

CANADIAN BADLANDS

COMMUNITY PROFILE

OVERVIEW

The Canadian Badlands Ltd. (CBL) is a non-profit corporation that represents the southeast quarter of Alberta. This includes the region from Stettler in the north to the Montana border and from just east of the Highway 2 corridor to the Saskatchewan border. It encompasses 90,000 square kilometres or 16% of Alberta.

The region features unique landscapes, dinosaur fossils, abundant wildlife, reservoirs, lakes and scenic rivers. Another great feature is the location, as it is readily accessible from the Calgary International Airport and from the Trans-Canada Highway 1. The Canadian Badlands is home to the Royal Tyrrell Museum of Palaeontology, a world-class dinosaur museum, and is known for having one of the largest deposits of dinosaur fossils in the world.

CBL provides a new and innovative approach to creating an integrated, destination-based tourism industry in south-eastern Alberta. Central to this initiative is the joining together of 57 communities to develop and implement a strategic regional tourism development plan. This plan will coordinate activities and investments across the region to maximize benefits for all shareholder communities rather than having each community make individual and isolated investments.

HOSPITALITY

As the Canadian Badlands include 57 communities, there are a range of tourism services offered throughout the region, including hotels, motels, inns, campgrounds (full/limited service), restaurants, coffee shops/cafes, and bed and breakfasts.

EXISTING ATTRACTIONS

- Royal Tyrrell Museum of Palaeontology - 400,000 visitors
- Cypress Hills Interprovincial Park - 160,000 visitors
- Dinosaur Provincial Park - 90,000 visitors
- Writing on Stone Provincial Park - 50,000 visitors
- Dry Island Buffalo Jump Provincial Park - 50,000 visitors
- Rosebud Theatre - 30,000 visitors
- Atlas Coal Mine Historic Site - 23,000 visitors

The major water-based attractions in the area include: Bow River, Red Deer River, Milk River, South Saskatchewan River, Lake Newell and Gooseberry Lake.

COMMUNITY WEBSITE

To learn more about the Canadian Badlands, please visit www.canadianbadlands.com

CANADIAN BADLANDS

TOURISM INVESTMENT OPPORTUNITY – BOUTIQUE-STYLE HOTEL

OVERVIEW

The CBL is looking for prospective investors interested in developing a boutique-style hotel in close proximity to Dinosaur Provincial Park. This is an opportunity to take advantage of vistas of the park and the region's unique landscape. The proposed development would offer 65 guest rooms, a restaurant with an adjacent lounge, a small boardroom for executive-style meetings and an indoor/outdoor pool and spa.

INVESTMENT, REVENUE AND MARKET ANALYSIS

Alberta Tourism, Parks and Recreation commissioned an investment opportunities study in 2008, and it indicates that the total project investment for a boutique-style hotel development in the Canadian Badlands area close to Dinosaur Provincial Park to be an estimated \$20 million.

The report indicates that the target market for this area is Albertans, including small groups and families with an interest in educational travel. Further interest may be realized nationally and internationally, particularly from European markets, as the area is a UNESCO World Heritage Site. The report is available to investors for additional information.

Projected operating results (2011-2015):

- Occupancy - 66% to 75%
- Average daily room rate - \$269 to \$303
- Revenues - \$3.5 million to \$4.4 million
- Net operating income - \$930,000 to \$1.3 million

CONTACT INFORMATION:

For more information regarding this opportunity, please contact Scott Martin.

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CANADIAN BADLANDS

TOURISM INVESTMENT OPPORTUNITY – RESORT DEVELOPMENT I

OVERVIEW

The CBL is seeking parties interested in undertaking a resort development in the Drumheller Valley. This opportunity is located in close proximity to highways and would be situated at the top of the bank to provide vistas of the valley. The proposed 3 or 4 star development would offer 100 guest rooms and suites, two restaurants with one lounge, meeting capacity for 200 people, an indoor/outdoor swimming pool, waterslide, whirlpool, sauna, spa, exercise room, and a kid's playroom. There will also be a golf course in close proximity.

INVESTMENT, REVENUE AND MARKET ANALYSIS

Alberta Tourism, Parks and Recreation commissioned an investment opportunities study in 2008, and it indicates that the total project investment for a resort development in the Drumheller Valley to be an estimated \$30-40 million.

The report indicates that the target market for this area includes Albertans, specifically from the Edmonton-Calgary corridor looking for a weekend getaway. There will also be interest from other Canadian provinces and Americans who include the region on their "must-see" list. International interest will also be generated given the interest in the Royal Tyrrell Museum and the unique topography of the Canadian Badlands. The report is available to investors for additional information.

Projected operating results (2011–2015):

- Occupancy - 45% to 55%
- Average Daily Room Rate - \$190 to \$218
- Revenues - \$8.6 million to \$11.2 million
- Net Operating Income - \$1.5 million to \$2.5 million

CONTACT INFORMATION:

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CANADIAN BADLANDS

TOURISM INVESTMENT OPPORTUNITY – RESORT DEVELOPMENT II

OVERVIEW

The CBL is seeking parties interested in undertaking a resort development at Lake Newell. There is existing development underway on 350 acres with a vision of a four-season resort. This opportunity is located approximately 10 kilometres south of the City of Brooks. The proposed development would offer 100 guest rooms and suites, two restaurants with one lounge, meeting capacity for 200 people, an indoor/outdoor swimming pool, waterslide, whirlpool, sauna, spa, exercise room, and a kid's playroom. There will also be a campground and RV park in close proximity.

INVESTMENT, REVENUE AND MARKET ANALYSIS

Alberta Tourism, Parks and Recreation commissioned an investment opportunities study in 2008, and it indicates that the total project investment for a resort development at Lake Newell to be an estimated \$20-30 million.

The report indicates that the target market for this area is Albertans, including local residents wanting to utilize the lake for its ambiance, as well as Albertans from the urban corridor who want a recreation experience close to their homes and/or vacation properties. It will also service business markets from the region, including the Calgary area, who are seeking an experience for their meetings. It will also cater to RV owners, including long haul travellers who are passing through the Canadian Badlands during their visit.

Projected operating results (2011 - 2015):

- Occupancy - 45% to 55%
- Average daily room rate - \$190 to \$218
- Revenues - \$9.2 million to \$12 million
- Net operating income - \$2.0 million to \$3.1 million

CONTACT INFORMATION:

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CANADIAN BADLANDS

TOURISM INVESTMENT OPPORTUNITY – BLACKFOOT CROSSING

OVERVIEW

The CBL is seeking parties interested in undertaking a resort hotel or lodge development in the Blackfoot Crossing Historical Park area. This opportunity will support the \$30 million Aboriginal interpretive centre that opened in 2007, which showcases the culture of the Blackfoot people. This is a truly one-of-a-kind experience only found at the Siksika (Blackfoot) First Nation's Reserve, which is approximately 100 kilometres east of Calgary just south of the Trans-Canada Highway 1. The proposed 3 or 4-star development would offer 100 guest rooms and suites, a restaurant with an adjacent lounge, an indoor/outdoor swimming pool, waterslide, whirlpool, sauna, spa, exercise room, tennis courts, and a kid's playroom. There would also be a 100-pad RV park.

INVESTMENT, REVENUE AND MARKET ANALYSIS

Alberta Tourism, Parks and Recreation commissioned an investment opportunities study in 2008, and it indicates that the total project investment for a resort hotel or lodge development in the Blackfoot Crossing Historical Park area to be an estimated \$17.5-20 million.

The report indicates that the target market for this area includes culture and heritage visitors from Canada, the USA and overseas, particularly German-speaking Europe. There is also a focus on school groups, associations, and corporate/religious groups seeking a retreat setting. The report is available to investors for additional information.

Projected operating results (2011-2015):

- Occupancy - 45% to 55%
- Average daily room rate - \$150 to \$168
- Revenues - \$5.4 million to \$7.3 million
- Net operating income - \$1.1 million to \$1.9 million

CONTACT INFORMATION:

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CANADIAN BADLANDS

TOURISM INVESTMENT OPPORTUNITY – RV RESORT

OVERVIEW

The CBL is seeking parties interested in undertaking a RV destination resort park in the region. This opportunity could be located in one of three possible areas: Lake Newell, Crawling Valley, or the Drumheller Valley region. The proposed development would feature 300 RV pads with 4-star qualities, with an additional 10-20 cabin units on site. The site would preferably be waterfront (lake or river), with water amenities provided. It would feature common areas such as a community centre (fitness centre, store, snack bar, games and other services), laundry services, an RV wash, pool/water park, and an amusement or activity centre.

INVESTMENT, REVENUE AND MARKET ANALYSIS

Alberta Tourism, Parks and Recreation commissioned an investment opportunities study in 2008, and it indicates that the total project investment for a RV destination resort park in the Canadian Badlands area to be an estimated \$10 million.

The report indicates that one of the target markets for this area includes Albertans, specifically individuals seeking a recreational lifestyle in a resort setting. Canadian or American RV markets, including “sunbirds” who are coming north in the summer, and retired adults, would also be potential markets. Other potential interest could come from Europeans who look to rent RVs and explore new places. The report is available to investors for additional information.

Projected operating results (2011–2015):

- 300 sites/200 operating days – 60,000 site days
- Occupancy - 60% to 80%
- Average daily rate - \$33 to \$40
- Revenues - \$1.6 million to \$2.6 million
- Net operating income – \$230,000 to \$700,000

CONTACT INFORMATION:

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*In 2009, the Tourism Division from Alberta Tourism, Parks and Recreation commissioned a study to assess the provincial RV campground sector. The study included a review of print and web literature, expert interviews and a public telephone survey of those who camp with RVs who reside in British Columbia, Alberta and Saskatchewan. Using these primary and secondary sources, the study provides an assessment of both the supply and demand side of the RV campground sector in Alberta. This report is available to interested developers and investors.