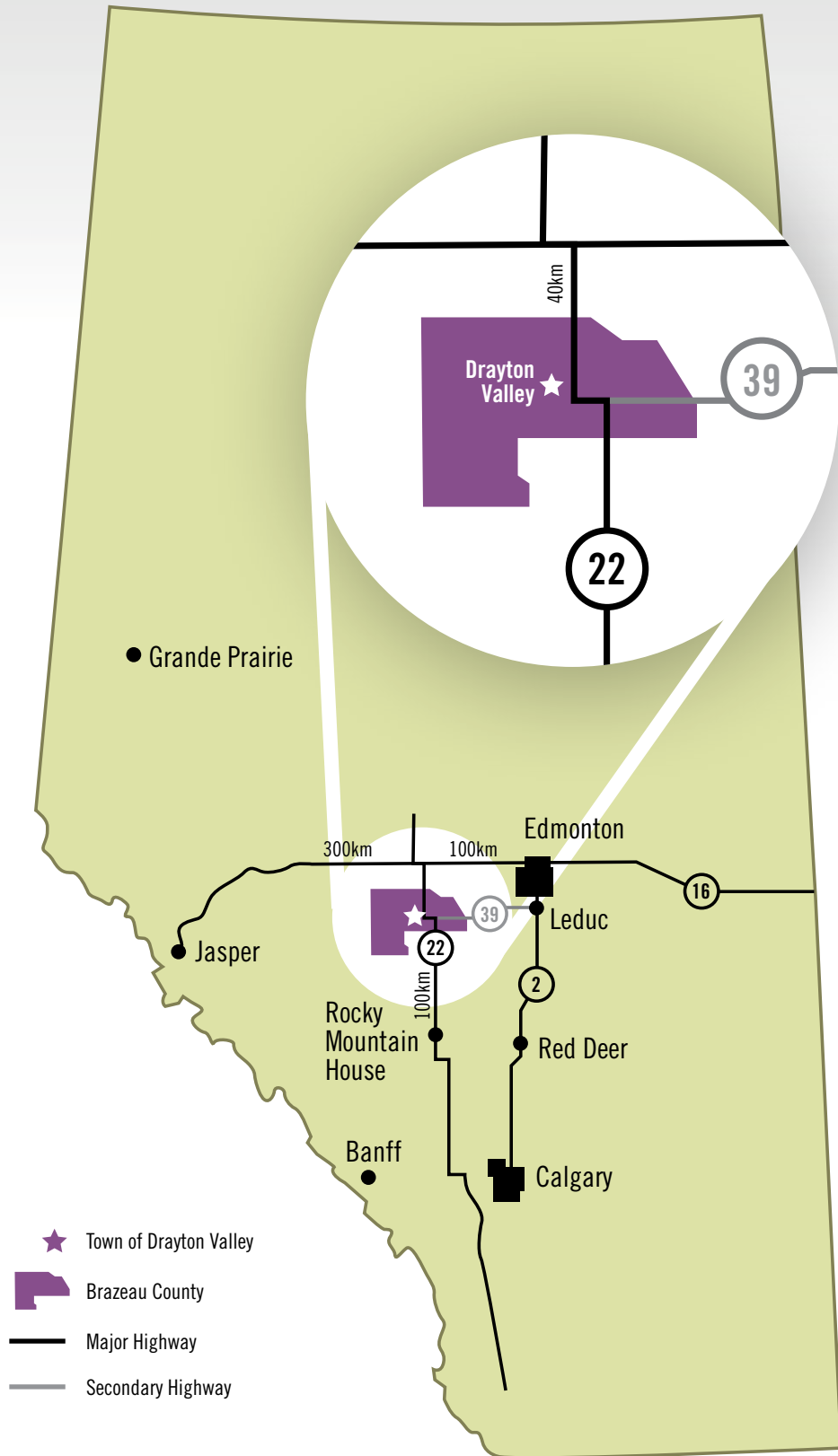
## Alberta's Economy

Over the past five years, Alberta has had the highest rate of economic growth of all of the provinces in Canada at 4.7%. This exceeded the annual growth rate for Canada as a whole, according to Statistics Canada.

Alberta is blessed with an abundance of natural advantages that form the foundation of its thriving economy. The Alberta government has built on this foundation by fostering a positive business climate based on low taxation. This attracts investment, creates diversity, and encourages Alberta businesses to compete successfully around the globe.

This foundation includes:

- a strong and diversified economy;
- a globally competitive business tax environment;
- an efficient and modern infrastructure;
- strategic access to the North American free trade market and to North Asian markets;
- political stability and low taxes;
- a young, skilled and productive workforce;
- the lowest overall personal taxes in Canada;
- a fiscally responsible government with no net debt;
- a government that understands and works closely with business; and,
- safe communities with a superior quality of life and diverse cultures.



# The Area

Brazeau County, including the Town of Drayton Valley, is located in West Central Alberta. While oil and gas and forestry have been the primary economic drivers for the West Central region, greater efforts have been devoted to capitalizing upon the region's outdoor tourism potential, particularly in the Brazeau County/Drayton Valley area.

The range of natural attractions makes the region a very attractive and accessible four-season playground for residents of Greater Edmonton and Central Alberta, given its convenient location to major primary and secondary provincial highways.

Within the area, there is a full range of tourism attractions and hospitality amenities that provide the basis for future growth of the area as an outdoor recreation destination. Since 2007, four new branded hotel properties have opened in the Town of Drayton Valley and Brazeau County.

The Brazeau Regional Tourism organization has an active internet web presence, and continually leverages its marketing through various Travel Alberta programs to help grow tourism visitation and expenditures in the region.

Current data suggests that families in the Edmonton area spend well in excess of \$1 billion on recreation. This suggests opportunities for a range of tourism and business support services in the Brazeau County/Drayton Valley area.

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## Calgary – Edmonton Corridor: The Economic Growth Leader

The Calgary-Edmonton corridor is one of the few Canadian urban regions to amass a U.S. standard of living while preserving a Canadian style quality of life. In 2000, the corridor enjoyed a \$5,000 US advantage in GDP per capita against the U.S. average. The gap has widened over the past decade as the corridor has experienced one of the strongest

gains in both real GDP and population increases in North America given the heightened economic activity in Alberta. The gap now exceeds more than \$15,000 US. Due to the tremendous economic growth that has occurred, the corridor is sometimes referred to as the Western Tiger by one Canadian financial institution.

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## Other Statistics

- 3 hours east of Jasper National Park and Banff National Park
- 90 minutes southwest of Edmonton and the Edmonton International Airport
- Over 1,000,000 residents within a two hour radius
- Major secondary highways provide ready access to one of Alberta's major inter-provincial highway corridors (Highway 16), and the major north-south corridor that links northern, central and southern Alberta, and its two major cities of Edmonton and Calgary (Highway 2).



## Area Attractions

The region's existing tourism industry stems from its natural resources; including lakes, rivers, forests and wildlife that provide a backdrop for a range of outdoor focused activities.

The major water based attractions in the area include: the Brazeau Reservoir, and the North Saskatchewan, Pembina and Brazeau rivers.

In addition, the Province has recently created the new Eagle Point Provincial Park and Blue Rapids Recreation Area. Both areas are expected to create new recreation

opportunities in the region, and complement new and existing private sector tourism development.

The region also plays host to several large sporting and recreational events, and a number of festivals/fairs that are held annually.

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## Developable Areas

A total of 203 acres of land is available for development in the Brazeau County Tourism Node, located adjacent to the Brazeau Reservoir.

This land in the Node has been designated for commercial tourism and recreation development. The Node offers the opportunity to lease public land for commercial tourism development, and is located approximately 50 kilometres west of the Town of Drayton Valley and 200 kilometres from Edmonton.

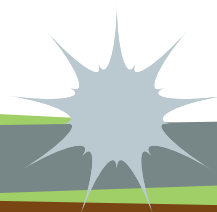
An Area Structure Plan for the Node was developed by the Brazeau County, and supported by the Alberta government.

Developers interested in pursuing development opportunities in the Node will need to apply for a Crown land lease through Alberta Sustainable Resource Development, and will be subject to municipal regulations regarding development permits or licenses.

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### Key Brazeau County Tourism Activities:

- General Touring
- Hiking
- Biking
- Camping
- Fishing
- Hunting
- Wildlife Viewing/ Ecotourism
- White Water Rafting
- All-Terrain Vehicle (ATV) activity
- Snowmobiling
- Downhill Skiing
- Horseback Riding
- Cross Country Skiing
- Guided Hunting
- Community Festivals and Events







# Notable Tourism Trends

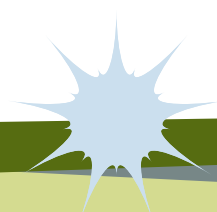
The baby boomer market in Canada has the time and money available for travel. They are looking for a range of vacation opportunities that may also involve the purchase of recreational property. In fact, Albertans have and continue to purchase recreational real estate in Western Canada at a heightened pace.

- ☀️ Alberta's continued economic strength means that Albertans continue to lead the country in terms of disposable income.
- ☀️ While Albertans are gainfully employed, with healthy income streams, many are time starved and looking for short getaway vacations within a 1.5 to 2 hour radius.
- ☀️ The impact of fuel costs suggests that short getaway destinations within the province may be very appealing to Albertans.
- ☀️ Motorized recreation, both in terms of snowmobiling and All-Terrain Vehicle (ATV) use, continues to be popular in Alberta.
- ☀️ As tourists continue to seek meaningful travel experiences, the outdoor and eco-tourism opportunities available in the Brazeau County/Drayton Valley area will be highly appealing.
- ☀️ Recreational Vehicle (RV) ownership in Alberta has remained strong, however some owners may prefer to travel shorter distances and stay longer in particular locations. Demand for RV site ownership and/or storage facilities is expected to increase.
- ☀️ Throughout Canada there is a trend towards blending residential and resort development, and thereby increasing the length of stay of visitors and the volume of repeat visitors. This applies to traditional fixed roof and RV resort type developments.
- ☀️ Given the interests of various travel segments, resort-based developments are incorporating a range of outdoor recreation and water-based activities, along with spa and wellness related services.

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## Tourism data from Statistics Canada:

- The total number of visitors to Alberta in 2006 was 19.6 million.
- Of the 19.6 million visitors to Alberta, residents of Alberta accounted for approximately 79%, residents of other Canadian provinces accounted for 12% and international visitors accounted for 9%.
- Total tourism expenditures in 2006 were just over \$5.1 billion CDN.
- Of the total tourism expenditures, Alberta residents accounted for \$2.5 billion or 48%. Residents of other Canadian provinces accounted for \$1.2 billion (24%), while international visitors spent \$1.4 billion (28%) in Alberta.



# Investment Opportunities

Two opportunities have been identified as having potential and being consistent with the Area Structure Plan that was developed by Brazeau County.

## Brazeau County Tourism Node:

### 1. Lodge and Cabin Development

An opportunity exists to develop 25 to 40 cabins, along with a central lodge with 10 rooms, a store, restaurant, gift shop and staff accommodation. The location would likely appeal to visitors from the immediate region, as well as ATV and outdoor recreation enthusiasts from the Greater Edmonton area. Other leisure markets wanting a relaxing, nature based experience may also be attracted to the area. In addition, some market potential may be generated from Northern Alberta, and possibly from non-Alberta markets if the outdoor recreation destination experience is aggressively marketed, including the opportunity for ATV activity.

Preliminary high-level cost estimates suggest construction cost would be approximately \$13 million.

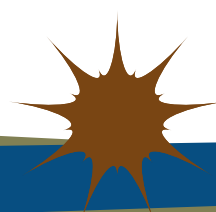
### 2. Serviced RV Campground

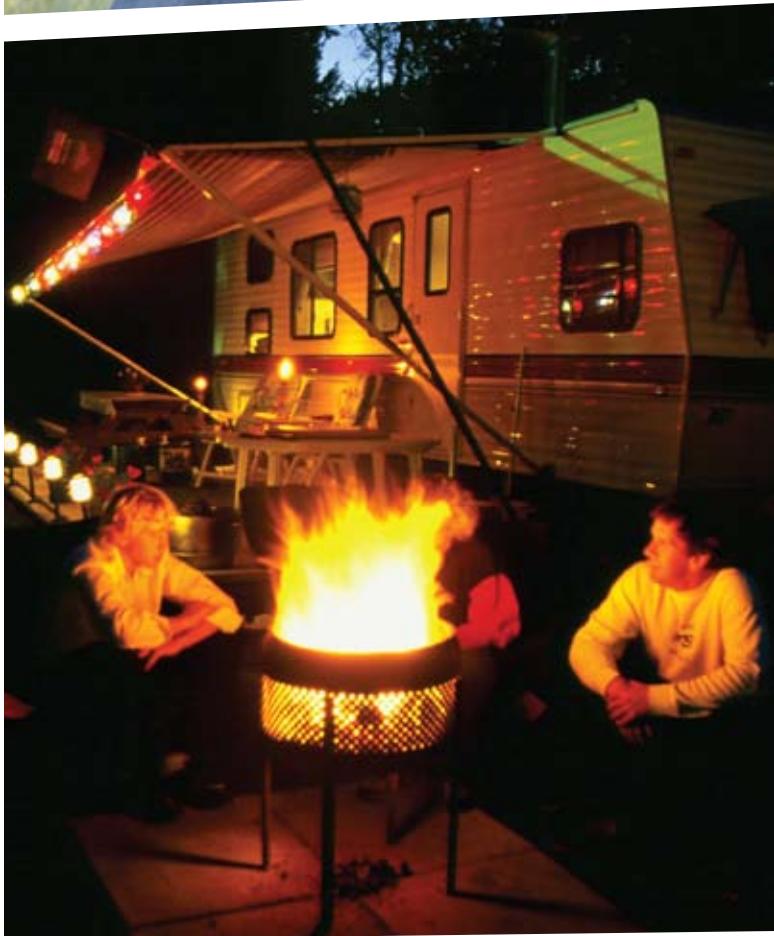
There is need for additional full service camping in the area, and an opportunity exists to develop up to 150 seasonal, monthly and overnight rental sites with water, power and communication services. The facility could be developed to include play areas/ fields, boat launch/dock, beach area, sanitary RV dump and RV storage.

Preliminary high-level cost estimates suggest that construction costs would be approximately \$9.7 million for a 150 site RV park. Assuming that the RV park might be developed on a phased basis, the first phase could potentially involve 60 sites.

The market for the RV campground will again appeal to those primarily from the region and the Greater Edmonton area, particularly those with an interest in outdoor recreation, including those with an interest in both motorized (ATV) and non-motorized activity. With aggressive and targeted marketing, it may be possible to attract markets from outside Alberta.

Note: ATV activity is permitted in areas outside the Brazeau County Tourism Node.







# Investment Opportunities

An opportunity exists to provide riverside oriented vacation experiences and related residential/vacation home real estate opportunities.

## Resort/Mixed Use Development:

Opportunities for a four-season resort/mixed use development have been identified by the Town of Drayton Valley, and include land parcels located in the North Saskatchewan River Valley in close proximity to the Town of Drayton Valley.

The opportunity envisions both fixed roof accommodation and residential/vacation home development, supported with a range of complementary services such as restaurants, golf course, spa and meeting facilities.

One of the two sites is well suited to take advantage of soft-adventure and outdoor recreational opportunities available in the area, including a proposed ATV activity node within the new Blue Rapids Provincial Recreation area, located on the east side of the North Saskatchewan River directly opposite the development site.

A second site, again located in the North Saskatchewan River Valley, takes advantage of direct access to a regional ski facility and

Nordic ski trails, and is within close proximity of the new Eagle Point Provincial Park.

Both sites are approximately 500 acres in size and can potentially be serviced from existing utilities in place in the Town of Drayton Valley.

The market for this type of outdoor experience and vacation property development would largely stem from the Edmonton and regional market, with opportunities to cultivate other segments for particular experiences and activities, including ATV and recreational enthusiasts, markets seeking a relaxing riverside retreat/getaway, and the meetings, corporate and personal business markets. It is anticipated that other Alberta and non-Alberta markets may be attracted if the outdoor and ATV theme is aggressively marketed.

The Town of Drayton Valley would be willing to work with interested developers in investigating this opportunity and the potential sites for consideration.

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## Other Tourism Business and Investment Opportunities

While development at the Brazeau County Tourism Node and the Resort/Mixed Use opportunity are the anchors, these and the existing recreational activity that is already occurring in the region suggest other associated business investment opportunities that are worthy of consideration:

- Guided adventure and touring operations;
- Sporting equipment and ATV rentals;
- Storage and repair operations;
- Guided ecotourism and interpretive experiences; and
- Tourism services (restaurants, retail/gas).



# Markets

Edmonton and Area: This market has almost a quarter million people in three travel segments that have been identified by Travel Alberta and Alberta Tourism, Parks and Recreation, and that are well suited to the opportunities being proposed.

Accomplishers: Interested in lesser known places that offer specific activities and have good but reasonable places to stay.

Comfort Seekers: Active people who come for the outdoor experiences but wish to have comfort, quality and ambiance in the destination they are visiting.

Real Relaxers: Looking for tranquility and some peace and quiet.



Within the Edmonton area, it is noted that there are about 22,000 ATV owners who use their units primarily for leisure. ATV trails outside of the Brazeau County Tourism Node and within a proposed area of the new Blue Rapids Provincial Recreation Area may be appealing to these potential visitors.

Of the three travel segments, it's clear that outdoor recreational enthusiasts can use the facilities proposed at the node or at the resort/mixed use development as a jumping off point for other activities in the area such as mountain biking, hiking, canoeing and river boating. For those seeking a more relaxing experience, they may find the riverside location and unique natural environment an attractive vacation alternative.

Drayton Valley and area markets provide an opportunity to provide infill during different times of the year, and may include business meetings/conferences, individuals travelling to conduct personal or corporate business and of course, weddings/family reunions.

There are approximately another 240,000 people in the three travel segments from

other parts of Alberta that may be interested in recreational, ATV and river-based vacation experiences.

The Town of Drayton Valley and Brazeau County are part of the larger Alberta Central Tourism Destination Region. According to Statistics Canada 2006 data, we note the following:

- The Alberta Central TDR had close to 5 million visitors. Of this amount, just over 2.2 million were overnight visitors. Albertans accounted for 83% of all overnight visitors to the Alberta Central TDR.
- Overnight tourism expenditures by all visitors in the Alberta Central TDR was approximately \$411 million. Of that \$411 million, Albertans accounted for just under \$281 million (68%) of tourism expenditures. Residents of other Canadian provinces accounted for just under \$86 million (21%), while international visitors spent over \$44 million (11%) in Alberta. Total tourism expenditures, which includes overnight and same day spending, amounted to just under \$597 million in 2006.

# Alberta Government Support

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

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

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

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## Tourism Related Investment Services

- Assessing and matching your investment interests and financial resources with appropriate tourism business investment opportunities.
- Organizing site visits to review investment opportunities.
- Introducing you to relevant business contacts and facilitating meetings to assist with your investment interests.
- Availing tourism research and development information to substantiate your business case or feasibility study.
- Providing detailed information on tourism sectors of interest.
- Assistance with regard to Crown land leasing opportunities through the Alberta Tourism Recreation Leasing process.
- Links to the Federal government's Business Immigration Program.
- Access to tourism related investment services through the Alberta government's international office network (Beijing, Tokyo, Hong Kong, Taipei, Seoul, Mexico City, London and Munich).

You can access our services through these international offices or by visiting us online at: [www.tourism.alberta.ca](http://www.tourism.alberta.ca)

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A copy of the *Brazeau County / Town of Drayton Valley Regional Tourism Investment Opportunities Report* (Sept 2008) is available from the Ministry.

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