



**Arctic Development
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**Proposal - Tuktoyaktuk Hotel Feasibility Study
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PROPOSAL

TUKTOYAKTUK HOTEL FEASIBILITY STUDY

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August, 1981



QAIIVVIK Limited

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TOURISM DEVELOPMENT MANAGEMENT PROMOTION

27 August 1981

Gay Kennedy
Business Development Officer
Department of Economic Development & Tourism
Government of the Northwest Territories
INUVIK, N.W.T.

Good morning Gay,

Re: Tuktoyaktuk Hotel Feasibility Study

In response to your letter of August 5th **and subsequent telephone conversations with Judy Skuce** of your office in regard to the above-captioned project, we are pleased to present our detailed proposal for your perusal.

QAIIVVIK LIMITED has completed numerous tourism consulting projects in over thirty N.W.T. communities during the past four years. Our most recent major study was a two-phase project completed for the Rae Band, (i.e. the communities of Rae, Edzo, Rae Lakes, Lac La Martre and Snare Lake), which included a Tourism Resources Inventory and a Tourism Development Strategy. I have enclosed two copies of our consulting brochure which outlines several of QAIIVVIK's other projects, for your further information, Gay.

Due to our role in numerous tourism related studies, as outlined in the enclosed brochure, including the Tourism Strategy and Action Plan for the N.W.T., we have a valuable, inside view of the industry. We have also experienced the tourism industry from the operations side, through our work with the Holman Island Hunters and Trappers Association to offer polar bear and muskox sports hunts out of their community. We also offer our own photographic/cultural inclusion, non-hunting tour, by skidoo and dogteam out of Holman Island.

Bob Stephen of Yellowknife and I own a small fishing lodge near Yellowknife. The combination of these related experiences and the backgrounds of the personnel involved in the proposed study will allow us to offer a workable development plan.

The project will be undertaken by Penny Aumond, Bob Stephen and myself, all of QAIIVVIK LIMITED. We all have extensive tourism related work experience throughout the N.W.T. and work only in the tourism industry.

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QAIIVVIK Box 1538 Yellowknife XOE (HO Northwest Territories Canada Ph. 403-873-2074 403-873-3616

We have **been** responsible for two similar **ARDA-financed** feasibility studies relating to **hotel/accomodation** facilities - one for Trout Lake Lodge and one for the **Nanisivik** Hotel facility **in** 1980. As **with** these studies we propose to follow the study format as required by ARDA.

We have added additional **details** to your proposed terms of reference to include areas required in the standard Special ARDA study format and to include details which we felt should be considered.

We have also included summaries of **projected** man-days, fees and expenses. As it is Ms. Skuce {s-understanding that the project would **be** undertaken in two phases - 1) feasibility 2) implementation - we would **like to assure** you that we would be willing to undertake a second phase. of the study, to outline an implementation and operating plan for the hotel, **should** the **project** be deemed economically feasible on the basis of the first phase and evaluation by the client, your department and Special ARDA.

We estimate that the feasibility study as outlined in the attached proposal would take approximately four - six weeks to complete, including meetings at the beginning and end of the work period as well as a **visit** to Tuk. Total estimated cost for the feasibility study is \$11,190.00,

Please don't hesitate to call us, at 873-2074, Gay, if you have any questions about our proposal or if you wish to discuss any aspect of it.

Thank you for inviting our **proposal** for this project. We look forward to hearing from you soon,

Sincerely,



Mike Freeland
President

PROPOSAL

FEASIBILITY STUDY - TUKTOYAKTUK HOTEL

OBJECTIVE

To investigate the **feasibility** of erecting and operating a new hotel in Tuktoyaktuk. If **feasible**, a detailed development plan for implementation of the **project** may be prepared, upon request.

TERMS OF REFERENCE

History and General Review:

To provide a description of the **existing** hotel/food **facilities** available in Tuktoyaktuk.

To determine the views of the **local** people in regard to their potential role in the proposed **hotel** development.

To describe how development of a hotel **would** relate to the community - i.e. **direct** and indirect employment, spin-off benefits for other businesses, **occupational skills**, standard of living, education and training:

To detail any commitments, expenditures and/or development work completed to date.

Operations:

Estimates of pre-operating/development and operational costs; i.e. planning, architectural, legal, accounting, insurance, bonding, licencing, land leases, **site** preparation, taxes, marketing, management and staff training, etc.

To research, in detail, required services; i.e. water, sewage disposal, electricity - costs, reliability, **labour**, etc.

To research appropriate waste disposal and pollution control methods for the hotel.

To research and detail other revenue **producing** services related to an **accommodation/food** service facility. **Many** of these services can be most valuable as they develop an "off-season" revenue generating potential and may easily tie into the accommodation facility.

Land, Buildings and Equipment:

To examine the feasibility and cost-effectiveness of building a new facility, **including** hotel and possibly restaurant services, the following factors would be evaluated:

Outline land required, **site plan** and leasing requirements or **potential** siting problems, **site preparation** costs, **estimated** facility costs, including machinery, materials, equipment, professional services (engineering and construction management/**supervision**), **suggested size of facility**.

Analyze the requirements of the relevant health, fire, safety, travel and outdoor recreation ordinances and any other legislation pertinent to the operation of the accommodation and restaurant business. The Departments of Health, Fire -Safety and Tourism in both Inuvik and Yellowknife will be consulted.

Adaptability of **design** for tourism and non-tourism users; i.e. Government users as well as package tours and other potential tourists; facilities for heavy summer use only and systems to allow for service shut-off during the low season.

Marketing:

To provide a detailed evaluation of past travelers to Tuktoyaktuk; i.e. origin, purpose of visit, **employer**, length of stay, approximate expenditures, etc. , from data available from airlines, existing hotel records and/or its food services, etc.

To research past and present **travel** trends and to comment on future trends to Tuktoyaktuk and the Inuvik region in general.

To provide projections of estimated numbers of guests and resulting revenues from lodging and perhaps meals through regular traffic and to estimate additional numbers of guests from future increased traffic to the community due to tourism related travel; i.e. outfitting, package tours, etc.

To research potential and existing hotel competition and to determine whether this will affect the proposed development; especially in light of increased tourism development in the Inuvik region. Information about the competitive facilities - thus defined will also provide a basis for suggested room and meal rates, services, etc.

To determine the requirements within the community itself for an accommodation/food facility, considering such factors as the volume of customers, type of clientele, (tourist vs. non-tourist use), and the quality and range of services to be required by the projected market over the next three to five years.

To **detail** a marketing program for- the recommended accommodation/ restaurant facility and related services.

Management, Employees and Training:

To outline the background and experience of personnel involved in the proposed hotel operation.

To outline, briefly, a **job** description for each employee, including the manager; approximate wages and benefits; number of local people who may be employed, and if each job is permanent, part-time or seasonal.

To discuss related employment opportunities, training requirements, and to suggest how these requirements may **be met utilizing existing** programs and the details of these programs.

To suggest how employment of **local** residents can be included in the construction as well as the operational stage.

Financial Analysis:

To determine total expenditure requirements, including capital requirements; i.e. building materials, shipping, engineering and design, site preparation, construction, equipment, fixtures, **pre-** operating expenses, **working capital** and **operating** expenses.

To determine anticipated revenues and to provide details of how these figures were derived.

To research potential sources of capital - equity, borrowed, grants and other assistance.

PROJECTED COSTS

Projected Fees:

	<u>Per Di em</u>	<u># of days</u>	<u>Total Fees</u>
Princi pal - M. Freel and	\$ 380.	9	\$3, 420. 00
Consul tant - P. Aumond	\$ 300.	9	\$2, 700. 00
Consul tant - B. Stephen	\$ 300.	9	\$ 2, 700. 00
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	Total Projected Fees:		\$8, 820. 00
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Projected Expenses:

Travel - Yellowknife to Tuktoyaktuk (2 trips)		\$ 920. 00
Room & Board (6 man days)		700.00
Tel ephone, tel ex		200,00
Preparation of report	-	550.00
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	Total Projected Expenses:	\$ 2,370.00
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	TOTAL PROJECT COSTS:	\$11, 190. 00
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MIKE FREELAND

During the past four years, Mike has been President of QAIIVVIK LIMITED - a development, management and promotional firm serving the NWT tourism industry. During this period, more than forty projects have been successfully completed, in a wide range of Arctic communities and for both private industry and Government.

Mike has been responsible for QAIIVVIK's role in projects such as the Tourism Strategy and Action Plan for the NWT, the Nanisivik Hotel Feasibility Study and the Rae Band Tourism Study, as well as ongoing research for sport fishing camps and lodges, guide training programs and various marketing studies.

Under Mike's direction, QAIIVVIK is also responsible for polar bear and muskox sport hunts and a newly developed, photographic/cultural inclusion safari in the Inuit community of Holman Island. Mike is also co-owner of a sport fishing lodge located near Yellowknife, which increases his understanding of the northern tourism industry to an even greater extent.

As President of QAIIVVIK LIMITED, Mike has a well-rounded knowledge of special tourism needs and situations existing in northern communities. He has worked closely with native people in communities throughout the NWT, developing training programs and services to encourage awareness and involvement in tourism related projects.

For more than two years before initiating QAIIVVIK LIMITED, Mike was responsible for tourism development in the Keewatin Region, as an officer with the Department of Economic Development, Government of the Northwest Territories.

During his years with the NWT Government, Mike gained a thorough knowledge of regulations, licencing and inspection procedures for setting up and maintaining lodges, camps and hotels.

After designing and promoting ski packages in eastern Canada, Mike held various positions with the Canadian Government Office of Tourism in Ottawa. Mike also provided consulting services for events and attractions, including managerial work with the Canadian Tulip Festival in Ottawa and preparation of a Canadian Events Directory.

Mike is a graduate of the three year Tourism and Transportation program offered by Sir Sanford Fleming College.

PENNY AUMOND

Since joining QAIIVVIK LIMITED in 1980, Penny has been responsible for coordination of research for a variety of proposals and studies, including the Nanisivik Hotel Feasibility Study and various studies for private lodge owners and community associations. She has also researched the tourism potential of several NWT communities and prepared funding proposals on behalf of various clients.

Together with Mike Freeland, President of QAIIVVIK LIMITED, Penny was responsible for the completion of the Rae Band Tourism Study. Her involvement in this project included conducting community meetings and interviews, research into historical, geographic and other tourism related resources in the study area and preparation of the two-volume final report.

Upon completion of studies at McGill University, Montreal and the University of Alberta, Edmonton, Penny, a life-long resident of the NWT, received the degree of B.Sc. (Honors), in 1977. She returned to the NWT and developed and implemented a Housing Requirement Study for the NWT Housing Corporation, which forecasted building requirements for all NWT communities serviced by NWT HC. Penny personally delivered this program in over 25 NWT communities, training local residents in survey/research techniques while working closely with local Housing Associations and Community Councils. She was also responsible for statistical interpretation of the collected data.

In 1978, Penny moved to Whitehorse, Yukon, to take a position as Program Administrator with the Yukon Housing Corporation. She was responsible for the delivery of all housing programs in the southern Yukon. Penny also developed several policy papers for the YHC Board of Directors. In 1979, she resigned from the YHC to undertake research contracts for the Corporation and other agencies on a free-lance basis.

Penny returned to Yellowknife in 1980 to join QAIIVVIK LIMITED. Her main areas of expertise are research, forecasting and marketing, program administration and community development. Her well-rounded experience in working closely with northern residents on a variety of community-based projects, together with tier professional qualifications, make Penny a valuable member of the QAIIVVIK team.

ROBERT M. STEPHEN

Bob has been professionally associated with QAIIVVIK LIMITED since 1979, specializing in the development and delivery of exclusive tour packages in the Eastern Arctic. He has also completed numerous research and management related tasks associated with QAIIVVIK's feasibility studies in the tourism consulting field.

Bob was responsible for the 1980 Polar Bear Sport Hunt Program implemented in the Outpost Camp of Allen Island, near Frobisher Bay, NWT. An important component in the development of this program was the delivery of a guide-training program for Allen Island residents, which Bob designed and implemented. He also secured funding for this program through the Department of Manpower and Immigration. Bob was responsible for subsequent guide training programs in Holman Island, NWT, and has also assisted in the development of a non-hunting; photographic/cultural inclusion tour, which is now being marketed to an international clientele.

As a Senior Project Officer with the Department of Manpower and Immigration, based in Yellowknife, Bob gained five years' experience traveling extensively in the Baffin, Keewatin and Great Slave communities, while delivering a variety of employment programs. These long-term projects resulted in the development of a well-rounded knowledge of the social, political, cultural and economic climates of the Northwest Territories.

A permanent resident of the NWT since 1974, Bob holds a B.A. (Honours) in the Social Sciences from Carleton University, Ottawa. His continuing education has been in the fields of community development, accounting, photojournalism, arctic survival and the Inuktitut language.

Together with Mike Freeland, President of QAIIVVIK LIMITED, Bob owns and operates a sport fishing lodge located near Yellowknife.

Bob's specific areas of expertise lie in the areas of financial administration, staff relations, marketing and program administration. His extensive experience in delivering a variety of programs in northern communities allows Bob to make a valuable contribution to projects undertaken by QAIIVVIK.