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# Western Arctic Tourism Strategy

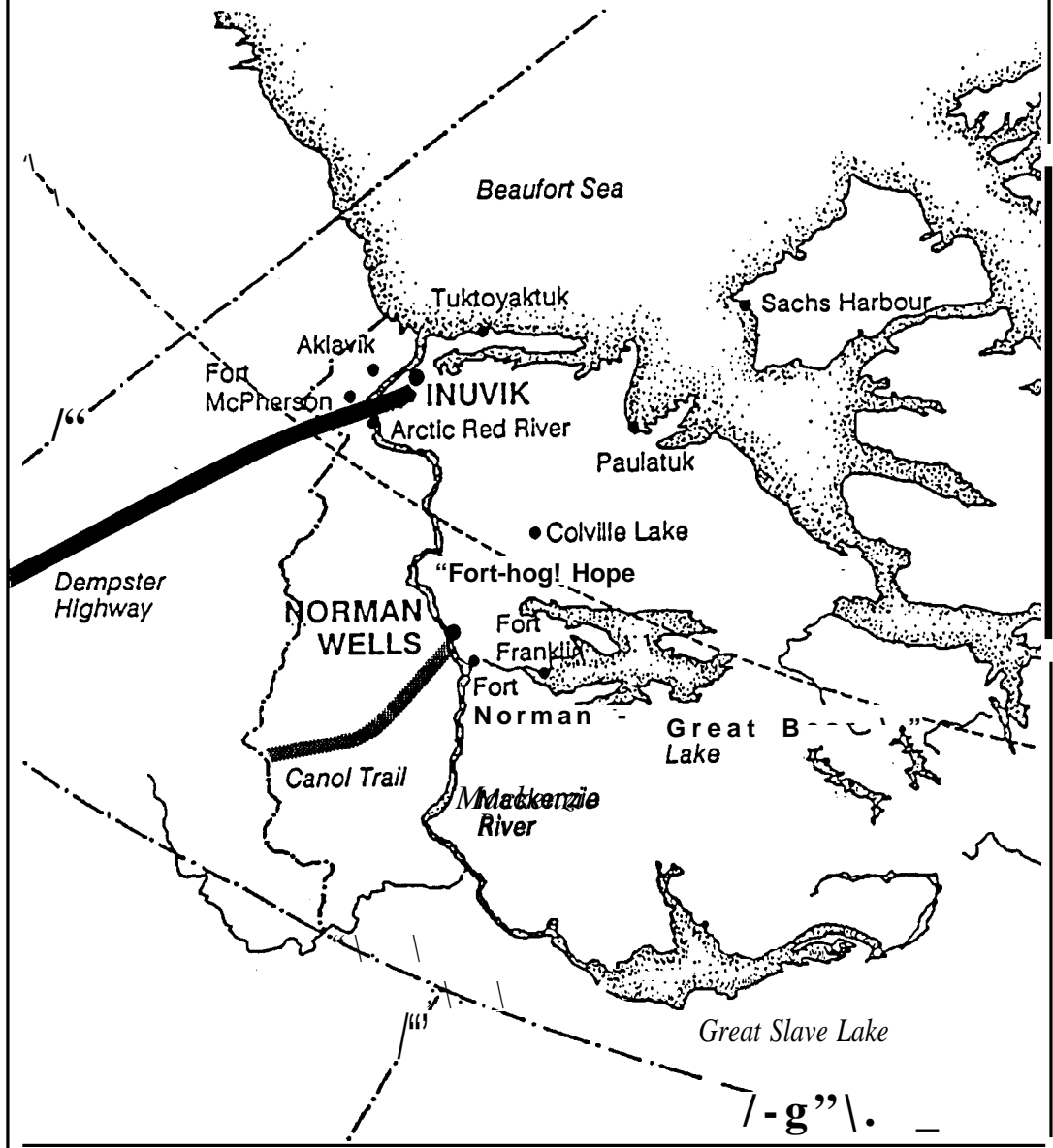


RT & Associates  
March 1990

## **Note**

Almost all of the statistics and dollar figures contained in this report are estimates based on secondary reports and information provided by the Western Arctic Visitors' Association, the Department of Economic Development and Tourism, the Inuvik Visitors' Association, and GNWT visitor exit surveys. Where possible and practical, we have tried to validate figures through interviews with community representatives and knowledgeable people in the regional tourism industry. However, the scope of this assignment did not permit primary research on revenues and costs, nor did it permit objective evaluation of some of the assumptions contained in the secondary sources.

# Western Arctic Study Area



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## **Executive Summary**

In November 1989, the Western Arctic Visitor's Association contracted RT & Associates to revise an earlier tourism strategy for the Western Arctic Tourism Zone.

After thoroughly reviewing the earlier strategy documents and other related reports and discussing the strategy with both zone officials and tourist operators in Norman Wells and Inuvik as well as Economic Development & Tourism officials in the region and in headquarters, we prepared one master report covering all communities in the zone as well as 12 capsule reports, one for each of the zone communities.

### **Background**

The communities fall into two geographic groups: the northern group, centred on Inuvik, includes Fort McPherson, Arctic Red River, Aklavik, Tuktoyaktuk, Paulatuk and Sachs Harbour; the Sahtu group, centred on Norman Wells, includes Fort Norman, Fort Franklin, Fort Good Hope and Colville Lake.

The total number of business and pleasure travelers visiting the Western Arctic has grown by about 74% over the past nine years, and the number of outfitters and package tour operators has also increased to accommodate greater demands for visitor products and services.

Tourism accounts for 40% of all travel in the Western Arctic; business travel accounts for the remaining 60%, and virtually all of it is air travel. Conversely, Dempster Highway "rubber tire" traffic accounts for about 70% of all tourism travel, making motorists by far the largest segment of the region's tourism market, and giving the northern communities the largest percentage of total zone tourism activity. Not only has the Dempster generated travel in

communities on or near the highway, i.e. Inuvik, Fort McPherson and Arctic Red River; it has also generated tourism traffic in Tuktoyaktuk and Aklavik.

The Sahtu communities have not experienced nearly as much tourism activity and growth, although their two traditional tourism stalwarts — sports hunting and fishing – have managed to hold their own despite declines in the overall North American market for these sports.

### Tourism Market Segments

Western Arctic tourists can be classified under the following market segments:

- Sports Fishing
- Sports Hunting
- Adventure Travel
- General Touring

General tourists arriving via the Dempster Highway by car, recreational vehicle and buses constitute by far the largest market segment. These motorists come on their own, or as members of pre-arranged, **pre-paid** package tours for general sightseeing and to experience such things as native culture, crossing the Arctic Circle, seeing the Arctic Ocean, visiting museums/historic sites, shopping for crafts, etc.

By sports fishermen and hunters, we mean those who come in search of trophy fish and game. Big game hunters are attracted to the Western Arctic primarily by Dan's sheep, polar bears, muskox and caribou. **Sahtu** sports fishing is the most established, though no longer the largest, Western Arctic tourism segment. The northern end of the zone has no comparable sports hunting and fishing operations, though it does have some potential for growth in this market.

While the Sahtu attracts the greatest number of sports hunters, Sahtu communities do not benefit as much from this market because, unlike in the northern communities, local residents are not employed as guides. There is however, evidence to suggest **Sahtu** residents could become more profitably

involved in the sports hunting industry. There are also opportunities to increase the northern communities' share of the industry.

Although The Western Arctic offers an excellent product base for adventure travelers – like ardent wilderness canoeists, whitewater rafters and mountain backpackers, etc. – to date the zone has captured only a very small percentage of the adventure travel market because it is in an early stage of product development.

#### Future Prospects

Sports hunting and fishing will remain important for many Western Arctic communities, particularly in the Sahtu. But given that these markets have only limited prospects for future growth, the general touring and adventure travel markets hold the key to success for the Western Arctic's tourism industry.

The Western Arctic has much to offer general tourists and adventure travelers – wildlife, nature, culture and history as well as hiking, backpacking, skiing, dog sledding, camping, canoeing, kayaking, boating and rafting – and therefore has the potential to attract many more visitors from North America, alone, as well as from Europe and the increasingly important Pacific Rim countries such as Japan and Hong Kong.

#### Western Arctic Tourism Strategy

The goals of the Western Arctic tourism development strategy are to:

- 1. Gradually increase the volume of tourism traffic in Western Arctic communities which want more tourists.
- 2. Maximize the local income and employment benefits associated with tourism development and at the same time, to the extent possible, encourage an equitable distribution of tourism benefits across all Western Arctic communities.

Achieving the first goal will require a two-pronged approach because there are essentially two kinds of communities in the Western Arctic: those which are on or near the Dempster Highway, and those which are not.

The Dempster is what tourism marketers call a significant “travel generator” and the strategy for increasing tourism in the highway communities should be to enhance that travel generator by improving road condition and services, and by increasing the quality and quantity of attractions at the NWT end of the highway.

The non-highway communities – Sachs Harbour, Paulatuk and all of the Sahtu – do not have equivalent travel generators, but they do have the opportunity to develop certain special, highly scenic areas as travel generators. The Canadian Parks Service is contemplating creation of two national parks – one near Paulatuk and one near Sachs Harbour. And the territorial government is investigating development of the Canol Trail as a spectacular outdoor recreation area. Each of these areas has its own special characteristics, but all of them have the kind of “world- class” attributes that lure adventure travelers.

The basic strategy for developing tourism in the Western Arctic is to transform these travel generators –the Dempster, the parks and the Canol – into what tourism marketers call “name brand” attractions.

#### Improving Tourism Products and Services

To achieve name brand recognition will require appropriate marketing, but simply generating more tourism traffic to an area will do little to enhance the area’s economy. To achieve the second strategic goal of maximizing local income and employment benefits associated with tourism, both the highway and the non-highway communities will have to develop things for the tourists to see, do and spend money on once they arrive. At the same time, they will have to upgrade their tourism infrastructure.

In this regard, based on previous reports and discussion with industry and government officials, we have identified a number of opportunities for tourism infrastructure and product development in each community. Rough estimates for the costs and benefits associated with these opportunities are summarized in the following chart:

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Western Arctic Tourism Zone  
Summary of Tourism Opportunities

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community	Development costs	Business Revenues	Community Income
<b>Inuvik</b>	8,710,000	988,000	323,000
Fort McPherson	2,005,000	620,000	249,000
Arctic Red River	618,000	219,400	90,000
<b>Aklavik</b>	1,355,000	1,155,000	360,000
Tuktoyaktuk	1,025,000	150,000	45,000
Sachs Harbour	340,000	95,000	17,000
<b>Paulatuk</b>	985,000	728,000	294,000
Norman Wells	2,785,000	355,000	150,000
Fort Franklin	1,637,000	990,000	468,000
Fort Good Hope	1,200,000	600,000	230,000
Fort Norman	860,000	450,000	150,000
Colville Lake	513,000	220,000	71,000
<b>Total</b>	<b>\$22.033.000</b>	<b>\$6.570.400</b>	<b>\$2.447.000</b>

*Note:* Development costs refer to project start-up costs associated with each development opportunity, business revenues refer to projected annual gross commercial revenues that would accrue to the projects, and community incomes refer to wages and salaries the projects would generate for local residents. Please note that these figures are very rough estimates based largely on figures obtained from previous studies, and should be taken only as “order of magnitude” approximations of the costs and benefits involved in future community tourism infrastructure and product development.

Aside from upgrading and expanding their tourism plant, communities will also have to improve their tourism skills, which in turn will entail extensive training in virtually all facets of the tourism industry.

### Marketing Strategy

Proper marketing will also be required, although from industry's standpoint, this needn't involve inordinately expensive media campaigns. Outstanding outdoor recreational areas like the proposed parks and the Canol tend to generate publicity on their own through magazine coverage. Similarly, the Dempster Corridor already has a huge potential captive market in the thousands of motorists traveling right next door in the Yukon every summer. Briefly, the strategy for capturing more of these tourists should be to increase and improve the attractiveness of tourism products at the NWT end of the highway and position Western Arctic representatives at key places in the Yukon to promote those products among people touring the Klondike and Alaska Highways.

### Conclusion

Future growth of the Western Arctic tourism industry will – indeed should – be gradual, and require time and patience. To be of substantial economic benefit to the communities, tourism development will have to be based in the communities. That means development will have to be controlled by community residents. And that in turn will require a great deal more community education about how the industry's works and about the economic benefits it could bring.

## **Introduction**

In November 1989, the Western Arctic Visitors Association (WAVA) contracted RT & Associates to revise an earlier tourism strategy for the Western Arctic Tourism Zone.

In completing this assignment, we thoroughly reviewed the earlier strategy documents and supplemented this information by reading other related reports.

We also made trips to Norman Wells and Inuvik to interview zone officials and tourist operators to ascertain their views on how best to develop the Western Arctic tourism industry in a way that maximizes its economic potential for all 12 communities in the zone.

We discussed our findings with Economic Development & Tourism (ED&T) officials in the region and in headquarters to capitalize on their experience and expertise in the field; to obtain statistical information; to determine their expectations for the region over the next several years; and generally to ensure everyone concerned was of like mind on a tourism development strategy for Western Arctic communities.

With the above information and opinions in hand, we prepared a draft report and submitted it to officials of WAVA and ED&T.

This final report reflects their comments and suggestions.

As per the terms of reference, we also prepared 12 capsule reports – one for each of the 12 zone communities – containing the Executive Summary as well as sections on future tourism development opportunities which pertain specifically to them.



## Background

The Western Arctic as a whole has seen encouraging growth in the total number of visitors to the region over the past decade. Summer business and pleasure travel, combined, have increased every year since 1979, from an estimated 9,040 that year to 15,750 in 1989, for a total increase of 74% over nine years as follows:

Increase in Visitors to the Western Arctic Summer Business and Pleasure Travel						
1979	1982	1984	1986	1987	1988	1989
9,040	11,000	12,140	13,300	14,500	15,000	15,750
% increase	229%	10%	10%	9%	3%	5%

Source: Economic Development & Tourism

At the same time, the number of outfitters and package tour operators has been expanding to meet travelers' demands for things to do and see once they arrive in the region. According to ED&T, the number of travel-related businesses in the Western Arctic increased by 55%, from 31 in 1979 to 48 in 1988.

Geographically, the Western Arctic Visitors' Zone can be divided into two distinct areas. The northern area, centred on Inuvik, includes Fort McPherson, Arctic Red River, Aklavik, Tuktoyaktuk, Paulatuk and Sachs Harbour. The southern (Sahtu) area is centred on Norman Wells and includes Fort Norman, Fort Franklin, Fort Good Hope and Colville Lake.

In the northern area, Dempster Highway motorists, and particularly recreational vehicle (RV) enthusiasts, have spearheaded growth in the tourism component of regional travel. Dempster traffic has also prompted marked increases in regional "flight seeing". Some 1,500 visitors flew into Tuktoyaktuk during the summer of

1987, while 800 motorists passed through Aklavik. By the summer of 1989, the number of Tuk visitors, alone, had more than trebled to about 5,000.

In the Sahtu, sports hunters and fishermen have traditionally dominated the regional tourism market, and continue to do so. While there are several sports fishing and hunting operations in the region, there are only two general, or naturalist, outfitters. The Sahtu has not experienced nearly as much growth as the northern area of the zone has recently, but sports hunting in the Mackenzie Mountains and sports fishing on Great Bear Lake have managed to hold their own, despite continuous declines in the overall North American market for these sports.

Tourism accounts for 40% of all travel throughout the Western Arctic, and “rubber tire” traffic accounts for about 70% of all tourism travel. Business travel accounts for the remaining 60%, and virtually all of it is air travel.

### Tourism Market Segments

There are a number of classification systems used for segmenting tourists into various categories. For our purposes we feel the following segmentation is the most clear and useful from both a marketing and a product supply perspective:

- Sports Fishing
- Sports Hunting
- Adventure Travel
- General Touring

By sports fishing and hunting we mean those who come to the region as part of an organized, typically guided, trip and whose express purpose for the trip is to fish or hunt, usually for trophy-calibre catches.

Fishing and hunting is often considered as a “consumptive” subset of adventure travel. We have not adopted this approach. By adventure travel we mean package tours to a wilderness area to participate in some sort of outdoor physical activity other than trophy fishing and hunting. These tours almost

always entail outfitting and/or guiding. Adventure travelers usually fly to the region, with their flight costs covered as part of the package price. Adventure travel activities include camping, wildlife viewing, nature study, fishing, canoeing, whitewater rafting, etc. Adventure travelers might also engage in fishing during their trip, but fishing is not the principal attraction. The adventure travelers we have in mind are rarely interested in hunting; in fact many of them are anti-hunting. For our purposes, then, adventure travelers are of the “non-consumptive” types.

By general tourists, we mean those who are visiting the region more or less on their own, or as members of a **pre-arranged, pre-paid** package tour, regardless of whether they drive or fly. This group includes **motorcoach** passengers and people who are visiting friends and relatives in the region. They are ordinarily interested in general sightseeing and in such things as native culture, crossing the Arctic Circle, seeing the Arctic Ocean, visiting museums/historic sites, shopping for crafts, etc.

This is not to say that adventure travelers are not interested in native culture or crafts shopping, for example, or that general tourists are not interested in wildlife viewing or camping. The two groups’ interests do indeed overlap, but adventure travelers normally book their trips in advance through specialty tour wholesalers and their tours invariably require outfitting and/or guiding, whereas the majority of Western Arctic’s general tourists, with the exception of motorcoach passengers, usually arrive on their own, not members of a **pre-arranged, pre-paid** tour. If general tourists use local outfitters and guides at all, they generally do so in connection with side-trips arranged only after they have arrived in the zone.

What follows is a description of each of the four market segments and the prospects for future growth in each segment from a Western Arctic perspective.

### General Touring

In the Western Arctic, the vast majority of general tourists arrive via the Dempster Highway. In 1987, more than 6,300 people made the two-day trek from the Yukon along this historic route to Inuvik in more than 2,000 cars, RVS, buses and small vans. The number of passengers and vehicles were almost double the previously-static Dempster traffic volumes. The sudden jump in

traffic in 1987 has been attributed to a convergence of several factors: road improvements; curiosity about the Arctic inspired by the NWT's Expo 86 Pavilion; a highway brochure and better road maps introduced that year; as well as increased tourism to the Yukon. The number of highway visitors has since declined somewhat, but there are still almost twice as many motorists crossing the Peel River Ferry than there were prior to 1896:

<b>Dempster Highway Summer Traffic</b>					
	1985	1986	1987	1988	1989
Passengers	3,336	3,720	6,361	5,096	5,244
Vehicles	996	1,142	2,050	1,820	1,873

Source: Economic Development & Tourism

Note: The above figures are derived from license plate counts on the Peel River ferry and an estimated party size of 2.8 per vehicle.

There is another kind of tourist which can be considered part of the general touring market segment – independent pleasure travelers who arrive by plane, including those visiting friends and relatives in the region. However, their numbers and total financial impact (especially when they are not using regional airlines) are small in relation to the rubber tire crowd. Like general rubber tire tourists, these “air pleasure travelers” are independent general sightseers, often backpackers intent on experiencing the region's resources alone or with a small group of friends.

Information obtained from ED&T and Invik Visitor Centre (IVC) provides the following profile of Dempster travelers:

- average party size is 2.8 travelers per vehicle;
- 35-45% are over 40 (although the data suggest the average age is decreasing);
- the proportions of professional and skilled labourer occupations and retirees are fairly equal at 20-25% each;

- close to 50% earn annual incomes greater than \$40,000;
- average per-person expenditure is approximately \$70 per day.

The average length of stay is in the order of 3 nights/4 days, although recent surveys indicate visitors have been extending their stay in the region, a trend which can be attributed largely to the increasing number of activities (e.g. boat tours, pingo viewing) available to visitors in Inuvik and surrounding communities.

Analysis of vehicle license plates at the Peel River ferry between 1985 and 1989 indicates that about 60-65% of Western Arctic visitors are from Canada (mostly Western provinces and the Yukon), about 33-42% are from the United States (mostly the Western states and Alaska), with people from overseas (mainly Germany, Switzerland and Austria) comprising the remaining 1-3%. The high Yukon and Alaska representation is particularly noteworthy in light of their relatively small populations.

However, analysis of guest registries at the IVC information desk indicates there are now fewer North Americans and more foreigners arriving in Inuvik. Of the approximately 2,500 registrants in 1989, 45% were Canadians, 29% were Americans and fully 27% were from overseas (many of them from Australia). Within the Canadian segment, approximately 66% originated in the western provinces and the balance were from Eastern Canada. Not surprisingly, of the total number of Canadian visitors, approximately 53% originated in British Columbia and Alberta. However, with approximately 27% of all visitors originating in Ontario, industry observers now believe distance is becoming less of a deterrent in tourists' trip plans. This would appear to confirm their theory that as range and quality of destination services and products improve, tourists are more inclined to travel farther to more remote destinations.

Looking to the future, although RV sales in the United States have remained steady in recent years, RV rentals have climbed steadily for several years running. Moreover, recent surveys of RV associations have revealed strong interest in Dempster Highway among RV devotees.

However, those who had made the trip expressed concern about safety, the condition of the road, and the lack of services (especially gas stations), and

requested more information outlets (both before entering, and while on, the highway). They also stressed a need for more activities, festivals, etc. to witness and participate in once they arrive in the north. Together, these factors indicate a strong potential for future growth in RV traffic to the Western Arctic, particularly if steps are taken to address RV motorists' concerns and wishes.

Consumer awareness of the Dempster is increasing, but it is far from achieving the familiarity and popularity of the Alaska Highway. At present an estimated 50,000 (mostly American) tourists drive to Dawson every summer. With continued improvements in the Dempster Highway's road conditions and services, and with appropriate marketing and development of the NWT as a desirable destination with suitable attractions, the Western Arctic has the potential to attract a significantly greater share of motorists out of the Yukon.

### Sports Hunting

Big game hunters in the Western Arctic go either to the Mackenzie Mountains or to the Arctic coast and islands. Most Mackenzie Mountain hunters fly to Norman Wells and from there go in search of Dan's sheep, caribou and moose from mid-August to the end of October. One outfitter uses Watson Lake in the Yukon as a base for trips to the NWT. The typical Arctic Ocean sports hunter flies into Inuvik and from there is transported to Sachs Harbour to hunt polar bear and muskox in the spring (March to May) or caribou and muskox in the fall (September to November).

By far most of the Western Arctic hunters go to the Mackenzie Mountains, where there are eight outfitters catering to an average of 35 guests per season. In the north end of the zone the Inuvialuit Development Corporation's Guided Arctic wholesale operation has been marketing muskox and polar bear hunts from Inuvik, but the industry is far less developed than it is in the Sahtu.

However, while the Sahtu attracts the lion's share of the Western Arctic's sports hunters, it does not receive a similar proportion of the hunters' expenditures because only one Sahtu outfitter is a regional or even territorial resident and none uses local guides. Arctic Ocean communities, on the other hand, reap benefits from hunting trips through their work as guides.

Demographic information on regional sports hunters is not available, however N?VT-wide data suggests they are typically middle-aged (35-54), almost exclusively male, and earn more than \$40,000 annually. They are usually veteran hunters willing to pay high prices for a chance to bag trophy animals (i.e. Boone and Crocket recognition) and are only secondarily interested in such things as scenery and culture, etc. About 67% are American, 28% are Canadian and 5% are European.

Looking ahead, industry experts believe the current strong demand for Dan's sheep hunts will continue for the foreseeable future. They feel caribou hunting volume has essentially peaked and that Western Arctic operations could suffer from competition with less-costly hunts offered by northern Quebec outfitters, who offer two animals per hunter, as opposed to only one here. However they also feel, given Great Bear Lake's reputation for world-class fishing, that combinations of caribou hunting and trophy fishing on Great Bear Lake would be unique, sell very well, and give Sahtu outfitters an edge over their Quebec counterparts. At least one longtime industry wholesaler (Canada North Outfitting) also suggested combination grizzly bear/caribou hunts would have even greater appeal, although this would require the Department of Renewable Resources agreeing to issue commercial tags for grizzly.

**A** recent report on the Sahtu Region's renewable resource prospects (Sahtu Region Renewable Resource Strategy) concluded that all five of the region's communities have potential to develop profitable sports hunting businesses and that the five were interested in doing so. Furthermore, it suggests there is considerable scope for local residents to either joint venture with existing non-resident hunting outfitters or purchase their operations outright. There is **also** potential for hunting operations to diversify their activities by serving non-hunting adventure travel markets in the off-season. (See community development opportunities in Section 4 of this report for more details.)

**I**n the north end of the zone, there is potential for increased sports hunting activity in Aklavik and Fort McPherson (Dan's sheep and polar bear), Paulatuk and Tuktoyaktuk (polar bear and caribou), as well as for increasing the current level of sports hunting activity in Sachs Harbour. (See community development opportunities in Section 4 of this report for more details.)

In sum, while the overall North American hunting market is not expected to grow over the next five years, demand for Dan's sheep, polar bear and muskox hunts will likely remain strong for some time, and there appears to be an opportunity for capturing a greater slice of the caribou hunting market by offering combination fishing and hunting trips.

### Sports Fishing

The Sahtu sports fishing and lodge industry are the Western Arctic's most established travel products. For years during July and August, trophy fishermen have travelled to Great Bear Lake, which now has five lodges: Arctic Circle Lodge, Branson's Lodge, Great Bear Trophy Lodge, Great Bear Lake Lodge, and Great Bear Lodge. In addition, today there are lodges like Colville Lake Lodge and Drum Lake Lodge which offer excellent, but non-trophy, wildernesses fishing.

The northern end of the zone has no comparable trophy operations and only one non-trophy lodge – Sitidgi Lodge – although there is some potential for offering relatively good fishing as part of general outdoor packages.

The demographic profile of sports fishermen is similar to that of sports hunters. About 80% are American and most of the rest are Canadian. Most are also middle-aged males, although increasing numbers of those men have been accompanied by their wives in recent years.

Fishing will continue to be a significant product for the Western Arctic both as an attraction in itself and when combined with other activities in adventure travel packages.

### Adventure Travel

To date, the Western Arctic has attracted very few adventure travelers, relative to the other market segments. Those who have come mostly spent their time hiking the Canol Trail, biking on the Dempster Highway, canoeing on the Firth, Mountain and Mackenzie Rivers and photo-touring Banks Island, etc.



Adventure travelers are generally highly educated, have predominantly upscale occupations, earn more than \$40,000 annually and plan trips in advance. They typically enjoy sports and other physical activity; have visited many international destinations; appreciate good food; and often travel to escape pressure-ridden jobs, so they consider vacation expenditures a wise use of their incomes.

As the majority of adventure travel packages involve outdoor physical activity, most of these tourists are younger than their general touring counterparts, their ages generally ranging between 24 and 44. However, recent aging of the North American population has given rise to a growing number of older “soft” adventurers who want to try something new and experience the nature and culture of an area but shun such “hard” activities as whitewater rafting or mountain climbing for “softer” pursuits like photography or jet boating.

In any event, the North American market for non-consumptive hard and soft adventure travel is growing steadily larger every year, in fact at an even greater rate than the general touring market. Moreover it is a market for which the Western Arctic’s natural and cultural resources have potentially great appeal.

According to a 1986, but still-valid study of American perceptions of Canada (U.S. Pleasure Travel Market, Canada Potential) a certain segment of the U.S. population believes fellow Americans perceive the Canadian wilderness to be more demanding than their own, and these adventure travelers are captivated by the notion of challenging environments which other Americans consider too rugged and tough. The study also cites “real adventure”, seclusion and privacy, natural, untouched environment and different lifestyles as the catchwords most likely to lure more American adventure travelers to Canada. The Western Arctic can lay claim to those attributes and thereby has the potential to carve out a particular niche for itself with the right kind of target marketing.

The same study found that 2% of American outdoors travelers stated a preference to travel to the Canadian Arctic. Even with the current low American awareness of the North as a travel destination, the entire NWT should be capturing 32,000 American adventure travelers, yet it is capturing only a total of about 6,000. Assuming half of those are Canadian, then the NWT as a whole is capturing only 3,000 trips from the American adventure travel market, and the Western Arctic is capturing only a tiny percentage of those.

Given the experience of other regions which have developed adventure travel package tours (e.g. the Baffin) and projections for growth in the North American adventure travel market, the Western Arctic should expect to increase its share of the adventure travel market substantially in the next 10 years, provided it develops the appropriate tourism products.

### Travel Expenditures

While there are no demographic and expenditure data available on regional business travellers, they are unquestionably the mainstay of the Western Arctic travel industry. Without business demand, there would be virtually no hotels and related facilities in the region because the highly seasonal tourism industry, by itself, simply could not support them.

According to a 1989 study by Acres International Ltd., NWT visitors arriving by plane spend roughly twice as much as motorists – i.e. most general tourists. For meals, accommodations and souvenirs, for example, air travelers – which includes businesspeople as well as adventure travelers and sports fishermen and hunters – spend an estimated average of \$1,035 per party, whereas motorists spend only \$552 per party. Average expenditures in all categories are as follows:

Tourism Expenditures by Mode of Travel		
Expenditure	Air	Car
Transportation	954	222
Meals	284	139
Accommodation	507	254
Souvenirs	244	159
Tours *	754	351
Other	600	590
<b>Total</b>	<b>3,343</b>	<b>1,715</b>

\*Tours refer to local tour products (e.g. fishing trips, flightseeing excursions, etc.) purchased after arrival in the NWT

According to the same study, all visitors spent about \$8 million in the Western Arctic in 1989.

## Conclusion

The North American general touring and adventure travel markets are many times larger than sports fishing and hunting markets combined. In the past, however, Sahtu penetration of the smaller fishing and hunting markets has been much greater than its penetration of the other two larger markets.

Over the next five to 10 years, the sports fishing and hunting segments of the tourism industry are likely to do little more than fill present lodge/outfitter capacities. There is, as we saw, some potential for introducing new, combination products and for securing a greater resident share of the revenues generated by these markets, but any significant future growth in regional tourist visitation will undoubtedly come by capturing a greater share of the general touring and adventure travel markets.

These markets are growing larger annually in response to longer vacation times, increasing discretionary incomes, decreasing air travel costs, and ever-greater desires to travel on the part of an increasingly educated worldwide population. So far, however, the Western Arctic has captured only a very small percentage of current potential global tourism market. Tourism Canada research indicates the NWT as a whole is currently attracting less than 21% of its potential North American market, alone, for all market segments:

Summary of NWT Tourism Market Penetration

	Potential North America	Current Visitation	Penetration Rate
Fishing/Hunting	28,000	5,745	20.4
Adventure Travel	46,600	6,195	13.3
General Touring	78,636	14,372	18.3
Total	153,236	26,312	17.2

Source: Economic Development & Tourism

The Western Arctic offers an excellent base for increasing general and adventure travel — i.e. travel based on wildlife, nature, culture and history, such as naturalist trips, wildlife viewing, photo safaris, hiking, backpacking, skiing, dog sledding, camping, canoeing, kayaking, boating and rafting – and has the potential to generate significant enthusiasm among travelers interested in the

High Arctic, its history, culture and natural resources, including the Canol, the Mackenzie River, the Arctic Ocean, the Dolomite Hills/Campbell Lake area, pingos and abundant exotic wildlife. Given the present travel market size and promising future growth prospects there appears to be ample potential for capitalizing on these tourism assets to attract many more visitors from North America.

If the Western Arctic captured only 10% of the above total NWT market potential, i.e. only 15,000 visitors **annually**, it would increase its current visitation substantially, And that is without even considering the tremendous opportunities for capturing larger shares of the European market, or for attracting tourists from the increasingly important Pacific Rim countries, such as Japan and Hong Kong.

# Western Arctic Tourism Strategy

The goals of the Western Arctic tourism development strategy are to:

- 1. Gradually increase the volume of tourism traffic in Western Arctic communities which want more tourists.
- 2. Maximize the local income and employment benefits associated with tourism development and at the same time, to the extent possible, encourage an equitable distribution of tourism benefits across all Western Arctic communities.

## 1. Increasing Tourism

Achieving the first goal will require a two-pronged approach because there are essentially two kinds of communities in the Western Arctic: those which are on or near the Dempster Highway, and those which are not.

The Dempster is an attraction in itself, if only because it provides road access to the Arctic Ocean. Indeed, as we saw in the last section, it has been by far the most powerful tourist attraction in the Western Arctic to date. Not only has it provided the highway communities of Fort McPherson, Arctic Red River and Inuvik with the majority of their visitors, but it has been the source of most Tuktoyaktuk and Aklavik visitors as well.

The Dempster is what tourism marketers call a significant “travel generator” and the strategy for increasing tourism in these communities should be to enhance their existing travel generator, the highway.

The non-highway communities – Sachs Harbour, Paulatuk and all of the Sahtu – do not have an equivalent travel generator and consequently have received

very few visitors apart from sports hunters and fishermen. These communities certainly have world-class attributes as far as hunting and fishing markets are concerned, and they should capitalize on those attributes. But in the long term, increased visitation in these communities will require creating travel generators of world-class stature which appeal to the rapidly-growing international adventure travel market. Fortunately, as we shall see later in this section, there are several potential generators which the non-highway communities could capitalize on if they so choose.

## 2. Maximizing Tourism Benefits

Simply generating more tourism traffic to an area will do little to enhance the area's economy. To achieve the second strategic goal of maximizing local income and employment benefits associated with tourism in both highway and non-highway communities will entail developing things for the tourists to see, do and spend money on once they arrive. At the same time, it will be crucial to upgrade tourism facilities and services, which in turn will entail extensive capital expenditures and training. Even more fundamentally it will require a concerted effort to educate communities about the benefits associated with tourism.

The balance of this section elaborates the strategy for highway and non-highway communities, and expands on the crucial importance of developing community tourism activities, facilities, services, skills and awareness. The next section identifies events and activities which we believe have the potential to substantially increase the net benefits of tourism for each zone community (although some communities, notably Inuvik and Norman Wells, will benefit more than others by virtue, primarily, of their strategic location in the Western Arctic transportation network and their capacity to cater to more visitors).

### Enhancing the Dempster Highway

The Yukon has many of the same natural and cultural resources as the Western Arctic and therefore appeals to much the same kind of traveller. But the Yukon entertains close to half a million guests a year. It is true that more than half of those guests (about 60%) are merely passing through on a pilgrimage to Alaska, but 40% of 500,000 still represents 200,000 people actually visiting the Yukon – i.e. many times more people than are currently visiting the Western Arctic (and

indeed many times more than Western Arctic, Northern Frontier and Big River Zones combined).

As in the Dempster communities, most of the Yukon's tourists are motorists and most are attracted by scenery, culture, history, etc. But then the Dempster offers many of those same attractions and even has an edge over the Yukon in providing access to the Arctic Ocean as well as Inuvialuit culture.

So what does the Yukon have that the Dempster doesn't? Road pavement is definitely one factor in the Yukon's favour, but the more important one is greater consumer awareness. Simply put, tourists are much more aware of the Yukon than they are of the Dempster and its communities (which we will hereafter call the Dempster Corridor).

The Yukon has developed its Klondike gold rush history to attain what professional marketers call "name brand" recognition, and that is the kind of thing the Dempster Corridor will have to do if it wants to significantly increase its share of the growing international tourism market.

The first step in achieving this goal should be a program to improve the highway itself. As we saw in the last section, many people who have travelled the highway have complained about the condition of the road and about the lack of both basic services, like gas stations, and tourism services, like roadside attractions. ED&T has long recognized these deficiencies and is planning improvements.

The next step would be to identify, develop and promote tourism products and attractions along the Dempster itself and in and around the Corridor communities. These attractions and products should be of sufficient stature to entice tourists to make the trip. In other words they should do for the Dempster and the zone what the Gold Rush theme and related attractions and events have done for the Yukon. Examples of such potential world-class tourism assets include the Tombstone Mountains, Eagle Plains, the Campbell Lake/ Dolomite Hills, the Richardson Mountains, the Smoking Mountains and pingos, as well as the less specific attributes of native culture and proximity to the Arctic Ocean.

### Generating Travel in Non-Highway Communities

At the north end of the Western Arctic travel zone, the Canadian Parks Service (CPS) is contemplating creation of two parks – Bluenose National Park near Paulatuk and Banks Island National Park near Sachs Harbour. In the Sahtu, the GNWT is interested in developing the historic and spectacularly scenic Canol Trail as a world-class outdoor recreational area, and has been seeking community consent for several years.

Each of these areas has its own special characteristics, but the important point in establishing name brand recognition is that they all have outstanding scenery, abundant wildlife and interesting histories. In short, they have the kind of world-class attributes, and wilderness themes that appeal to adventure travelers. As such, they are also potentially very popular subjects for magazines like *National Geographic*, *Traveler*, *Backpacker*, *Audubon* and others which can expose them to millions of readers who are members of international backpacking, bird watching or canoeing fraternities, etc.

Magazine articles are a potent force in generating adventure travel. Auyuittuq National Park in the Baffin, for example, saw only a trickle of dedicated mountain climbers until it was featured prominently in magazines like *National Geographic*, and now several hundred people journey to the park every year. Similarly, Ellesmere National Park was only proclaimed two years ago, and has received virtually no paid promotion, yet CPS has been deluged with trip inquiries as a result of magazine coverage. The Nahanni and Wood Buffalo parks in the Western NWT have also experienced increasing visitation in recent years.

The actual number of visitors to NWT parks is small compared to Dempster Highway traffic – ranging from an average of 430 at Auyuittuq to about 1,000 at Nahanni – but CPS reports that average visitation to all NWT national parks grew at a rate of about 13% annually between 1980 and 1988.

That growth record suggests parks and other outstanding outdoor recreational areas have the potential to become significant travel generators for the non-highway communities, as similar areas have done for other isolated NWT communities.



According to CPS, Auyuittuq National Park, received an average of about 430 visitors every year between 1980 and 1989. As the Canol, Bluenose and Banks Island areas rival Auyuittuq in terms of scenery, wildlife, accessibility, etc., there is reason to expect they will eventually attract a similar number of visitors every year.

What's more, these particular areas also have the potential to attain the world-class status needed to offset the high cost of flying in the north. One major reason for the relatively high volume of tourists arriving in the Western Arctic via the Dempster is that driving is far cheaper than flying. That will undoubtedly be the case forever, but name brand attractions should help the non-highway communities to at least partially offset the Corridor's competitive advantage in terms of costs.

Following is a brief description of the three outdoor recreation areas (see Appendix 1 for more details):

**Canol Road:** The Canol Road was built during World War II to transport crude oil from Norman Wells to Whitehorse, where it was refined and piped to Alaska. Today, the trail offers spectacular mountainous scenery and an extraordinary abundance of wildlife, especially around Dodo Canyon. Significantly, from a tourism marketing perspective, several areas have been designated natural attractions of world-class proportions. The Canol area provides excellent fishing, hunting, camping, wildlife viewing, hiking, climbing, horseback riding, nature study, trail bike riding, motorcycling, cross-country skiing and snowmobiling. Moreover, many key areas are accessible by plane, helicopter or car, so that visitors could be ferried to certain destinations and picked up again at the end of a relatively sedentary wilderness experience.

**Banks Island:** CPS is considering establishment of a national park on the north central end of Banks Island, provided it receives support from both the people of Sachs Harbour, the Inuvialuit and the GNWT. At the heart of the proposed park – which would include one of the best muskox habitats in Canada – is the scenic Thomsen River. Wildlife and a variety of exotic birds frequent the proposed park, and Arctic char and lake trout spawn in the Thomsen River. Archaeological sites date back over 3,400 years.

For visitors, the area would provide a unique opportunity to experience wild Arctic landscape while paddling down a relatively calm, shallow river and observing arctic wildlife close at hand. The Thomsen River is the northernmost canoeable river in North America, and therefore holds unique appeal to the continent's growing number of adventure canoeists. People of various ages and outdoor skills would be practically guaranteed a view of large herds of muskox and archaeological sites. Other possible tourist activities include kayaking, camping, fishing, bird watching and photography.

**Bluenose National Park:** CPS is also considering establishment of a national park on the northern coast near **Paulatuk** which would be named **Bluenose** after the caribou herd which calves in the area. Like the other parks, this area also boasts spectacular scenery, abundant wildlife and plenty of opportunity for adventure hiking and canoeing.

As a transportation hub, **Inuvik** is in a position to capitalize on the proximity of the **Bluenose** and **Banks Island** parks, too, because tourists flying to the parks will undoubtedly pass through, and probably stay in, **Inuvik**. It also stands to benefit from proximity to **Northern Yukon National Park** which, though not in the **NWT**, is more easily reached from **Inuvik** than from the **Yukon**. However, **Inuvik** already has the more significant **Dempster Highway** as a travel generator, whereas the non-highway communities have only comparatively insignificant sports hunting and fishing attractions.

#### Sports Hunting and Fishing

We do not mean to downplay the importance of sports hunting and fishing, particularly in the **Sahtu** communities. In fact, we recommend that the **GNWT** provide more support and encouragement for the sports hunting and fishing sector of the tourism industry. We make this recommendation because the **Sahtu** communities outside **Norman Wells** have expressed strong interest in this kind of tourism, and because some existing non-resident outfitters and lodge owners appear amenable to either selling their businesses to local residents or operating them on a joint venture basis. In either case, the industry would yield more revenues to the region and hence reduce the leakages that have been the major reason for the **GNWT's** reluctance to support sports hunting and fishing in the past. In other words, the industry would become more community based than it has been traditionally.

However, while there is certainly some scope, as we saw in the last section, for increasing the Western Arctic's share of the existing sports hunting and fishing market, and while the industry could contribute to the stability of the local tourism industry, over the long haul, the non-highway communities will have to look to the adventure travel market if they want to increase tourism visitation significantly in their communities.

### Developing Tourism Infrastructure

So far we have been discussing ways to attract more tourists to the Western Arctic by developing and promoting strategic travel generators such the Canol, Bluenose, Banks Island and the Dempster Corridor. Simply getting tourists to visit an area, however, will do little for the local economy unless those tourists spend money locally during their stay. Thus the next important strategic step in developing the Western Arctic tourism industry will be to develop things for visitors to see, do and spend money on once they arrive.

In so doing, it is extremely important to provide facilities and services which make the visitors' experiences pleasurable, for "word-of-mouth" inevitably takes over from published publicity as an area's major advertising medium. People who make the trips are more often than not members of like-minded groups, and will relate their experiences — good or bad — to friends, fellow club members, captive newsletter audiences, etc. If their tales are positive they will (far more effectively than published publicity) entice others to visit, and those people in turn will tell others, and soon "word-of-mouth" becomes critical to an area's long-term success. Conversely, negative "feedback" can have devastating effects on local tourism efforts which paid publicity will be hard pressed to counteract.

### Physical Facilities

With the exception of some hunting and fishing lodges, tourism facilities are inadequate throughout the Western Arctic. Inuvik has the best hotels and dining and beverage facilities in the zone, but even they are currently well below the level of quality that major package tour operators want for their clients, especially since they are demanding such comparatively high prices for traveling to the north. This does not mean that the zone must compete with southern

Canadian five-star hotels, but there will undoubtedly have to be considerable improvement in the zone's physical plant if it wants to attain world-class recognition as a tourism destination. Fortunately Inuvik hoteliers are making substantial progress in upgrading their facilities with the tourist market in mind.

At the very least, accommodations should be clean and comfortable and offer modern plumbing and reliable heating. There should also be sufficient number of rooms to accommodate guests at double occupancy standards. As for other features, North American package tour operators put the following at the top of their list for accommodation attributes in a recent survey:

Accommodation Attribute	% of Canadian Respondents	% of American Respondents
Full-Service Dining	66.7	77.8
Local Crafts	75.0	55.6
First-Class Accommodation	25.0	44.4
Lounge with Fireplace	41.7	33.3
Guide and Outfitter Services	*	38.9
Two Double/Twin beds	41.7	27.8
Double Occupancy	25.0	30.6
Swimming Pool	25.0	27.8
Recreational Services	8.3	25.0
Reasonable Costs	16.7	19.4
Coffee Shop	16.7	16.7
Choice of Dining	16.7	13.9
Naturalist Programs	*	13.9

\* Although the particular Canadian package tour operators surveyed did not value these **services** themselves, they are by no means representative of **all** Canadian operators. Industry **experts** agree, however, that Americans generally value guiding and naturalist services more highly than Canadians.

Source: Derek Murray Consulting Associates.

It would appear, then, that hoteliers would be wise to make local arts and crafts readily available to their guests and to work closely with qualified local outfitters so that guests can book trips from their hotels. As for restaurants, ideally they should offer full-service dining, good food (including local dishes) and above all, top-notch service.

Finally, even entire communities in the zone would benefit from some “town beautification” efforts. This is particularly true for corridor communities because their primary visitors, general tourists, are more sensitive to such matters than adventurers, fishermen and hunters who have not come primarily to sightsee.

In some cases improving facilities will entail relatively little capital investment. Simple things like fresh paint, posting signs, and developing self-interpreting walking trails, etc. can do much to make communities more attractive from a tourism perspective (and we offer some suggestions along these lines in the next section). But there is no question that some major facility upgrading and expansion will be required to induce growth and maturation in the zone’s tourism industry, and that will necessitate major financial investment.

Of course, this begs the question: Who, among government, industry and land claimants, is going to pay? While answering the question is beyond our mandate, it is definitely a strategic issue that must be addressed.

### Human Resources and Training

There would be little sense in improving the zone’s physical amenities without simultaneously enhancing its tourism-related skills. Tourists can usually, even cheerfully, endure what they consider substandard accommodation and meals if service is good and their overall trip is a pleasurable experience. Conversely, even the poshest hotels and restaurants will do little to counteract unpleasant vacation experiences. This is especially true of outdoor adventurers, fishermen and hunters, who are likely to expect (perhaps even appreciate) spartan creature comforts, but who are also likely to be extremely upset about poor guiding services for which they have paid handsomely,

Apart from fishing and hunting operations (which are operated predominantly by non-residents) tourism is a relatively new industry in the Western Arctic by world standards. It is so new, in fact, that many zone residents are completely unaware of the economic costs and benefits of tourism. Thus there will have to be an extensive community awareness campaign before there can be any substantial improvement in resident skills, because people who are uninformed of the benefits of tourism jobs are hardly likely to want training for those jobs.

Training will be required in virtually all aspects of the industry, from basic hospitality skills, guiding, restaurant table-waiting and cooking to management and marketing. A recent survey identified the following employment possibilities and their attendant training requirements (which are by no means an exhaustive list):

- Management: tourism facility operations, general financial management, marketing, package tour development, personnel, employee relations, computer skills, mailing lists, inventory control.
- Maintenance: building, boats/motors/generators, signage, clean-up.
- Guides: big game, fishing, nature interpretation.
- Cooks: general hospitality skills, proportions/inventory control, food preparation.
- Marketing: research and analysis, sales skills, use of intermediaries, relationship with WAVA, public relations, print material production, general advertising.
- Bookkeeping/Accounting: basic recordkeeping, banking, financial statements, credit card use.
- Craft Instruction: production, distribution, quality control, marketing.
- Waiters/Waitresses: hospitality, serving.
- Host/Hostess: cultural/historical/geographical knowledge, guiding, tour organization.

Presumably this training would be delivered by Arctic College, the GNWT Departments of Economic Development & Tourism, Education and Renewable Resources, as well as Canada Manpower, and they would be delivered on the job in the communities as much as possible.

## Marketing Strategy

Until this year the territorial government's tourism marketing efforts have been largely generic, i.e. geared to promoting greater international (primarily North American) awareness, recognition and acceptance of the NWT as a desirable tourism destination among consumers and the travel trade alike. Under its new four-year marketing strategy, TravelArctic's marketing will be much more product-oriented. As far as the Western Arctic is concerned, it will focus on the Dempster, the Canol and the proposed national parks.

As we saw in the last section, the world-class stature of the Canol outdoor recreational area and the proposed Bluenose and Banks Island parks automatically generate effective magazine coverage in appropriate tourism markets. As such they promote themselves to a certain extent, and do not require extensive advertising beyond the campaigns sponsored by CPS and TravelArctic.

Nor will the Dempster Corridor require WAVA to launch an inordinately expensive media marketing campaign to reach potential Dempster travelers, because there is already a large, accessible and captive target audience in the tens of thousands of tourists traveling next door in the Yukon every summer. The most cost-effective form of promotion in this case would be to take advantage of the existing traffic by positioning effective NWT representatives in Dawson City and Whitehorse who would divert tourists into the NWT by stressing, for example, the opportunity to cross the Arctic Circle, see the Arctic Ocean and learn about native culture. Recreational vehicle tourists (who comprise the majority of the rubber tire tourism traffic) are typically older people who have time to spare and few deadlines to meet. They are therefore readily inclined to make spur-of-the-moment decisions about where next to go, and as such are prime candidates for detours from the Klondike Highway to the Dempster.

ED&T is developing plans for positioning a representative in Dawson and for negotiating some arrangement for representation in Whitehorse. However, to succeed, this strategy will first require improvements in the condition of the Dempster, enhancement of roadside services and, perhaps most of all, overcoming the highway's current poor reputation among key travel influencers. At present, several important RV associations and rental agencies believe the

Dempster is dangerous and are actively cautioning association members and agency clients against traveling on the highway; some are even refusing to allow clients to drive rented RVS on the Dempster. Fortunately the GNWT is well aware of the Dempster's shortcomings and is actively planning improvements and enhancements.

### Industry's Role

Industry's strategy with respect to tourism marketing should be to dovetail with the territorial and federal government's broader marketing efforts. It should encourage TravelArctic and CPS to ensure they are adequately promoting the zone's major attractions — the Dempster, the Canol and the proposed national parks – and at the same time develop local tourism products around those major attractions.

At the zone level, industry might also want to produce one good “fulfillment kit” with a high-quality brochure and perhaps an audio-visual presentation, which have at least a three-year lifespan, for distribution in appropriate tourism markets, e.g. Dawson City, the Inuvik Visitor Centre or hunting and fishing clubs and recreational vehicle associations, etc.

In view of both the crucial importance of the Dempster and the negative image which many RV rental agencies, etc. have of the highway, the zone would be well advised to organize familiarization tours for these key travel influencers, so that they can see first-hand for themselves that the Dempster is not dangerous and, equally important, that a trip to the NWT is worth the drive.

Individual operators should tailor their marketing efforts according to their specific products. Those offering short, say day-long, trips should focus their marketing activities on their closest target markets (e.g. the Yukon), while those offering more extensive package tours will want to promote their products farther afield by, for example, establishing good connections with airlines and travel wholesalers.

The zone and individual operators should also take advantage of territorial marketing programs such as media visits, the Explorer's Guide and other cooperative advertising vehicles which allow several operators to share the expense of producing better advertising materials than any one of them could



afford to produce individually. In fact the zone should encourage cooperative advertising and brochure production among individual operators, independently of government.

### Marketing Communities

Ultimately growth in the Western Arctic will mean making communities attractive enough for tourists to want to visit. The major attractions will certainly play a central role in enticing people to visit the region, but in terms of fully developing the tourism industry they will not be sufficient. To reiterate, simply attracting more tourists will generate negligible local economic benefits unless the communities simultaneously develop their tourism plant, products, services and skills to properly cater to those tourists.

From a marketing perspective, it would be difficult to promote the communities themselves, because communities without tourism products don't sell. Aklavik, for example, has virtually no appeal by itself, but properly developed and packaged, its Mad Trapper past could become very appealing. Similarly, a McPherson that markets itself as the home of the Lost Patrol would have considerably more tourist appeal than McPherson alone.

The key to developing a community's tourist appeal is to identify, package and properly promote products (events, attractions, etc.) that are different enough from rival products that tourists will go out of their way to buy them. The products themselves needn't be terribly elaborate or expensive, but they must be sufficiently different or special. For example, Chemamus, a small town in British Columbia made a name for itself merely by painting some interesting murals on building walls. Word got around in the tourism marketplace, and the town is now bustling with tourist activity because tour bus passengers insist on leaving the highway to view the paintings. The same phenomenon could occur with pingos, for example, or with many other Western Arctic tourism assets.

In sum, the following four principles should guide the Western Arctic's marketing efforts:

- develop saleable community tourism products (without which there is no point in marketing at all)

- concentrate on reaching the closest targets markets (e.g. the Yukon)
- build effective working relations with the travel trade, media and governments
- share expenses through cooperative advertising and print production

### Conclusion

The next section of this report provides some suggestions on how communities could begin developing tourism products if they want to increase their tourism appeal. However, for any of these products to reach their full potential, the communities will have to vastly improve their levels of tourism skills, because none of these products will work without individuals who are both willing and able to deliver them properly.

That is why we stressed a gradual increase in visitation. Future growth of the Western Arctic tourism industry will – indeed should – take time and patience. To be of substantial economic benefit to the communities, tourism will also have to be based in the communities. That means tourism development will have to be controlled by community residents. And that in turn will require a great deal more community education about how the industry works and about the economic benefits it could bring.

## Community Development Opportunities

This chapter identifies tourism development opportunities that each community in the Western Arctic could undertake in the next five or so years to enhance its tourism assets and appeal. Properly executed, these developments should encourage more tourists to visit communities and/or provide them with incentives to spend more money, thus increasing the income and employment benefits of tourism. The following chart summarizes the cost and benefit estimates for all communities:

Western Arctic Tourism Zone Summary of Tourism Opportunities			
Community	Development costs	Business Revenues	Community Income
Inuvik	8,710,000	988,000	323,000
Fort McPherson	2,005,000	620,000	249,000
Arctic Red River	618,000	219,400	90,000
Aklavik	1,355,000	1,155,000	360,000
Tuktoyaktuk	1,025,000	150,000	45,000
Sachs Harbour	340,000	95,000	17,000
Paulatuk	985,000	728,000	294,000
Norman Wells	2,785,000	355,000	150,000
Fort Franklin	1,637,000	990,000	468,000
Fort Good Hope	1,200,000	600,000	230,000
Fort Norman	860,000	450,000	150,000
Colville Lake	513,000	220,000	71,000
<b>Total</b>	<b>\$22,033,000</b>	<b>\$6,570,400</b>	<b>\$2,447,000</b>

*Note:* Development costs refer to project start-up costs associated with each development opportunity, business revenues refer to projected annual gross commercial revenues that would accrue to the projects, and community incomes refer to wages and salaries the projects would generate for local residents. Please note that these figures (and the ones in individual community charts which follow) are very rough estimates based largely on figures obtained from previous studies, and should be taken only as “order of magnitude” approximations of the costs and benefits involved in future community tourism infrastructure and product development. The true value of both costs and benefits are understated – the benefits because many of them are impossible to quantify, and the costs because they do not include allowance for such things as training. Before undertaking virtually any of these projects, therefore, it would be essential to conduct detailed feasibility and marketing studies to fully and accurately establish the merits and scale of each one.

### Opportunity Implementation

The above chart indicates there is indeed significant potential for developing the tourism sector in the Western Arctic. Of course the potential is much greater for some communities, particularly **Inuvik** and Norman Wells, primarily because they are better positioned in the regional transportation system and have the sheer capacity to accommodate more tourists. Still, there are many opportunities for all communities to increase their current tourism activity if they want to.

In all communities, however, regardless of size and location, there is a need to increase awareness and understanding of the economic potential of tourism. Even **Inuvik**, which is much further advanced in this regard than any other community in the zone, recognizes that more should be done to increase the profile of tourism as an important community export, as is evidenced by the fact that most respondents to a recent telephone survey there stressed the need for an ongoing campaign aimed at raising tourism awareness.

As well, communities will have to make a concerted effort to identify and agree on tourism priorities and products as part of an ongoing planning and development process. To do so, we recommend that interested community residents form a community tourism committee (where none already exists) that would:

- Establish community-based tourism development priorities that are consistent with residents' wishes.
- Coordinate tourism development in the community, and maintain inventories of community tourism resources, attractions, events and businesses in the tourism sector.
- Develop strong working relationships with tour wholesalers, local operators and government personnel to develop joint and cooperative marketing programs for community and area tourism products.
- Identify and/or assist proponents to undertake the above and future development opportunities.
- Lobby government for development funding.

While we feel a community committee is important, it is by no means sufficient. In the final analysis, future tourism development in all communities will depend on a concerted effort by all concerned — the committee, **WAVA**, the government and, most of all, individual tourism operators.

#### Common Elements

The opportunities presented on the following pages vary considerably in nature and scope according to each community's tourism potential. However there are two other projects that are not listed separately for each community because they are common to all communities:

- Community Signs and Pamphlets
- Community Tours and Hosts

These two opportunities merit special attention because they are fundamentally important for the development of a young and inexperienced tourism industry; they are relatively easy and inexpensive to implement; and yet they could vastly improve the attractiveness of the communities from a visitor's perspective and hence ultimately the community's appeal in the tourism marketplace.

The costs and benefits associated with these two opportunities would depend on the size and complexity of each community.

### Community Signs and Pamphlets

One of the more common complaints tourists voice about Western Arctic communities is a lack of signs. Most communities in the Western Arctic have too few signs telling visitors where to find places (e.g. hotels, craft shops, museums etc.) and they have even fewer signs telling visitors about special features, such as historical sites, unique geological formations, etc.

A map of the community showing major routes should be placed at or near the airport, in guest accommodations and anywhere else tourists frequent. As well, directional and informational signs should be placed throughout the community to help tourists find and explore the more interesting community sites.

Community maps might also be printed in inexpensive pamphlets which acquaint guests with a community's geography, history, economy, biology, culture and lifestyles, etc. and which advise them of things to do, see and photograph during their stay. In addition to containing basic information on health care facilities, police, taxis, etc., the pamphlets might, for example, present brief descriptions of special buildings or point the way to interesting walks in and around the community. In fact, communities would also do well to identify and mark out a few specific trails which visitors could follow on their own, preferably with the aid of some interpretive literature describing the sites they see on the way.

Not only would these kinds of improvements help to overcome another oft-heard complaint about "nothing to do in this place" and go a long way to enhancing the tourism appeal of all communities, but they could also do a lot to increase sales of local craft items and tourism products.

### Community Tours and Hosts

Each community might also consider developing guided tours which offer guests the opportunity to explore the community and/or outlying area in the company of a local tour guide or community host. The hosts would be properly trained to

handle visitors and answer their usual queries, and in most cases would work only when required (i.e. when tourists want a tour). They might operate out of the municipal or band office, a hotel or a visitor **centre**. Tourists would pay a fee to cover at least part of the host's wages.

The host could also work closely with tour wholesalers, ED&T staff, hoteliers, outfitters, etc. in developing and promoting new tourism products and services for their communities, and could be extremely useful in helping local operators package and sell their products to visitors.

In fact, the hosts might work closely with other community residents to “stage” activities and events for visitors. Depending on the community, these activities could be very simple – e.g. watching skin fleshing, basket weaving, soapstone carving, sewing, **bannock** making, etc. — or they might be more elaborate, from drum dancing and throat singing exhibits, to native “villages” in which local residents recreate and interpret historic and cultural events and themes. Properly done, these attractions could be profitable for all concerned, and : tremendously improve a community's attractiveness to tour wholesalers who are always seeking these kinds of activities to sell to their clients.

## Inuvik

Inuvik (population 2,700) is by far the largest community in the Western Arctic Tourism Zone, and the most developed in terms of municipal infrastructure. With four ethnic groups, (**Metis**, **Dene**, **Inuvialuit** and non-native) it offers tourists a rich and dynamic cultural milieu.

Since the opening of the **Dempster** Highway in 1979, followed by the downturn of the oil and gas industry, interest in tourism development has grown tremendously in **Inuvik**. Once downplayed as a secondary export, tourism has recently spurred growth and expansion in the local hotel and hospitality industry, stimulated the retail sector and provided impetus for the development of tour products such as day-trips on the Mackenzie River. As the final destination on the **Dempster** Highway, **Inuvik** has also recently become the staging area, or jumping-off point, for tourists flying into Tuktoyaktuk and Aklavik.

The tourism industry has benefited generally from local operators' recent keen interest in developing new products and enhancing the local tourism plant. The **Inuvik** Visitors' Association in particular, has been aggressive in identifying new products, and through a small downtown information centre it has been instrumental in increasing sales for **local** operators. As well, with an inbound tour operator now stationed in **Inuvik**, many of the operators themselves have worked together to develop complementary tourism products with the right mix of sightseeing and cultural elements.

In the past year, hotel and hospitality operators have made a major effort to upgrade their facilities. For example, the Mackenzie Hotel recently renovated its rooms and created a new facade, the Finto Hotel started another expansion program, and the Eskimo Inn has begun to improve its facilities. Similarly, the **Inuvik** restaurant trade has expanded and increased its line to include country



foods as well as conventional cuisine. Also in the past few years, two operators have opened bed and breakfast accommodations, whose informal environments have been extremely well received by the tourists.

Another innovation in the accommodation sector was the launching of hostel service whereby Arctic College provides room and board for \$45 a night in its residences, when private hotels are full. Along with the bed and breakfasts, this economy accommodation has helped induce low-budget travelers such as cyclists and canoeists to stay in town longer and spend more money on local attractions and events.

Perhaps the biggest development in **Inuvik's** tourism product line are the "flight-seeing" packages developed over the last few years by Antler Aviation and Aklak Air. During the summer both companies offer one-day sightseeing trips to Tuktoyaktuk, Aklavik and the historic Herschel Island whaling station on the north Yukon slope. These trips have drawn some 5,000 tourists to Tuktoyaktuk in the past year alone.

At the same time credit must go to the management of the **Inuvik** Visitors' Association, the Town of **Inuvik** and ED&T, who have been working together to enhance the attractiveness of **Inuvik** and its image as a destination itself, as well as a jumping-off point for other destinations.

In short, tourism as a commercial activity in **Inuvik** has made great strides over the past 10 or so years. Compared to the mid-1970s and early 1980s **Inuvik's** tourism plant and products have increased in capacity, diversity and quality. However, with highway traffic increasing every year, existing facilities will be pressured more and more as time goes on. As the **Inuvik** Visitors' Association manager put it: "The key for the future will be the expansion of the tourism plant to accommodate the steady growth in Dempster Highway traffic over the next five to 10 years."

### Tourism Development Opportunities

The Town of Inuvik and the Inuvik Visitors' Association have identified the following development opportunities and rough cost/benefit estimates for improving the town's tourism stock:

<b>Inuvik</b>			
Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Recreational Vehicle Park	1,550,000	<b>330,000</b>	100,000
Visitor Centre	2,000,000	280,000	<b>90,000</b>
Marina Development	n/a	n/a	n/a
Walking Trail System	n/a	<b>n/a</b>	<b>n/a</b>
Happy Valley Accommodation	110,000	28,000	16,000
Mainstreet Upgrading Program	1,100,000	<b>n/a</b>	n/a
Campbell Lake/Dolomite Hills Park	500,000	n/a	n/a
Dempster Highway Signage	<b>n/a</b>	n/a	<b>n/a</b>
Dempster Highway Developments	1,600,000	n/a	<b>n/a</b>
Mackenzie Delta Parks	<b>n/a</b>	n/a	n/a
Permafrost Chamber	600,000	n/a	n/a
Riverside Park Developments	250,000	<b>n/a</b>	<b>n/a</b>
Native Cultural Village	1,000,000	380,000	117,000
<b>Total</b>	<b>\$8,710,000</b>	<b>\$988,000</b>	<b>\$323,000</b>

#### Expanded Recreational Vehicle Parking Facilities

With increasing numbers of **Dempster** Highway tourists arriving in **Inuvik**, there is some concern that the recently upgraded Happy Valley Campground and Chuk Park will not have the capacity to accommodate future tourist volumes. Recent planning studies suggest there should be an RV park with capacity of at least 50 full-service parking stalls.

Accordingly the Town of **Inuvik** and **Inuvik** Visitors' Association have identified the development of a dedicated in-town recreational vehicle park as a priority. ED&T has responded with a commitment to preliminary planning.

*Costs:* Total costs of setting up a full-service recreational campground in **Inuvik** have been estimated at \$1,550,000.

*Benefits:* Very preliminary marketing information contained in earlier studies suggests revenues for the facility could reach approximately \$330,000. Based on estimated operating costs of \$230,000, a profit of \$97,000 could be realized. Eight seasonal positions would be created and an estimated \$100,000 would be paid in wages to local residents.

### Visitor Centre

The need for a proper tourist visitor and interpretation **centre** in **Inuvik** is seen as another top priority for enhancing and expanding **Inuvik's** tourism assets. According to town **councillors** and officials and the **Inuvik** Visitors' Association, a proper visitor **centre** could provide the impetus for a wide variety of new product development.

The **centre** would contain lounge and display areas, a reception and tourism product sales desk, interpretive exhibits on the history and culture of the Mackenzie Delta, a small audio-visual **theatre** and a resource library on attractions and events throughout **Inuvik** and the Delta. As well, the **centre** could include an outdoor **amphitheatre** for live demonstrations of northern games, crafts and music festivals throughout the tourist season.

The objectives of the **centre** would be to increase tourists' length of stay by promoting and disseminating information on the wide range of attractions and events available in the community and surrounding area. It would also provide a focal point for continually developing the local tourism plant. Local residents trained in Tourism and Hospitality at the **Inuvik** campus of Arctic College would be employed as hosts at the **centre**. In short, the **centre** would act as a multi-use focal point for stimulating further tourism development.

*Costs:* Total costs for the planning, design and construction of this facility are estimated to be \$2,000,000.

*Benefits:* The study further estimates about \$280,000 in revenues could be generated from space rental to operators in the community and various government departments. Operating costs are also estimated to be in the order of \$280,000, resulting in a projected break-even situation. The facility is expected to create five seasonal jobs, for a total of \$90,000 in wages for local residents.

#### Marina Development on Twin Lakes

As part of developing a master plan for Inuvik, the town administration commissioned a study to determine development options for the waterfront in anticipation of increased oil and gas activity in the Beaufort Sea creating additional industrial pressures on the waterfront. The long-term plan was to identify and accommodate the needs of local residents, visitors and industry.

The study identified construction of a recreational marina in the Twin Lakes area near the town **centre** as one option. Twin Lakes offers relatively shallow, sheltered water, with easy access to the community. If the marina were developed near the Happy Valley campground, a parkade would serve the needs of both facilities.

*Costs:* As there has been no formal engineering work done on this site, it is impossible to estimate capital and operational costs for the proposed marina development.

*Benefits:* Similarly, revenues, operational costs and community income are inestimable at this stage.

#### Walking Trail System

The Inuvik Waterfront Study also identified a need to develop boardwalks and hiking trails throughout the town's waterfront. In the short term, trails could be developed around the proposed marina site, with a longer-term view of linking Chuk Park at the outskirts of the community to the town **centre** by a trail system. Depending on available funding, the Inuvik Ski Club trails could also be linked to the proposed trail system.

The trails would incorporate interpretive stops along the way for tourists to learn about the flora and fauna of the area and experience some of the more interesting sites along the waterfront.

Since the development of a trail system throughout the waterfront and park areas would lead to increased tourist movement and perhaps even increase their length of stay, the Town of Inuvik and the Inuvik Visitors' Association have agreed that the system should be a tourism development priority. Accordingly, ED&T has made provisions to investigate the trail system for its capital planning process.

*Costs:* Inestimable.

*Benefits:* Inestimable.

#### Seasonal Accommodation at Happy Valley Park

Previous studies also identified a need for low-cost seasonal accommodation in Inuvik. Aimed particularly at automobile and boat traffic, economy accommodation would increase tourists' length of stay and would prevent tourists arriving by canoe or boat from randomly setting up shanty tent camps throughout the waterfront area during the summer months.

Based on current park use, Happy Valley could be the site for small, rustic double-occupancy units with a lodge atmosphere and restaurant facility. Although services would be primarily for guests, other tourists and business travelers would be encouraged to patronize the restaurant facility.

*Costs:* Start-up and construction costs for the proposed facility are estimated at \$110,000.

*Benefits:* Priced at \$35 per night, gross revenues (except restaurant sales) and operating costs are estimated at \$28,000 and \$23,000 respectively. The facility would also create two seasonal positions and \$16,000 in local wages.

### Mainstreet Upgrading Program

According to the Inuvik Visitors' Association, there is a keen interest in upgrading the appearance of the Inuvik's downtown area. A downtown revitalization program could include installation of colourful facades and displays on store fronts as well as trees, flowers benches and kiosks to add color and activity to the mainstreet area (say between the Mackenzie Hotel and the hardware store).

*Costs:* Costs of carrying out a mainstreet upgrading program have been estimated at \$1,100,000.

*Benefits:* Although the benefits and additional revenues that would result from a mainstreet program are difficult to measure, it is likely that retail sales would rise as a result of increased traffic retention in the area.

### Campbell Lake/Dolomite Hills Development

Located approximately 20 miles south of Inuvik, and easily accessible by the Dempster Highway, the Campbell Lake/Dolomite Hills area has the potential for regional name brand recognition. It offers a rich diversity of flora, fauna and wildlife, including falcon nesting sites, for easy viewing and interpretation. The high cliffs of the Dolomite Hills provide a spectacular backdrop to Campbell Lake and excellent hiking opportunities for the outdoor enthusiast. On a clear day the high ridges provide hikers a panoramic view of the Richardson Mountains to the west and the East Channel of the Mackenzie River system.

Depending on community support, ED&T would like to consider developing a territorial park with a series of hiking trails, camping facilities, day-use facilities and interpretive signage as well as a lookout at an optimal site along the west side of the highway (see Appendix 1 for more details).

*Costs:* Preliminary estimates suggest that costs of developing this tourism infrastructure in the Campbell Lakes area would be in the order of \$500,000.

*Benefits:* Revenues and benefits to Inuvik and area residents are extremely difficult to estimate, although large parks areas consistently attract outdoor recreational tourists. At the very least, additional hiking and camping sites in

the area would be an incentive for road travelers, in particular, to stay in the Inuvik area longer and perhaps spend more money on local goods and services.

#### **Gateway Signage for the Dempster Highway**

As the Town of Inuvik is the destination and gateway to the Dempster Highway, appropriate signage is required to inform travelers of the route, major points of interest and resupply points along the way. A study should be carried out to determine signage content, themes, placement and overall imaging before a full-scale construction program is launched.

*Costs:* Inestimable.

*Benefits:* Inestimable.

#### **Dempster Highway Developments**

As a result of increased tourist traffic on the Dempster Highway, there is a need for small-scale roadside facilities along the route. In particular, interpretive signage, outhouses, picnic tables and pull-offs, and geographic points of interest have been identified as priorities for the Dempster near Inuvik. The first stage in positioning roadside facilities would be to develop a major interpretive plan for the highway. The plan would include identifying tourism themes, development opportunities, sites of interest and an overall construction plan for the project.

*Costs:* Costs for planning and constructing the facilities are estimated at approximately \$1.6 million over four years.

*Benefits:* Benefits are difficult to estimate, but at the very least, tourism officials in the Inuvik Region speculate that additional roadside facilities would increase tourists' length of stay on the highway and at destination points along the route.

#### **Mackenzie Delta Parks**

To supplement existing smaller parks in the Delta region, ED&T is planning to investigate the need for a series of small parks and day-use areas over the next

five years. These parks could include picnic tables, camping sites, shower buildings, interpretive exhibits and visitor orientation facilities. Provision is also being made to enhance the Chuk and Nutulie Parks.

*Costs:* Inestimable.

*Benefits:* Inestimable.

#### Development of a Permafrost Chamber

As Inuvik is situated in a continuous permafrost zone it is an ideal candidate for a permafrost chamber tourist attraction. Such a chamber could be constructed at the site of the proposed **Inuvik Visitor Centre** or at one of the larger parks in Inuvik. It would show the stratification of Delta soils and the ice lensing and permafrost encrustations that have developed over the centuries. As well, the chamber could house displays of permafrost-related engineering feats, such as the construction of **Inuvik**, and other technological innovations that have emerged during man's attempt to overcome the difficulties of building in permafrost regions. Displays of how people have adapted to life in permafrost regions could also be housed in the chamber. There is no doubt a permafrost chamber in Inuvik would be a truly unique product that would significantly enhance the community's expanding tourism plant. Combined with displays from the **Inuvik Research Centre**, it would add a scientific dimension that would likely have strong market appeal.

*Costs:* Costs of planning and constructing the permafrost chamber have been estimated in the range of \$500,000 to \$600,000.

*Benefits:* Economic benefits are inestimable at this point.

#### Riverside Park Developments

With increased traffic expected on the Mackenzie River over the several years there is a need for riverside park camping and recreational facilities. Depending on available funding, such facilities would include campsites, fire pits, outhouses, basic docking facilities, interpretive signage at key points along the



river, a landmark at the Arctic Circle, and day-use areas where the river is easily accessed by road.

*Costs:* Previous studies have suggested that about \$250,000 would be required over a period of five years to develop the riverside sites.

*Benefits:* Visitors would likely increase their length of stay in the community.

#### Native Cultural Village

To supplement existing attractions and events, a native heritage attraction could be constructed in **Inuvik**. Should such a facility prove feasible, we recommend the facility be designed to accommodate cultural and historical displays of the three native groups in the area and that it provide live demonstrations on native lifestyles and arts and crafts displays. A facility of this type could be an enhancement to the proposed visitor **centre**.

*costs:* costs of planning, constructing and start-up are estimated to be \$1,000,000.

*Benefits:* Previous studies suggest that approximately 70% of tourists arriving via the Dempster Highway would patronize the facility, resulting in gross revenues of approximately \$380,000. Profits are estimated at \$144,000 for the operating season. An estimated 11 seasonal jobs would be created, resulting in an additional \$117,000 in local wages.

## Fort McPherson

As first community on the **NWT** side of the Richardson Mountains, Fort McPherson (population 750), is in an prime position to take advantage of tourism opportunities arising from increased **Dempster Highway** traffic.

With the establishment of **RCMP** and Hudson Bay posts in the early part of the 20th century, McPherson became a staging area for the **RCMP's Dawson Patrol** and for the transshipment of mail and goods between the Yukon and Northwest Territories. Since then it has become a thriving modern community, but still retains a strong attachment to its traditional heritage, characterized by a distinctive mix of cultural and commercial activities.

Fort McPherson has much to gain from tourism traffic on the **Dempster Highway**. With its strategic location as the first jumping-off point on the **NWT** side of the border, there is a unique opportunity for welcoming tourists to Western Arctic history and culture. However, the present community lacks a well-developed range of tourist services. The key to developing strong tourist interest in the community would be increasing the level of services and infrastructure available, and making better use of existing facilities. For example, more could be done to increase the traveling public's awareness of the canvas shop's products available to tourists.

Recent studies have suggested construction of a Visitor Service Area in or near the community to increase tourists' length of stay and expenditures on local arts and crafts and to generally make Fort McPherson more than just a rest point on the highway. As well, to round out the current level of in-community services, we suggest additional seasonal kiosks, etc. be constructed in the centre of the community where tourists could purchase local goods and services.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

Fort McPherson Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Tourist Service Area	620,000	260,000	54,000
Peel River Tours	50,000	40,000	20,000
Museum Complex	400,000	60,000	30,000
Midway Lake Development	785,000	80,000	50,000
Arts and Craft Enhancement	50,000	80,000	45,000
Sports Hunting	100,000	100,000	50,000
<b>Total</b>	<b>\$2,005,000</b>	<b>\$620,000</b>	<b>\$249,000</b>

#### **Tourist Service Area**

Based on the relatively sparse array of visitor services in the community, consumers and travel planners have suggested Fort McPherson could benefit from construction of a service area dedicated to the needs of Dempster Highway travelers. Such a facility would be built on a site with adequate parking space and be strategically located to lure the largest possible volume of “throughput” traffic. The facility would provide information and signage on the various services in the community, including retail stores, gas bars, etc. and would provide space for arts and crafts producers to display and sell their products, as well as for the display and interpretation of historical artifacts and culturally significant materials. Regarding the development and operation of the proposed facility, a joint venture between the Fort McPherson Development Corporation and another operator appears to be the most feasible approach.

*Costs:* Recent studies estimate costs for the facility as follows:

Roadside Facility:	
Construction	510,000
Start-up	65,000
Subtotal	575,000
Community Facilities:	
Construction	45,000
Total Project Costs:	\$620,000

*Benefits:* Although the studies estimate the facility would barely break even, there is a feeling that development of a visitor service area would add greatly to the tourism impact on Fort McPherson. Measured from this perspective and depending on the level of public investment, the facility may indeed provide a positive return on investment. At least, \$54,000 in local salaries are projected for the project.

#### Peel River Tours

Although there are people available in McPherson to conduct river tours, little has been done to organize tour products which could be aggressively marketed to Dempster Highway travelers. Given the relatively short time tourists stay in the community, at least three medium-distance tours could be developed. These include:

- a half-day river trip to the Lost Patrol Monument, with an orientation tour of the area, a briefing on the significance of the RCMP in Fort McPherson history, and perhaps a shore lunch at the monument site.
- a one-day tour to the mouth of the Peel River would be feasible if developed and marketed properly.
- a two-day overnight trip on the Peel River could be marketed to a small segment of the rubber tire market.

*Costs:* Including provisions for camping equipment, boat and safety supplies, the cost of establishing all three tours is estimated at \$50,000.

*Benefits:* With a contribution for equipment and start-up costs, the tours would likely show only a modest profit on revenues of about \$40,000, but would nonetheless supplement the income of local residents during the tourist season. In addition, some \$20,000 in wages would be paid to local residents.

#### Fort McPherson Museum

As with most small communities in the Western Arctic, the development of a small museum or display area would greatly enhance the community's tourism offering. It would also create an added stimulant for highway travelers to spend more time and money in the community. We recommend the municipal government, ED&T and the Department of Justice and Public Services work together to design an overall concept and development plan for a museum. (Note: development costs for the proposed museum are in addition to those identified earlier for the road-side facility.)

*Costs:* Preliminary research indicates a small-scale museum and display area would cost in the order of \$400,000.

*Benefits:* Tourism planners estimate that approximately \$60,000 in seasonal revenues and \$58,000 in operating costs could be expected. The facility would create three seasonal jobs paying a total of about \$30,000 in wages.

#### Midway Lake Development

Aside from its pristine beauty and historical significance as a meeting site, Midway Lake is probably best known for the Fort McPherson Folk Festival held there over the past several years. The festival has been very successful in drawing people to the community and has become a major tourism attraction.

To enhance the Midway Lake site and capitalize on increased road traffic on the Dempster Highway, recent planning studies suggest a new campground and related amenities be constructed within the next three to five years.

Given the importance of the site for Fort McPherson residents it would be important to plan the development carefully to minimize conflicts with residential use. We recommend an initial feasibility study be carried out to

determine the actual need, site suitability, technical requirements, environmental impact, conflicts with residents' use, etc.

*Costs:* Including provision for planning, construction and start-up, very preliminary costs for the Midway Lake development are estimated at \$785,000. Operating costs are also estimated at \$80,000 for same period.

*Benefits:* If the development were to occur and the site were open for at least 100 days each season, studies estimate that up to 3,000 camper-nights could be captured each season. Priced at \$25 per night, this would yield approximately \$80,000 in revenues. The facility would create six part-time positions and result in \$50,000 in wages.

#### **Arts and Crafts Enhancement**

Fort McPherson has always been known for its excellent Dene crafts. However, to meet the expected increase in highway-generated demand for arts and crafts, there is a need to bolster production in the community. To do this, tourism planners recommend that government subsidize a revolving stock of raw materials. A local crafts association would sell materials at a small profit and purchase finished goods from producers for resale to tourists during the summer season.

*Costs:* Total costs of establishing the revolving stock are estimated at \$50,000.

*Benefits:* Marginal profits on the sale of raw materials are expected to increase the size of the fund over time. As well, with estimated craft sales of \$80,000, the enterprise is expected to break even. **Local** benefits include the distribution of approximately \$32,000 in raw materials for craft production and another \$45,000 which would be paid to producers.

#### **Sports Hunting**

Fort McPherson currently shares Dan's sheep tags with Aklavik and has excellent access to other game animals such as moose, bear and caribou. If developed properly with adequately-trained guides and outfitters, the community could offer some attractive sports hunting products.

The biggest challenge in developing sports hunts would be to ensure that guides are well trained. Before any outfitting operation is established, a training program should be set up to certify at least 10-15 guides in the community. The GNWT (Arctic College or the Department of Education) should be contacted for support in this area.

Once training has taken place, special effort should be made to develop only first-class products. Competition is stiff in the sports hunting market and only the best products would survive.

*Costs:* Excluding training costs, very preliminary analysis suggests approximately \$100,000 would be required to establish an adequately-equipped outfitting operation in Fort McPherson.

*Benefits:* On the basis of the same analysis, 1993 revenues are estimated at approximately \$100,00, resulting in a small profit of \$22,000. Sports hunting would likely create four jobs, paying about \$50,000 in wages for the season.

## Arctic Red River

Arctic Red River (population 108) is located near the **Dempster Highway** at the confluence of the Arctic Red River and the Mackenzie River. Historically, the community was a major trading centre and the River was a major transportation route in the fur trade. The Arctic Red River, in particular, provided access to the Richardson Mountains, and farther up the river, near the foothills of the mountains, the Hudson's Bay Company established a trading post in the late 19th century. In the early part of the 20th century the company established a permanent post in the community which operated until the early 1980s.

Arctic Red River offers the tourist a rare opportunity to visit a native community still dependent on hunting and trapping and traditional lifestyle, for unlike many of the larger Delta communities, Arctic Red still reflects its trading post character.

The community is not situated directly on the **Dempster Highway** – a short ferry ride from the east side of the Mackenzie River is required to reach Arctic Red. Still, there is significant potential for further community tourism development based on the sheer volume of tourist traffic arriving at the highway ferry crossing by positioning Arctic Red River as an attractive diversion for north and southbound motorists.



### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

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#### Arctic Red River Summary of Tourism Opportunities

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Product/ Opportunity	Development costs	Business Revenues	Community Income
Roadside Developments	495,000	98,000	35,000
Arts and Crafts Enhancement	58,000	57,000	35,000
River Tours	65,000	64,400	20,000
<b>Total</b>	<b>\$618,000</b>	<b>\$219,400</b>	<b>\$90,000</b>

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#### Roadside Developments

To increase the numbers of tourists visiting the community and to increase their length of stay, recent studies indicate that several capital projects would be required in Arctic Red River. These include developing a small kiosk for arts and crafts sales, enhancing the native fish camps, and development of a promotional centre for river tours on the Mackenzie and Arctic Red Rivers.

With the addition of these travel generators/products, studies suggest tourist-generated arts and crafts sales could reach \$1 00,000 during summer. However, to achieve this level of sales and an increased level of tourism visitation to the community, special efforts by both the community and government would be required to improve the skills of artists and craftspeople in the community. Current market research shows that tourists demand consistent quality at a reasonable price. They also like to see a wide range of arts and crafts for sale in communities they visit. It is in these areas that community arts and crafts could be improved.

*Costs:* The total estimated cost (updated from previous studies) for improving the community's tourism plant is approximately \$495,000, broken down as follows.

Planning for community infrastructure	<b>50,000</b>
Developing the picnic sites	<b>70,000</b>
Roadside kiosk	153,000
Fish camp enhancements	40,000
Campground development	127,000
Start-up costs	55,000
Total	<b>\$495,000</b>

*Benefits:* Recent studies estimate gross community revenues resulting from these new developments would be about \$98,000 (assuming all structures have been developed by 1993). As well, total operating cost for the developments have been estimated at \$94,000, resulting in a small profit for the first operating season in which all projects are operational.

#### **Arts and Crafts Enhancement**

Based on previous research there appears to be a feeling that improving the level of arts and crafts skills and the supply of affordable-priced, quality product would go a long way to improving the community's pull on the Dempster Highway corridor.

To further develop the community's arts and crafts capabilities, studies suggest an arts and crafts marketing network between the Delta communities should be established. The association would establish a marketing network with operators and wholesalers.

*Costs:* At the community level studies suggest a small revolving fund should be established to purchase and distribute raw material to the crafts producers. Costs of setting up the fund are estimated at \$58,000.

*Benefits:* Tourist-generated arts and crafts revenues are estimated at \$57,000 for 1993 (the first year of operation). Expenses for the same operating period are estimated at \$56,000, leaving a small profit of \$1,000. It is anticipated that during the summer months, three **craftspeople** would be employed at total salaries of \$35,000 for the tourist season.

### River Tours

While there appears to be limited interest in developing river tours from the community, there is indeed an opportunity for offering products of this type. The close proximity of both the Mackenzie and Arctic Red Rivers allows easy access to some of the more interesting and spectacular scenery in the Mackenzie Delta.

*Costs:* Assuming interest levels in touring activities increased, costs of establishing tour products are estimated at \$65,000 for 1993. These funds would be used to purchase shore equipment, including tents, cooking and camping supplies. Given the abundance of boats in the community, no additional costs are expected for boating equipment.

*Benefits:* Again, based on some very **preliminary** market research, it would appear that a tour business in the community could be profitable. Assuming that 3% of recreational vehicle and auto travelers and 10% of van passengers took a tour excursion at Arctic Red River, then approximately 653 revenue-seats could be sold during any given season. Priced at say \$45 each, this would yield \$64,400 in revenues for a potential tour operator in the community. Operating costs for the tour business in 1993 are estimated at \$55,300, resulting in a forecasted profit of about \$9,000 for a two-and-half-month tourist season. A river tour business in the community could be expected to generate about \$20,000 in wages for local residents during the summer tourist season.

## Aklavik

Aklavik (population 800) is situated on the Peel Channel of the Mackenzie River, approximately 70 miles from the Arctic coast and Beaufort Sea.

Aklavik was the place where the Inuvialuit and the Loucheaux Dene people traditionally met and sometimes clashed. In 1912 the Hudson's Bay Company established a post at a site called Pokiak across the river from the present community, and growth in Mackenzie River trade eventually led to development of what is now Aklavik, a well-developed municipality with a 50-50 split of Dene and Inuvialuit.

Aklavik has much to offer the tourism marketplace from an historical development perspective, from its former strategic importance in the fur trade to the events leading up to the RCMP's shoot-out with the Mad Trapper of Rat River.

There are several well-developed, albeit small accommodation facilities and several operators available to take tourists on excursions throughout the Mackenzie Delta. However, given the increased volumes of tourists arriving via the Dempster Highway each year, Aklavik still needs to improve and expand its existing tourism plant and increase its range of services to increase benefits from the tourism industry.

For example, while accommodation facilities are adequate for business travelers and some adventure tourists, they would require upgrading before overnight tourism packages can be sold through travel wholesalers.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Aklavik</b> Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Full-Service Hotel Facility	<b>750,000</b>	<b>450,000</b>	<b>75,000</b>
Mountain Naturalist Lodge	125,000	255,000	120,000
Wilderness Tour Outfitting	75,000	170,000	50,000
Herschel Island Accommodation	110,000	50,000	15,000
Mad Trapper Museum Upgrade	75,000	n/a	10,000
Sports Hunting	150,000	180,000	60,000
Arts and Crafts Enhancement	70,000	50,000	30,000
<b>Total</b>	<b>\$1,355,000</b>	<b>\$1,155,000</b>	<b>\$360,000</b>

#### Full-Service Hotel Facility

All of Aklavik's accommodation facilities lack amenities such as restaurants and reception areas. This may not influence the business traveller's length of stay in the community, or even that of some rugged tourists. However, most package tourists demand high-quality products and place a high priority on accommodation and restaurants. That is not to say that all northern hotels must be Hiltons, but they should have the basic attributes such as a separate washroom in each room, a reception lounge for guests and, above all, an adequate dining room.

To complement the existing accommodation facilities in the community, tourism personnel have suggested a small-scale, full-service hotel with six-eight rooms be constructed in the near future. The hotel might be financed by GNWT loan and contribution programs and possible investments from both the Inuvialuit Development Corporation and the Aklavik Dene Band.

*Costs:* The cost of developing the hotel would be about \$750,000.

*Benefits:* With full meal services and maintenance requirements for six-eight double rooms we anticipate that approximately two full-time and one part-time positions would be created. Wages paid to community residents could reach \$75,000 per annum. Based on 100% occupancy in summer and 40% in fall, winter and spring, and using a base price of \$150 per day for accommodation and meals, gross revenues for a facility of this type could reach \$400,000-500,000 annually.

#### Richardson Mountain Naturalist Lodge

With Aklavik's close proximity to the foothills of the Richardson Mountains and ever-increasing tourist interest in walking tours, several community operators have expressed interest in developing a naturalist lodge/staging area for hiking expeditions into the mountains. The **Knute** Lang Camp and the **McLeod** Camp are being considered as sites for the development of a naturalist lodge. Although both camps are suitable for staging hiking tours, the **McLeod** Camp is closer to the mountains and probably the most obvious choice for development.

*Costs:* To bring any of the two camps up to tourism standards, additional camp equipment would be required, along with bedding, stoves, lamps, utensils, etc. Estimated costs of upgrading either camp are in the range of \$110,000-125,000. An additional \$25,000-30,000 would be required for start-up.

*Benefits:* Based on very preliminary market **information**, recent studies estimate that a facility of this type would generate approximately \$255,000 in revenues and approximately \$20,000 in seasonal profits. Approximately nine local people would be required to operate the lodge. Their wage bill has been estimated at \$120,000.

#### Wilderness Tour Outfitting

Given Aklavik's easy access to the numerous rivers and historical sites in the Mackenzie Delta, there is an opportunity for developing at least one additional outfitting business in the community. There are numerous sites within a short distance from **Aklavik** that would offer tourists an excellent opportunity to

experience the history and culture of the Delta people. For example, trips up the Peel Channel to some of the old trappers' cabins, boat excursions to the Delta fish camps and whaling stations and even longer trips to Herschel Island would provide tourists with a first-hand view of 19th century whalers' living conditions on this remote island in the Beaufort Sea.

At present, the biggest constraint to developing outfitting businesses in Aklavik is the lack of training and adequate equipment for carrying passengers to medium- to long-distance sites.

**Costs:** Estimated costs of establishing an outfitting business in the community are \$20,000 for training; \$30,000 for equipment; \$25,000 for start-up costs. On this basis, total costs for the undertaking would be \$75,000.

**Benefits:** Based on preliminary market information, recent studies suggest a tour outfitter offering river tours and excursions to Herschel Island could sell approximately 130-140 revenue-seats in 1993. At an average trip duration of five days and a price of \$250 per day, seasonal revenues could reach as high as \$165,000-170,000. With operating costs in the range of \$118,000-120,000, \$40,000-50,000 in profits could be generated. The studies further estimate that a tour outfitting business would create four jobs and would generate approximately \$50,000 in wages to local guides.

Herschel Island Accommodation

With the growing interest in historically-based adventure products, there is a real opportunity to develop the Herschel Island site for tourism purposes. In particular, an accommodation facility on the island would make longer trips from Aklavik more attractive to the adventure traveller. The chance to stay in good-quality accommodation while exploring the island would add significantly to the product's market appeal. (As Herschel Island is in the Yukon, liaison with, and approval from, the Yukon government would be required.)

*RT should have cost factored in the Yukon Govt. There is a draft message for the island that also speaks to the need for accommodation etc. in the Yukon Govt.*

**Costs:** To construct a small tent camp on the island, with adequate equipment would require approximately \$80,000 in addition to \$30,000 in start-up costs, bringing the total project costs up to \$110,000.

*Benefits:* Preliminary marketing data suggests that at least 200-300 trips could be sold in any given season. Of these revenue-units, studies suggest about 25% of the guests would purchase three-night packages. On this basis, overnight guest revenues would be an estimated \$20,000, expenses would be \$14,000, to yield a modest profit of \$6,000 over the tourist season. For the day-trips, the same studies have assumed another \$30,000 in revenues would be generated. Wages for seasonal guides have been estimated at \$15,000.

#### Upgrading the Mad Trapper Museum

Over the past several years the Mad Trapper Museum had been open to the public during the summer. With an abundance of artifacts from the early 20th century and from the Mad Trapper era, it provided tourists and business travelers a chance to gain an understanding of some of the more historical events in Aklavik's development as a native community and trading centre. The museum was housed in a small, somewhat rundown building near the Mad Trapper's grave site in the centre of the community, but due to a lack of funding, it is now closed to the public.

Given the wide range of artifacts the museum has to offer, there is a general feeling in the community that a properly developed and maintained museum facility would add a great deal to the local tourism plant. During the summer the museum could be a focal point for visitors, with staff available to provide information. Aside from a historical and preservation role, it could serve as an interpretation centre for tourists and a work place for community hosts.

*Costs:* Including provisions for developing new promotional materials, story boards on historical events, and new displays, estimated costs of upgrading the museum are \$75,000.

*Benefits:* In its revised state, approximately two part-time positions would be created, with an additional \$10,000 in wages. Museum revenues are inestimable at this point.



## Sports Hunting

Three years ago the Department of Renewable Resources conducted a resource inventory in the Richardson Mountains to establish harvest capacities of the Dan's sheep in the area. The department concluded that commercial sports hunting could be carried out by the Fort McPherson and Aklavik Hunters and Trappers Associations. Because the HTAs have not established a joint management plan for commercial Dan's sheep hunting, Renewable Resources has not adjusted the relevant legislation to include commercial Dan's sheep tags. However, with a plan in place, quotas for Dan's sheep sports hunting would be forthcoming.

Aklavik has six trained guides that could be employed in the sports hunting business. The Aklavik HTA also has five polar bear tags which could be used for sports hunting. Overall, with the availability of both trained guides and tags, there appears to be potential for a profitable sports hunting enterprise in the community, especially if both Fort McPherson and Aklavik can develop the Dan's sheep hunting market.

In the initial stages, a marketing network for the sports hunts could be developed by using Guided Arctic, a travel wholesaler owned and operated by the Inuvialuit Development Corporation in Inuvik.

*Costs:* Including equipment and start-up, the cost of establishing a sports hunting business in Aklavik is estimated at \$150,000.

*Benefits:* Based on a 15% market penetration of sports hunts to the Beaufort region, revenues are estimated at \$180,000 annually, with profits of approximately \$40,000. Wages paid to 12 part-time guides would be about \$60,000 for the operating season.

## Arts and Crafts Enhancement

Arts and crafts is an important source of income for many local residents. In the early stages, arts and crafts was confined primarily to cottage industry production, with the majority of producers operating from their homes. Products were sold to visitors or through the Hudson's Bay Store.

As producers' skills developed, Aklavik became recognized as one the best sources of fur products and garments in the Western Arctic. However, despite its reputation for quality, the local industry is constrained by a lack of reasonably priced raw materials. Lack of production space has also been cited as a problem, but lack of raw materials appears to be the single most important impediment to further development of the Aklavik arts and crafts industry.

As a result, tourists are complaining that there are very few arts and crafts available for sale, and those that are, are over-priced, although price is probably the lesser consideration.

To bolster arts and crafts production and thereby enhance the local tourism offering, recent studies have recommended a government-sponsored "revolving fund" be established to initially subsidize a local raw materials supply system. In theory, the revolving fund would be self-financing after the first year because a small margin on materials sales could replenish inventories and permit growth as required. As well, several small-scale workshops are proposed to increase both producer skills and the number of producers in the community.

*Costs:* Estimated costs of establishing an arts and crafts revolving fund are \$70,000. This includes approximately \$40,000 for producer workshops.

*Benefits:* Recent studies estimate producers would receive some \$50,000 in craft sales during the summer tourist season.

## Tuktoyaktuk

Tuktoyaktuk (population 882) is located north of the **treeline** on the **Beaufort** Sea coast. The community rests on gravel terrain hemmed in by a number of small lakes in an area renown for its **pingos**.

At one time Tuktoyaktuk was home to the whale-hunting **Karnmalit Inuit**. Later, between 1890 and 1910, when whaling fleets from the Pacific discovered bowhead whales off the Arctic coast, more than 500 whalers took up residence on **Herchel Island** to the west. When the commercial whaling industry declined, the Inuvialuit of Herschel moved to **Tuktoyaktuk**. Today “Tuk” as it is called by most, is the sea-edge base for oil and gas exploration in the **Beaufort Sea**.

Tourism traffic in **Tuktoyaktuk** has increased considerably in recent years primarily because more people traveling the **Dempster Highway** are attracted to the Arctic Ocean. However, there is a need for more attractions to keep tourists in the community longer.

There are two hotels in the community, one with a restaurant, and one campground.

Nearby pingos offer an excellent opportunity for tourists to view a truly rare geographical phenomenon and have the potential to become local name brand tourism products (see Appendix 1 for more details).

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

Tuktoyaktuk Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Community Interpretive Centre	1,000,000	n/a	n/a
Boat Tours	n/a	n/a	n/a
Sports Hunting	nil	90,000	15,000
Arts and Crafts Enhancement	25,000	60,000	30,000
<b>Total</b>	<b>\$1,025,000</b>	<b>\$150,000</b>	<b>\$45,000</b>

#### Community Interpretive Centre

Pingos are popular with tourists, and local residents are interested in developing an attraction related to pingos to draw more tourists into the community. Ideally, an interpretive centre could be designed and constructed using a pingo as the centre's foundation. The facility could include a permafrost demonstration chamber, attractive displays concerning the people, flora and fauna, and nearby parks to stimulate tourists to explore the community and surrounding area.

*Costs:* Based on very preliminary information contained in tourism planning studies, capital requirements for planning and constructing an interpretive facility would be \$1 million. As no engineering work has been carried out on the proposed facility, operating costs are inestimable.

*Benefits:* Although benefits would be substantial they are impossible to quantify. However, we do expect that an interpretive centre would increase the range and level of services to tourists and would provide a much needed meeting place for tourists and operators. As well, tours and arts and crafts might be sold from the facility.

### Boat Tours

As Tuk is located on the edge of the Beaufort Sea and the nearby Kitigazuit Bay, there are many opportunities for developing boats tours along the coastal region. Working through the local HTA, operators could develop whale-watching packages as complements to the flight-seeing packages marketed from Inuvik. While whale-watching is considered a sensitive issue and care would have to be exercised in its development, there is nonetheless tremendous market appeal for this type of product. As well, tours out to the summer camps along the coast would fit well with the needs of day-trippers and package tourists visiting Tuktoyaktuk. Boat tours of the Tuk harbour and dry dock areas for the off-shore drilling program would also be of interest to tourists. Under optimal conditions, a large vessel would normally be used to carry passengers on coastal tours. However, given the relatively short operating season and high capital and operating costs, there are a number of smaller vessels in Tuktoyaktuk which could be used to downsize the risk and increase the profitability of the tours.

*Costs:* As the size of the vessel and scale of operation are unknown at this point, costs are inestimable.

*Benefits:* Inestimable.

### Sports Hunting

Although sports hunting hasn't been promoted to a large extent in Tuk, there is potential to further develop this market segment. The community has six polar bear tags, five grizzly tags and less restrictive numbers of barren-land caribou tags. Guided Arctic currently sells polar bear hunts, but its offering could be expanded to include grizzly and caribou. In developing this market, it would be critical for any operator to work closely with the Tuktoyaktuk HTA. Indeed, the HTA might want to pursue this opportunity itself.

*Costs:* No additional costs would be required to develop this product.

*Benefits:* Assuming six polar bear hunts sold for \$10,000-15,000 each, gross revenues would be \$60,000-90,000. An estimated \$10,000-15,000 would be paid in wages.

**Arts and Crafts Enhancement**

Increased tourist visitation in the community would create greater demand for arts and crafts products. Accordingly, local production of craft items would have to be increased to take advantage of this market. This could be accomplished by providing arts and crafts producers in the community with additional raw material inventories and by holding workshops to train producers.

*Costs:* Capital required to purchase raw materials estimated to be \$25,000.

*Benefits:* Although it is very difficult to accurately estimate the increased volume of arts and crafts sales that would result from additional raw materials supply, there is a feeling in the community that current tourist flows would absorb additional production of arts and crafts items. On this basis, recent studies have suggested an expenditure of \$25,000 on raw materials would increase current sales by \$60,000; of this, \$30,000 would flow through to the producers.

## Sachs Harbour

Sachs Harbour (population 176), located on the southwest shore of Banks Island, is known for its sheltered harbours that have played a significant role in the economic and social history of the area. Whalers, early Arctic explorers and free traders all stopped off at the island, and Sachs Harbour particularly, during their voyages through the Beaufort Sea.

Tourism has begun to make its mark as an income generator for Sachs Harbour over the past 10 years. Quality accommodation and an abundance of wildlife – notably muskox, porcupine, caribou, polar bears as well as snow geese, gyrfalcons, sandhill cranes and peregrine falcons – have attracted small groups of bird watchers, photographers, naturalists, canoeists and kayakers to the community. However, most of these groups were only passing through, en route to destinations farther north on Banks Island, including the Thomsen River (known for its first-class wilderness canoeing potential), and the Masik and Big Rivers (which offer opportunities to see birds and muskox), as well as Nelson Head (scenic vistas), Johnson Point (known for its fishing potential) and the permanent ice cap which offers a rare opportunity to visit a unique geographic phenomenon. Sachs Harbour has benefited from this tourist activity, but has not been the main destination.

However, the Canadian Parks Service is proposing to establish a national park at the north end of the island and there is little doubt that the international exposure parks bring would spawn further interest in Sachs Harbour as a world-class travel destination and create additional business opportunities for local residents and tour operators.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Sachs Harbour</b> Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Banks Island Outfitting	140,000	80,000	n/a
Museum Renovation/Visitor Centre	100,000	n/a	8,000
Native Cultural Activities and Village	100,000	15,000	9,000
<b>Total</b>	<b>\$340,000</b>	<b>\$95,000</b>	<b>\$17,000</b>

#### Banks Island Outfitting

To adequately capitalize on the full range of tourism opportunities in Sachs Harbour and the surrounding area, top priority should be given to developing a qualified outfitting service in the community. Although Sachs Harbour and Banks Island are internationally recognized for abundant wildlife species and spectacular scenery, inadequate outfitting has limited the flow of organized tours to the island. While some independent southern operators have brought in tourists, there has been little involvement by local residents. The only exception to date has been the muskox hunts in which the local HTA has played a major role. Outfitters not only would have to provide basic outfitting and interpretive services to visitors, they would also have to work extensively with travel wholesalers in the region and elsewhere in southern markets to develop products and marketing strategies. As well, the operators would need to provide inbound visitor services to ensure tourist expectations are met.

Within Sachs Harbour there are at least four guides with the required skills to establish a quality guiding service for adventure tours throughout the island.



*Costs:* Equipment and training costs of approximately \$140,000 would be required to capitalize on adventure tour opportunities offered in the south and north ends of Banks Island. In particular, tent camps would have to be established at the Big, Thomsen and Masek Rivers. Four-wheel-drive vehicles would also be required for transporting guests and carrying food and supplies at each site. A training program for guides and camp workers should be offered in winter to ensure local residents are properly trained in dealing with tourists, safety issues, and have adequate interpretive skills, etc.

*Benefits:* Based on preliminary market indicators, we estimate approximately \$80,000 in annual income could be generated for local residents through provision of outfitting services.

### Museum **Renovation/Visitor Centre**

Although Sachs Harbour has a rudimentary museum, it does not have sufficient artifacts and interpretive materials to classify as a tourism focal point in the community. Small community museums require written historical materials (story boards, etc.) and photographic illustrations that enhance community and area tourism themes and provide tourists with maximum understanding of the culture and history the community has to offer.

*Costs:* The cost of upgrading the present museum has been estimated at approximately \$60,000. An additional \$30-40,000 would be required to prepare adequate interpretive materials. In total, about \$100,000 would be required to establish a community museum/visitor centre.

*Benefits:* Assuming someone would be required to operate the museum/visitor centre throughout the tourist season, \$8,000 would be paid in seasonal wages to local residents.

### Native Cultural Activities and Village

To broaden the community tourism base and to round out current and future product offerings, recent studies suggest additional low-cost activities of short duration should be developed as soon as possible. These would include evening entertainment of a cultural nature (e.g. drum dances), singing and art/craft

festivals, guided museum tours, community walking tours, fish bakes and perhaps tours of a cultural village depicting the traditional, contact-traditional and modern lifestyles of the Banksland people.

*Costs:* No specific development costs for these activities have been provided, however, each would require a detailed plan and implementation schedule before proceeding. As an order-of-magnitude, we believe that the smaller-scale activities (evening entertainment, etc.) can be accomplished at minimal cost, say \$10,000 per year. However, development of a cultural village of the scale indicated would require substantial amounts of funding for the planning, development and operational phases; at the very least we expect costs would be in the order of \$100,000.

*Benefits:* Should the above activities be developed and marketed properly, through existing travel wholesalers and tour operators, approximately \$10,000-15,000 in seasonal business revenues could be generated. Of this, approximately \$9,000 could be paid in wages to a local resident.

## Paulatuk

Paulatuk (population 239) is situated on **Darnley Bay** on the Arctic Coast, almost mid-point between **Tuktoyaktuk** and **Coppermine**. It is remote from highways and has experienced comparatively limited development and influence from outside communities. Local residents still depend a great deal on traditional renewable resource harvesting pursuits, and hence **Paulatuk** represents a prime opportunity for tourists to visit a relatively “untouched” community and experience, first hand, the lifestyles of **Inuvialuit** people.

Over the past decade, tourism development in **Paulatuk** has followed a slow, but steady pace, with polar bear sports hunts and infrequent sports char fishing trips at the **Hornaday River** leading the way.

Recent regional tourism studies suggest that although the community is one of the more picturesque in the coastal region, its distance from markets, underdeveloped tourism infrastructure, and lack of tourism products have so far limited tourist interest in the community. The recent construction of a hotel facility in **Paulatuk** has improved accommodation for business travelers, but there are still significant opportunities for further developing the local tourism plant.

**Paulatuk’s** distance from major tourism markets is a major impediment to tourism development in the community, however, with proper product development and marketing initiatives, tourism could play an important role in generating additional jobs and income in the community, particularly if **Parks Canada** goes ahead with the proposed **Bluenose National Park**, which has the potential to counteract the distance problem and transform **Paulatuk** into a major destination on the Arctic coast.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Paulatuk</b> Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Hornaday River Tours	315,000	122,000	60,000
Brock River Tours	460,000	246,000	90,000
Polar Bear Sports Hunts	120,000	280,000	96,000
Arts and Crafts Enhancement	90,000	80,000	48,000
<b>Total</b>	<b>\$985,000</b>	<b>\$728,000</b>	<b>\$294,000</b>

#### Tours to the **Hornaday** and **Brock** Rivers and Smoking Hills

Although coastal tours have been tried in the past, there have been no formally-organized trips to the **Hornaday** and **Brock** Rivers that could be sold through travel wholesalers in the **Inuvik** Region and in southern markets. Both the **Hornaday** and **Brock** Rivers offer spectacular scenery and are known sites of muskox and the Bluenose caribou migration. At certain times of the year, grizzly bears can be seen on the tundra; killer whales may also be photographed in the outer reaches of **Darnley Bay**.

As well, the Smoking Hills near **Paulatuk** represent a unique opportunity for tourists to experience a rare geological formation rising up from the tundra plateau. The Smoking Hills are made up of burning coal deposits located deep in a high range of rock crags and crevices slightly west, southwest of Cape Perry.

In the initial stages, coastal tours could be developed by using existing boats in the community. This assumes adequate safety equipment and trained guides would be available when guests arrive in the community. Along with boats and motors, tent frame and camping equipment would be required at each river site. The sites would be setup in July and dismantled in mid- to late August.

*Costs:* The longer-term (equipment and start-up) costs of developing coastal tour products, including semi-permanent lodge facilities at the Brock and Hornaday River sites, would range between \$775,000 and \$850,000.

*Benefits:* Approximately 20 seasonal positions (including management, guides and camp attendants) would be created by the construction of facilities at the Brock and Hornaday Rivers. Estimated wages for these positions are \$150,000.

#### Polar Bear Sports Hunts

Although sports hunting for polar bears in the Cape Parry area has been marketed in the past, the hunts generally have not been offered as an ongoing product.

Given the strong demand for polar bear sports hunting generally, there appears to be potential for developing a steady flow of hunters to the community. However, development of this product would depend heavily on the support and cooperation of the local HTA, which holds the polar bear tags.

*Costs:* Equipment and start-up costs are estimated at \$120,000.

*Benefits:* Salaries for guides and project management are estimated at \$96,000 for the operating season.

#### Arts and Crafts Enhancement

Paulatuk is renown for its abundance of skilled artists and craftspeople. Crafts and carvings from the community have sold throughout Canada and North America with good market appeal. The biggest constraint to crafts development has been lack of space for production, limited raw material supply and lack of an organizational structure to advance craft and art production and marketing.

To bolster crafts as an economic opportunity, and to increase the attractiveness of the community as a tourist destination, there maybe merit in establishing an arts and crafts group to provide the necessary internal linkages for craft producers and to provide a focal point for tour operators selling travel products in Paulatuk.

*Costs:* Estimated costs of initiating the proposed arts and crafts group are \$90,000, including raw materials and producer workshops.

*Benefits:* Producers benefits are estimated at \$48,000.

## Norman Wells

Norman Wells (population 625) is situated on the banks of the historic Mackenzie River and is the site of the first oil and gas producing wells in the Northwest Territories.

The community is near the Canol Trail and the Mackenzie Mountains and within a short flying distance of wilderness lakes such as Kelly Lake and Wrigley Lake.

Norman Wells has a strategic advantage over other **Sahtu** communities because it is served daily by jets from the south (**Yellowknife** and Edmonton) and from the north (**Inuvik**), and is connected to the other **Sahtu** communities by regional airlines and winter roads. As the region's transportation hub, it is the main point of entry and departure for tourists visiting the **Sahtu**.

There are three hotels in the community, two restaurants and one campground for canoeists. There is also a museum, a visitor interpretation facility and two arts and crafts outlets.

Most travel to the community is related to business, primarily petroleum industry employees and government officials; there is relatively little tourism travel. Indeed except for sports hunters and fishermen, and a few Canol Trail hikers and wilderness river canoeists, there is almost no tourism travel at all. Moreover, most sports fishermen and hunters – the greatest percentage of tourists – pass through Norman Wells without spending much money in the community. As well, most of the sports hunting businesses in the region are owned by non-residents.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

Norman Wells Summary of Tourism Opportunities			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Canol Trail Hiking and Canoeing	<b>1,500,000</b>	<b>150,000</b>	<b>50,000</b>
Wilderness River Tours	<b>200,000</b>	<b>105,000</b>	<b>40,000</b>
Inbound Tour Operator	60,000	100,000	60,000
Construct New Hotel	1,000,000	n/a	n/a
Visitor Booth and Signage	25,000	n/a	n/a
<b>Total</b>	<b>\$2,785,000</b>	<b>\$355,000</b>	<b>\$150,000</b>

#### **Canol Trail Hiking and Canoeing**

The Canol Trail has been recognized by the GNWT as one of the most important potential tourist attractions in the Northwest Territories and certainly the most important for the Sahtu Region. Thus ED&T concept planning has investigated the potential for establishing a territorial park in the area of Dodo Canyon, with an improved airstrip, refurbished period buildings, walking trails and a suitable tourist lodge. In addition, the department also plans to look at the merits of establishing effective radio communication for tourists along the trail, installing appropriate **signage** and developing a reliable and cost-effective means of transporting tourists over rivers which cross the trail. There are therefore good prospects for developing more wilderness adventure packages in the park in the short and long term, including:

- **One-Day Package:** Tourists could be taken across the Mackenzie River to visit the original Camp Canol site and then driven along the trail to the Carcajou River (22 miles from Norman Wells). Alternatively, tourists could be flown to Dodo Canyon (36 miles



from Norman Wells) for a day of sightseeing. Both packages would offer a picnic lunch and guided transportation.

- **One Week in Dodo Canyon:** Tourists would be flown to Dodo Canyon and probably accommodated in a tent camp. The package would allow them to view the area's spectacular cliffs, rock pinnacles and wildlife, and to study the trail's history first-hand. There would also be opportunities to hike, motorcycle, fish, bike, and explore other areas, such as Echo Canyon and Carcajou Canyon. The trip would be available as a fully-guided package.
- **Three-Week Complete Trail Trip:** Tourists would start at Norman Wells or Dodo Canyon and hike the complete trail (232 miles). The trip would be promoted among more serious hikers and wilderness adventurers. There would be business and employment opportunities for residents in guiding and airline support.
- **One-Week Canoe Trip:** A package could also be developed for canoeing either the Keele River or the Carcajou River. This could be promoted as a guided package with all equipment and food supplies provided, or as only an equipment rental package.

*Costs:* Long-term capital requirements related to infrastructure development at Dodo Canyon and along the Canol Trail are estimated to be \$1.5 million.

*Benefits:* In 1988-89 approximately 100 people hiked the Canol Trail. Establishing a hiking trail and ancillary facilities with proper marketing and promotional initiatives could double this number to 200 in Year 1 and generate upwards of 400-500 tourists by Year 5. This could bring the area an estimated \$300,000 in business revenues and \$100,000 in employment and income, of which Norman Wells would receive an estimated \$150,000 and \$50,000 respectively.

#### **Wilderness River Tours**

There are two resident outfitters in the region offering wilderness river tours. Mountain River Outfitters (owned by Frank Pope) offers either all-inclusive motor vessel tours along the Mackenzie River from Norman Wells, or canoe

rental for those planning to travel on their own. Winter Lennie offers jet-boat tours up the Bear River. As well, Black Feather Wilderness Adventures (owned by non-residents) offers canoe packages along the Mountain River. Market research indicates more of these wilderness river tour packages could be sold by resident outfitters.

*Costs:* River outfitters estimate expansion would entail an additional 22-foot boat, camping equipment and marketing expenditures, for a total of \$50,000. As well, an estimated \$150,000 would be required for docking facilities at Norman Wells and for appropriate signage along the river.

*Benefits:* By Year 5, an additional 70 tourists purchasing one-week all-inclusive packages, would generate estimated business revenues of \$105,000 and community incomes of \$40,000 per annum.

### **Inbound Tour Operator**

Communities in the Sahtu do not know enough about how to develop and deliver successful and profitable tour packages. One way to overcome this problem would be to assist in the establishment of an inbound tour operator based in Norman Wells, who would work with individuals in developing and marketing packages. The operator could also play a valuable role in developing and coordinating packages involving several communities.

*Costs:* As there are few tour packages currently available in the Sahtu, an estimated \$60,000 O&M contribution would be required to attract and keep an inbound operator for the first three years of operation. (This cost could be reduced if an inbound operator from outside the region were willing to work in the Sahtu on a seasonal basis).

*Benefits:* An inbound operator would generate one full-time person-year, and estimated total business revenues of \$100,000 and community income of \$60,000 annually by Year 5.

### **Construct New Hotel**

Norman Wells needs a new high-quality hotel facility offering a northern atmosphere that would cater to tourists and businesspeople alike. The current “industrial” facilities have little esthetic appeal. A new facility could also offer additional recreational facilities (racquetball, sauna, jacuzzi, exercise room) and an arts and craft outlet. It could accommodate groups of tourists, sports fishermen and sports hunters, convention meetings, business travelers, as well as local residents who would use the recreational facilities.

*Costs:* A new facility would cost an estimated \$1 million.

*Benefits:* Revenue and employment estimates are not available.

### **Visitor Information Booth and Community Signage**

Incorporating the separate visitors’ association information booth in the local museum would allow visitors to obtain both tourist and historical information in one central facility. This could be accomplished by moving the association’s existing booth to a suitable space in the museum and having the community host operate from the booth during the summer. Appropriate signage designating historical, cultural and tourism points of interest as well as a community map at the airport terminal would also be required.

*Costs:* Relocating the association’s booth and positioning the host in the museum would be a negligible cost. Community signage and a map would cost approximately \$25,000.

*Benefits:* More easily accessible tourism information throughout the community would assist in promoting community tours.

## Fort Franklin

Fort Franklin (population 530) is situated near the headwaters of the Bear River on the shores of Great Bear Lake, which offers world-class trophy sports fishing. The community is also the site of Sir John Franklin's historic fort and a grounded ship, the Radium **Gilbership**.

The area around Fort Franklin is rich in wildlife, including grizzly bear and caribou. **The** community has been allocated 50 commercial tags for the **Bluenose** caribou herd, however only 10 of these are used, leaving a surplus of **40**.

Tourism in the area has been almost exclusively related to the five sports fishing lodges on the lake. However none of the lodges is owned by local residents so their only benefit to the community has been employment as guides and cooks.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Fort Franklin Summary of Tourism Opportunities</b>			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Caribou Sports Hunting	32,000	96,000	36,000
Sports Fishing Lodge	1,000,000	465,000	240,000
Fort Renovation	180,000	30,000	20,000
Wilderness Boat Cruise	200,000	125,000	50,000
Arts and Crafts Enhancement	25,000	60,000	30,000
Great Bear Lake Motel Expansion	200,000	214,000	92,000
<b>Total</b>	<b>\$1,637,000</b>	<b>\$990,000</b>	<b>\$468,000</b>

#### Caribou Sports Hunting

A recent Commercial Renewable Resource Strategy for the Sahtu identified a good market for the 40 selling unused commercial caribou tags to sports hunters in the form of combination sports hunting and fishing packages.

These packages would involve establishing an eight-party camp at McGill Bay, with four tent frame facilities: two would be used as hunter sleeping quarters (each tent holding four hunters); a third would be used for staff sleeping quarters; and a fourth would serve as a common eating area. Each pair of hunters would be assigned one boat and motor and one guide. The packages would be all-inclusive from Edmonton.

In total, the camp would accommodate 24 hunters (three parties of eight) over a three-week period between August 21 and September 15. Although each hunter would be offered two tags, it is assumed only 10 hunters would actually use both, while the other 14 would use only one tag each.

The strategy also recommended that the Department of Renewable Resources establish a grizzly bear quota so that the community could offer combination grizzly bear and caribou hunts.

*Costs:* The cost of establishing the camp would be an estimated \$32,000.

*Benefits:* The camp would employ four guides, one cook and a camp manager for a three-week period, and generate \$96,000 in business revenues and \$36,000 in income for community residents per annum.

### **Sports Fishing Lodge**

Great Bear is the NWT'S largest lake, with over 1,700 miles of shoreline, world-class trophy fishing and spectacular Arctic scenery.

Based on the success of the five Great Bear Lake lodges – which have a 92% average occupancy rate for their nine-week summer season — the potential exists for Fort Franklin residents to acquire one of the existing lodges in the form of a joint venture or, alternatively, to build a new lodge.

In the case of a joint venture, residents would have the opportunity to acquire 50% of the lodge initially, then gain management experience over a number of years before purchasing the remaining 50%. This approach would also ensure that the existing lodge owner would work at retaining customers and developing a successful business for residents of Fort Franklin. The owners of Great Bear Lake Trophy Lodge have indicated a willingness to sell the lodge to residents of Fort Franklin.

In the case of a new lodge, although the Great Bear Lake Management Committee has a policy restricting expansion of the sports fishing industry through creation of new lodges, residents of Fort Franklin are exempt from the policy.

*Costs:* To purchase a 50% interest in a lodge would be an estimated \$500,000; this would increase to \$1 million with purchase of the remaining 50%. To build a new lodge would also cost an estimated \$1 million.

*Benefits:* A new lodge would create an estimated one full-time and 23 part-time positions, business revenues of \$465,000 and community income of \$240,000 per annum. A joint venture approach would maintain existing employment opportunities, revenues and income, maintain clients, and provide residents with easier access to management training and experience in the industry.

### **Fort Renovation**

The old fort once used by Sir John Franklin, one of the Northwest Territories greatest explorers, has experienced archaeological excavation and field research in recent years. Restoring the site and developing interpretive exhibits with suitable artifacts would make it a good tourist attraction. Tours could be offered as a half-day experience or possibly a full-day package if other events were offered, such as a drum dance, meeting elders, purchasing crafts, and visiting the school where Dene artifacts can be viewed. Such a trip to Franklin could be included as part of a broader package involving visits to other communities in the Sahtu. To develop the package, a small brochure would have to be produced.

*Costs:* The total cost of renovating and interpreting the old Franklin fort would be an estimated \$175,000. Production of the brochure would cost an additional **\$5,000.**

*Benefits:* Increased visitation to the community would generate income for arts and crafts producers, the hotel (meals) and a local guide. Assuming 150 tourists purchased the package by Year 5, they would generate an estimated \$30,000 in business revenues and \$20,000 in community income per annum.

### **Boat Cruise**

Increasing numbers of wilderness boat cruises are being successfully sold on **Great Slave Lake** and, a similar boat cruise package could be sold on Great Bear Lake.

The project would involve a 40- to 45-foot boat capable of transporting eight guests from Fort Franklin along the lake to Port Radium and back. The guests could experience spectacular rock cuts and sheer cliffs, visit old mine sites, Dene

historical sites, and perhaps visit the waterfalls on the Camsell River or those at Eagle Falls, as well as have an opportunity to see grizzly bear, moose, and varied types of waterfowl. A naturalist would be on board to interpret and answer questions. In addition, there would be three zodiacs available for guests to explore islands and the coastline. There would also be opportunities for sports fishing. In the evenings, an appropriate site would be chosen for a tent camp on shore or, if the weather was poor, guests would sleep on board in cabin bunks. All-inclusive packages would sell for \$2,000.

*Costs:* To purchase and equip a used 40- to 45-foot boat cruiser, with three zodiacs, would cost an estimated \$200,000.

*Benefits:* Three seasonal positions (captain, assistant and naturalist) would be created; business revenues would be \$125,000 and community income would be \$50,000 per annum.

#### 5. Arts and Crafts Enhancement

Increased tourist visitation would create greater demand for community arts and crafts products. This could be met by providing arts and crafts producers with additional raw material inventories and training workshops.

*Costs:* Capital required to purchase raw material inventories is estimated to be \$25,000.

*Benefits:* Additional business revenues would be \$60,000 and community income would be \$30,000 per annum.

#### 6. Great Bear Lake Motel Expansion

Fort Franklin's Great Bear Lake Motel has four guest rooms and a small dining room. Total accommodation is restricted to 12 guests at three guests per room. Aside from the dining room, there is no common lounge area where guests can congregate and relax at the end of a day.

The motel's primary clients are government officials and construction crews. Given Great Bear Lake's reputation for trophy sports fishing, and potential for



historical and cultural tours, there is excellent opportunity to expand the motel by adding an additional four rooms. As well, the hotel could provide boats for sports fishermen to use. Adding a common lounge would also make the motel more attractive for tourists.

*Costs:* The cost of adding an additional four rooms, a common lounge and four boats and motors would be estimated \$200,000.

*Benefits:* The addition would create an additional six part-time positions for guides and cleaning staff, and generate additional business revenues of \$214,000 and community income of \$92,000 per annum.

## Fort Good Hope

Fort Good Hope (population 565) is located on the east bank of the Mackenzie River, about 87 air miles from Norman Wells and 16 miles south of the Arctic Circle. The community is the site of the oldest fur trading post in the lower Mackenzie and a Catholic mission and church, Our Lady of Good Hope, established in the mid-18th century.

The community is very scenic, with tall evergreen trees, log homes nestled along community trails and the church situated on the ramparts that overlook the majestic Mackenzie River.

Although residents still pursue traditional hunting, fishing and trapping activities, the community today relies heavily on Chevron seismic work for employment.

Recent research points to a number of opportunities for tourism development in and around the community, however residents have expressed little interest in developing the industry, in part because of their reliance on the seismic work.

Few residents have been involved in sports hunting in the Mackenzie Mountains, however the owner of one sports hunting business in the mountains, Arctic Red Outfitters, has offered to sell his business to the community. Like the other sports hunting businesses in the mountains, the operation has been profitable.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Fort Good Hope Summary of Tourism Opportunities</b>			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Wilderness River Tours	65,000	60,000	30,000
Ramparts Hotel Expansion	150,000	60,000	30,000
Purchase Arctic Red Outfitters	425,000	320,000	40,000
Develop Dene Cultural Centre	535,000	250,000	100,000
Arts and Crafts Enhancement	25,000	60,000	30,000
<b>Total</b>	<b>\$1,200,000</b>	<b>\$600,000</b>	<b>\$230,000</b>

#### Wilderness River Tours

Two river wilderness tour packages could be developed to increase tourism visitation in the Fort Good Hope area. The first would involve canoeing the Mountain River; the second would involve traveling down the Mackenzie River, past the Arctic Circle, and down to Inuvik. Both trips would provide tourists with an opportunity to view peregrine falcons on the ramparts (where there are seven pairs of nesting falcons). There would also be an opportunity to link the two trips together so that tourists could first travel the Mountain River, then the Mackenzie River. These tours could be sold as one- or two-week packages and either as guided canoeing packages or as all-inclusive boat cruises, with all meals and equipment supplied.

An outfitting business would have to be established to develop the packages and purchase suitable equipment, including a 26-foot motor boat, ten canoes, tents and other camping equipment. The outfitter would work with a wilderness tour wholesaler or inbound operator in Norman Wells to market the packages.

*Costs:* Start-up requirements would be estimated \$65,000.

*Benefits:* All-inclusive one-week motor cruise packages could sell for between \$1,500 and \$2,000. The tours would generate four seasonal positions, and estimated business revenues of \$60,000 and community income of \$30,000 per annum.

### **Ramparts Hotel Expansion**

The local Ramparts Hotel has four guest rooms and a small dining room. Total accommodation is restricted to 12 guests at three guests per room. Aside from the dining room, there is no common lounge area where guests can congregate and relax at the end of a day.

The hotel's primary clients are government officials, construction crews and petroleum industry officials. Given an increase in tourism that would come from the community and wilderness river tours, there would be opportunity to expand the hotel by adding an additional four rooms. As well, a common lounge area could be added to improve overall guest enjoyment of the hotel.

*Costs:* Capital requirements to add an additional four rooms and a common lounge would be estimated \$150,000

*Benefits:* Two part-time positions would be created in the hotel; additional business revenues would be \$60,000 and community income would be \$30,000 per annum.

### **Purchase Arctic Red Outfitters**

A recent Commercial Renewable Resource Strategy for the Sahtu Region indicated there is a healthy market for sports hunting in the Mackenzie Mountains, including Dall's sheep hunts as well as combination hunts with other game such as grizzly bear, woodland caribou and moose. The strategy also indicated that most of the eight Mackenzie Mountain outfitters are 80-85% booked during the season. Given the high demand for Dan's sheep hunts, and the limited sheep resources, there is an opportunity to increase hunting trip prices.

Ray Woodward, the owner of Arctic Red Outfitters, has said he would be willing to sell the business for \$425,000. The business includes real estate, two aircraft, and a transferable outfitters's license. Similar operations in the Mackenzie Mountains and the Yukon sell for \$500,000.

Since very few residents in Fort Good Hope are experienced in the industry, it would be difficult for the community to purchase the business outright. One solution would be to purchase 50% of the business in the form of a joint venture with the owner by next year. This would provide community employment and income from the business (which it does not now receive) as well as training and experience in the industry. Eventually the community would be positioned to purchase the remaining 50% ownership and operate the business alone. Mr. Woodward has indicated he would consider this approach.

*Costs:* Acquisition of 50% of the business would cost \$222,500.

*Benefits:* Assuming half the positions in the business were filled by Fort Good Hope residents, three positions would be created. Business revenues would be \$170,000 and, 50% of the income would be \$40,000 per annum.

### **Develop Dene Cultural Centre**

Fort Good Hope is located in the homeland of the North Slavey Dene, the Kutchin (Loucheux) and Mountain Indians, and is considered a centre for Dene culture. There is therefore an opportunity to establish a cultural centre to promote this feature of the community. Although it would serve primarily as local educational and cultural facility, it would also be a tourist attraction.

For example, a centre could present different aspects of Dene history, customs, values, beliefs, political organization, economy, and religion. Arts and crafts could be displayed along with traditional costumes and clothing. The centre could provide films, videos and books and displays to impart a true impression of the Dene and the land.

A cultural centre would be a focal point for tourists visiting the community for one or two days. It would also be used for cultural inclusion classes, arts and crafts courses and conferences, and could provide educational activities for school children in the community.

*Costs:* Capital requirements for construction and start-up are an estimated \$535,000.

*Benefits:* Three part-time positions (coordinator and two instructors) would be created. Business revenues generated from education/training workshops and conferences would be \$250,000 and community income would be \$100,000 per annum.

#### **Arts and Crafts Enhancement**

Increased tourist visitation would create greater demand for community arts and crafts products. This could be met by providing arts and crafts producers with additional raw material inventories and training workshops.

*Costs:* Capital required to purchase raw material inventories is estimated to be \$25,000.

*Benefits:* Additional business revenues would be \$60,000 and community income would be \$30,000 per annum.

## Fort Norman

Fort Norman (population 338) is located between Norman Wells and Fort Good Hope, at the foot of the Bear Mountain, at the junction of the Mackenzie and Great Bear Rivers.

It is one of the more picturesque communities in the Western Arctic: a small community nestled along the shores of a great river with mountains in the distance.

The community is also steeped in history and is the site of an early Northwest Company fur trading post founded in 1810 and of an Anglican church which was built of squared logs in the 1860s and is still standing.

One of the eight sports hunting businesses in the Mackenzie Mountains operates near Fort Norman, however it is owned by a non-resident and does not employ any local residents.

The community's one hotel, **Bear Lodge**, has seven rooms and accommodation for 13 guests. The wilderness Drum Lake Lodge, on Wrigley Lake, is owned and operated by residents,

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Fort Norman Summary of Tourism Opportunities</b>			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Dodo Canyon	*	150,000	50,000
Purchase Redstone Outfitters	250,000	170,000	35,000
River Rafting and Canoeing	85,000	70,000	35,000
Construct New Hotel	500,000	n/a	n/a
Arts and Crafts Enhancement	25,000	60,000	30,000
<b>Total</b>	<b>\$860,000</b>	<b>\$450,000</b>	<b>\$150,000</b>

\* The cost of formalizing a hiking trail and establishing facilities at **Dodo** Canyon are included under Norman Wells.

#### **Dodo Canyon**

The Canol Trail has been recognized by the GNWT as one of the most important potential tourist attractions in the Northwest Territories and certainly the most important for the **Sahtu** Region. Thus ED&T has investigated park-like facilities in the area of **Dodo** Canyon, including an improved airstrip, refurbished period buildings, walking trails and a suitable tourist lodge. In addition, the department will also be investigating the merits of establishing effective radio communication for tourists along the trail, installing appropriate signage and developing a reliable and cost-effective means of transporting tourists over rivers which cross the trail.

Since Fort Norman is the nearest **Sahtu** community to **Dodo** Canyon and the community's land claims involve the area, there is an opportunity for the community to negotiate an agreement to operate and monitor outdoor recreation facilities at **Dodo** Canyon and along the Canol Trail.



*Costs:* Capital requirements related to developments at Dodo Canyon and along the Canol Trail are estimated to be \$1.5 million.

*Benefits:* In 1988-89 approximately 100 people hiked the Canol Trail. Establishing a park-like facility with proper marketing and promotional initiatives could double this number to 200 in Year 1 and generate upwards of 400-500 tourists by Year 5. This could bring the area an estimated \$300,000 in business revenues and \$100,000 in community income. Assuming Fort Norman were operating the Dodo Canyon facilities, residents could receive \$150,000 in business revenues and \$50,000 in community income annually,

## **2. Purchase Redstone Outfitters**

A recent Commercial Renewable Resource Strategy for the Sahtu Region indicated there is a healthy market for sports hunting in the Mackenzie Mountains, including Dall's sheep hunts as well as combination hunts with other game such as grizzly bear, woodland caribou and moose. The strategy also indicated that most of the eight Mackenzie Mountain outfitters are 80-85% booked during the season. Given the high demand for Dan's sheep hunts and the limited sheep resources, there is an opportunity to increase hunting trip prices.

Hugh and Tim MacAulay, the owners of Redstone Mountain Trophy Hunts, have said they would be willing to sell the business for \$500,000.

The business includes a renewable outfitter's license; capital assets of \$312,000, including two base camps, equipment for at least two camps, 20 horses and miscellaneous equipment; and corporate "goodwill" valued at \$187,825.

Since very few residents in Fort Norman are experienced in the industry, it would be difficult for the community to purchase the business outright. One solution would be to purchase 50% of the business in the form of a joint venture with the owner by next year. This would provide community employment and income from the business (which it does not now receive) as well as training and experience in the industry. Eventually the community would be positioned to purchase the remaining 50% ownership and operate the business alone. The MacAulays have indicated they would consider this approach.

*Costs:* Acquisition of 50% of the business would cost \$250,000.

*Benefits:* Assuming half the positions in the business were filled by Fort Norman residents, three positions would be created. Business revenues would be \$170,000 and, 50% of income would be \$35,000 per annum.

### **River Rafting and Canoeing**

Market research indicates there is an opportunity to develop canoeing and rafting tours along the Bear, Redstone and Mackenzie Rivers. Packages could include rafting on the Mackenzie or Bear Rivers that would be sold only as all-inclusive guided trips; and canoeing on any of the three rivers, which could be sold either as guided all-inclusive trips or as rental packages supplying only canoes and equipment. All packages could be developed in cooperation with an existing outfitter in Norman Wells, such as Mountain River Outfitters, or with an operator in the south, such as Black Feather, which already operates in the area.

An outfitting business would have to be established in Fort Norman to develop the packages, to organize local guides to provide the required service, and to purchase suitable equipment, including a 26-foot motor boat (to pick-up rafts and canoes from drop-off points), two rafts (Zodiac Mark IV), 10 canoes, tents and other camping equipment.

*Costs:* Start-up requirements would be estimated \$85,000.

*Benefits:* Four seasonal positions would be created; business revenues would be \$70,000 and community income would be \$35,000 per annum.

### **Construct New Hotel**

The existing hotel in Fort Norman offers seven rooms and accommodation for 13 guests. However the facility is comprised of trailers joined together, and lacks northern character and tourist appeal. As well, the rooms are poorly insulated and drafty, and there is only a common kitchen area for guests to use. A new facility is required to overcome these problems. It would include a common

lounge area for guests as well as dining room facilities which could include a small cafe for local residents.

*Costs:* A new facility would cost an estimated \$500,000.

*Benefits:* Revenue and employment estimates are not available.

#### **Arts and Crafts Enhancement**

Increased tourist visitation in the community as well as the flow of tourists through a Dodo Canyon facility operated by Fort Norman residents would create greater demand for community arts and crafts products. This demand could be met by providing arts and crafts producers with additional raw material inventories and training workshops.

*Costs:* Capital required to purchase raw material inventories is estimated to be \$25,000.

*Benefits:* Additional business revenues would be \$60,000 and community income would be \$30,000 per annum.

## Colville Lake

Colville Lake (population 55) is located northeast of Fort Good Hope on the southeast shore of Colville Lake. It lies within the homeland of the North Slavey Dene.

The community is the only all-log community in the NWT, Impressive log buildings include the Colville Lake Lodge, the Catholic church which has a 1,000-pound bell, and the local museum.

Colville Lake residents pursue a largely seasonal land-based lifestyle, and dog teams are still used for hunting, trapping and local transportation.

To date, tourism activity in the community has centred on the lodge, which offers wilderness fishing. However lodge owner Bern Brown has recently developed a growing national reputation for his paintings, and has chosen to pursue his painting career rather than continue developing the lodge's sports fishing business.

### Tourism Development Opportunities

The following development opportunities and rough cost/benefit estimates have been identified for the community:

<b>Colville Lake Summary of Tourism Opportunities</b>			
Product/ Opportunity	Development costs	Business Revenues	Community Income
Purchase Colville Lake Lodge	500,000	200,000	60,000
Arts and Crafts Enhancement	5,000	10,000	5,000
<b>Total</b>	<b>\$513,000</b>	<b>\$220,000</b>	<b>\$71,000</b>

#### Purchase Colville Lake Lodge

Colville Lake Lodge has accommodation for 12 guests in its main lodge and an additional 10 guests in two outpost camps located about 24 miles north of the community. Although few sports fishermen have used the lodge in recent years, appropriate promotion and marketing efforts could improve sales. As well, there is opportunity to offer caribou sports hunting at Oprey Lake north of Colville, and possibly combination sports hunting and fishing packages. There is also an opportunity for Colville and Fort Good Hope to develop sports fishing packages jointly.

To accomplish the above, Colville Lake residents might purchase Bern Brown's lodge from or possibly enter into a joint venture with him. Alternatively, if Mr. Brown did not want to sell or joint venture, they might construct a new lodge. In either case, new promotion and marketing initiatives and guide training would be required.

*Costs:* Purchasing the existing lodge or constructing a new one would cost an estimated \$500,000.

*Benefits:* Additional business revenues would be \$200,000 and income would be \$60,000 per annum.

#### **Arts and Crafts Enhancement**

Increased tourist visitation would create greater demand for community arts and crafts products. This could be met by providing arts and crafts producers with additional raw material inventories and training workshops.

*Costs:* Capital required to purchase raw material inventories is estimated to be \$5,000.

*Benefits:* Additional business revenues would be \$10,000 and community income would be \$5,000 per annum.

# **Appendix 1**

## **Major Tourist Attractions**

The following are descriptions of proposed territorial and national parks and other areas in the Western Arctic whose outstanding natural features make them potential name brand tourist attractions.

### **Canol Trail**

The Canol road was built during World War II to transport crude oil from Norman Wells to Whitehorse, where it was refined and piped to Alaska. Today the route, called the Canol Trail, is scattered with abandoned camps, pipe sections and pump stations.

The Canol region encompasses a wide variety of landforms of glacial origin, such as broad, U-shaped valleys and eskers, as well as unglaciated landforms such as mesas, buttes and steep-sided valleys. Extensive permafrost gives rise to patterned ground and rock glaciers.

Biologically the area hosts a variety of tundra vegetation and many range-restricted or rare plant species. The Trail is rich in wildlife, including small mammals like beavers, ermines, wolverines, and ubiquitous Arctic ground squirrels; large mammals like caribou, moose, Dan's sheep, grizzly bear, wolves and foxes; and breeding bird populations of long-tailed jaegers, bald and golden eagles, gyrfalcons and short-eared owls as well as migratory ducks, geese, swans and cranes.

Significantly, from a tourism marketing perspective, several areas of the Canol area have been given special status for the diversity and quality of their natural resources. Approximately 86% of the Canol Trail passes through two areas

which the Canadian Parks Service has identified as natural areas of Canadian significance. In addition, the Canol Trail passes through or close to three significant wildlife areas, one Natural Site of Canadian Significance, and nine International Biological Program (IBP) Sites. In short, the Trail provides access to spectacular scenery (especially at Dodo Canyon) and other natural attractions of world-class proportions.

In terms of potential tourist activity, the Canol area provides for excellent fishing, hunting, camping, wildlife viewing, hiking, climbing, horseback riding, nature study, trail bike riding, motorcycling, cross-country skiing and snowmobiling. Moreover, many key areas are accessible by plane, helicopter or car, so that visitors could be ferried to certain destinations and picked up again at the end of a relatively sedentary wilderness experience.

To date, Dan's sheep and caribou hunters have been the most common visitors to the area. A few backpackers use parts of the Trail every summer, and the Oldsquaw naturalist lodge on the Mackenzie Mountain Barrens plays host to a few guests annually. By and large, however, recreational use has been minimal, largely because it has not been widely promoted.

Since the early 1980s the GNWT has proposed that the Canol Trail be upgraded to provide a spectacular hiking corridor between the MacKenzie River at Norman Wells and the Yukon. Suggested developments would include signage, river crossings, shelters and interpretive installations, etc. While territorial park status would not be necessarily required for the whole corridor, linear access is required. In addition some type of park status or lease arrangement at the various activity/facility nodes such as Dodo Canyon would be necessary before the GNWT could apply its capital plan resources. To date the lack of regional community consensus in the context of land claims has prevented implementation of the proposed improvements along the Canol route.

### **Banks Island**

The Canadian Parks Service is considering establishment of a national park on the north central end of Banks Island which would include the Thomsen River, provided it receives support from both the people of Sachs Harbour, the Inuvialuit and the GNWT.



The proposed park area has been identified by several agencies as being important for conservation purposes. Part of the area has already been designated a Migratory Bird Sanctuary and the GNWT'S Department of Renewable Resources has deemed much of it as a wildlife area of special interest for its muskox, migratory birds and caribou.

At the heart of the proposed park is the scenic Thomsen River which gently twists through spectacular, deeply cut canyons and rugged, desert-like badlands, rolling hills, bold seacoasts, large ice-covered lakes, and abundant wildlife. The rolling hills and lush green valleys surrounding the river are among the best muskox habitats in Canada and support some of the highest population densities known in the world.

The vegetation is typical of high and mid-Arctic regions, and includes nearly all plants and shrubs found in the Western Arctic Lowlands. Polar semi-desert and desert plant community types dominate the barren uplands and badland areas. The river valleys and hills are representative of Arctic tundra, with Arctic dwarf shrubs, grasses, sedges, and flowering plants predominating.

The Banks Island Bird Sanctuary was established to protect moulting lesser snow geese and black brant. The rugged canyons, cliffs and sea coasts also provide excellent habitat for peregrine falcon, gyrfalcon, Thayer's and glaucous gulls, to name only a few of the various bird species.

The concentration of muskox is impressive; there are at least 9,000 animals. Banks Island is one of the most productive Arctic fox trapping areas in North America, so Arctic foxes are common and a few wolf dens have been sighted in the proposed park area. Small numbers of Peary caribou forage and breed in the area, and Polar bear occasionally meander along the coast. In addition there is an abundance of small mammals, such as lemmings and Arctic hare.

Arctic char and lake trout spawn in the Thomsen River and large lakes.

Archaeological sites date from over 3,400 years ago to more recent times. The distinctive artifacts and ages of Umingmak and Shoran Lake sites are of particular importance as they represent hunting economies based upon the muskox, an unusual cultural adaptation known to exist in only a few locations. Historically, the explorer Robert McClure and his party overwintered at Mercy

Bay after finally sighting the Northwest Passage, in 1851, and some remains of their ship, the Investigator, can still be seen.

For visitors, the area would provide a unique opportunity to experience wild Arctic landscape while paddling down a relatively calm, shallow river and observing Arctic wildlife close at hand. The Thomsen River is the northernmost canoeable river in North America, and therefore holds unique appeal to the continent's growing number of adventure canoeists. People of various ages and outdoor skills would be practically guaranteed a view of large herds of muskox and archaeological sites. More adventuresome individuals would be challenged by rugged hiking trails into the badlands and canyons, or to the larger lakes. Other possible tourist activities include kayaking, camping, fishing, bird watching, photography, all the while learning first hand about the Arctic environment. Visitors could also gain an appreciation for the people of the north, their culture and history. The proposed park is situated at the western entrance to the Northwest Passage and visitors could also learn about the history of northern exploration.

### **Bluenose National Park**

The Canadian Parks Service is also considering establishment of a national park on the northern coast near Paulatuk, which would be named Bluenose after the caribou herd which calves in the area.

Note: As this park lies partially within the Tunguvit Federation of Nunavut land claims area, it would technically become a national park reserve at least until the claim is settled.

Like the other parks, this area also boasts spectacular scenery, abundant wildlife and plenty of opportunity for adventure hiking and canoeing. It would include the entire drainage basins of the Croker and Roscoe Rivers, and almost all of the drainage basins of the Hornaday and Brock Rivers. The Bluenose Lake area exhibits a great diversity of geological features, landforms, vegetation, soil and wildlife.

For visitors, the most popular activities would likely be hiking, canoeing, wildlife observation and photography. They could travel by canoe or kayak on Bluenose

Lake or in boats along the coast. La Ronciere Falls, Brock River Canyon, Brock Lagoon, Bluenose Lake and Pearce Point would be the main attractions.

### **Northern Yukon Park**

The Northern Yukon National Park was established in 1984 in 10,000 square miles at the extreme northwestern end of the territory, which boasts spectacular, varied scenery and abundant wildlife. Off the coast is Herschel Island, Canada's first Arctic Ocean outpost. Its deep and protected harbour attracted many large whaling fleets, and by the 1890's the winter population reached 2,000.

The Old Crow Flats are covered with hundreds of lakes, whose striking geometric shapes give the area the appearance of a giant jigsaw puzzle. The British Mountains reach heights of about 5,600 feet near the Alaska border. The coastline features steep cliffs, bays, lagoons, extensive spits and barrier beaches.

The park includes the only extensive landscape in Canada that was not glaciated during the last Ice Age, and is part of the Canadian portion of a larger area that provided refuge for many plants and animals at the height of the Ice Age. Old Crow Flats was once a cool, grassy plain, inhabited by woolly mammoths, large-horned bison and giant beavers and their fossilized bones are well-preserved. Hundreds of archaeological and palaeontological sites have been identified, and scientists recently unearthed bodies of several whalers. Other evidence has confirmed that man occupied the area more than 30,000 years ago, making it one of the most important areas in North America for the study of prehistoric man and his environmental relationships.

Today, the park is home to a variety of wildlife, including the Porcupine Caribou Herd, black, grizzly and polar bears, Arctic fox, wolves and the northernmost population of Dall's sheep in Canada. It is one of the continent's major waterfowl habitats, and its particularly abundant birdlife includes golden and bald eagles, rough-legged hawks, gyrfalcons, ospreys and peregrine falcons. White whales, ringed and bearded seals and the occasional bowhead whale and walrus can be seen along the coast. The Firth River is a major Arctic char spawning stream. The treeline runs through the middle of the park, and Canada's most northerly extent of the boreal forest is found here within a few miles of the Arctic Ocean.

## **Pingos**

The landscape around Tuktoyaktuk is one of the most unusual in Canada for the hundreds of ice hills called pingos rising abruptly from the tundra. A pingo – the word derives from the Inuktitut for “the things which thrust upward” – is a cone-shaped hill consisting of a massive core of ice covered by a thin layer of soil.

Ibyuk Hill, the largest Canadian pingo, lies about four miles from Tuktoyaktuk on the old Pleistocene Delta of the Mackenzie. Ibyuk and its immediate surroundings truly represent the uniquely northern pingo phenomenon.

During the last Ice Age, the entire Tuktoyaktuk Peninsula was glaciated, and is now a low-lying tundra region with oddly shaped dunes and irregular polygons which are significant natural features.

The flora and fauna of the area are typical of the tundra. Arctic foxes often use pingos for denning sites, and barren-ground grizzly, polar bear, grey wolf, barren-ground caribou, muskox as well as several marine species such as seals, white whales and bowheads frequent the area. There are more than 65 species of birds.

The Canadian Parks Service is in the process of designating the pingo area as a site of natural significance.

### **Campbell Lake/Dolomite Hills**

The territorial government proposes to establish a territorial outdoor recreation park in the Campbell Lake/Dolomite Hills area near Inuvik. The people of Inuvik and the Delta must agree that this territorial park is a good idea before any land can be set aside and roads, campsites and shelters built. The GNWT considers local support an important factor in the success of the park.

A territorial park in the area would:

- Provide recreational facilities for people living in the area.
- Attract visitors to the Dempster Highway.
- Encourage visitors to stay longer in the Inuvik area by offering low-cost accommodation and an opportunity to experience the natural environment.
- Be a focus of government's tourism advertising of the area.

Although final boundaries would be established in consultation with the people of the area, the park should cover roughly 135 square miles to include a campground as well as trails and undeveloped campsites accessible by foot, snowmobile, boat or canoe on Campbell Lake and through the Dolomite Hills. It should also be large enough to be promoted as an important destination park for tourists, with lots of activities and space to explore. Special features of natural or historical interest would be included wherever possible.

The park would not include land already used for other purposes. It would not affect traditional hunting, fishing and trapping or sports fishing in any way, nor would it affect land claims. There would be no private cottages in the park and areas proposed for cottage development would not be included.

A territorial park would provide some opportunity for direct employment, likely on a contract basis, to construct and maintain park facilities, supply firewood, etc. Additional opportunities to provide services and equipment to visitors are likely to develop as the park becomes known through tourism promotion.

## **Appendix II**

### **Government and Industry Roles and Responsibilities**

#### **GNWT**

The mandate of the Government of the Northwest Territories (ED&T) is to facilitate and promote healthy development and prosperity of the tourism industry throughout all regions.

Its goal is to maximize the economic benefits of tourism without disrupting communities' social and cultural fabric, and to redistribute those benefits from current major revenue recipient areas to the other communities, particularly the smaller ones where related employment opportunities are most needed. Greater NWT participation in the industry is part of this goal.

The territorial government views its key role as being a facilitator and growth catalyst in an industry currently characterized by slow growth and development, varying product opportunities from region to region, limited marketing information networks, and considerable lack of marketplace awareness of the NWT as a vacation destination. As such it has a responsibility to:

- Establish and maintain high-quality information networks to assist the industry with development and marketing of specific tourism products.
- Provide financial assistance through various instruments for plant development and personnel training,

- Conduct substantial ongoing research to enable the industry to capitalize on opportunities and to facilitate management of healthy industry growth.
- Execute a global marketing strategy to position the Northwest Territories as a competitor for tourism revenues.
- Create a demand for the tourism products of all regions by instilling, in the best potential markets, awareness and recall, product knowledge, positive attitudes and perceptions, and strong consumer desire and motivation to make first-time and repeat visits.
- To act on behalf of all industry private sector organizations and associations, and to represent all without undue preference.

In marketing terms, the responsibilities involve the development and marketing of a strong unified image to create awareness, recognition and acceptance of the NWT as a tourism destination, while generating tangible opportunities for specific product sales for all members of the industry. An evaluation of ultimate sales should be built into the marketing process as much as possible.

#### Tourism Industry Association

TIA's principal mandate is to lobby governments and other organizations on the entire territorial industry's behalf. In so doing, TIA:

- Participates in the creation of supportive legislation for the industry and provides feedback on government policies and regulations.

**WAVA**

The mandate of the Western Arctic Visitors' Association is to:

- Champion the interests of its membership.
- Assist member operators in developing their tourism products and in marketing their products once they are fully developed.

Note: The zone's mandate is currently under review. Zone membership will determine the focus of its activities in 1990.

**Industry**

The industry's primary responsibility is to conceive and develop good-quality, marketable tourism products and infrastructure which form the foundation of the industry.