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Western Arctic

Tourism Strategy

Draft Volume 12

FORT McPHERSON

Western Arctic Visitors Association
Economic Development and Tourism

MacLAREN PLANSEARCH
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PREFACE

In the **fall of 1986**, the Western Arctic Visitors Association commissioned the consortium of **Pelman Architects**, **MacLaren Plan-search** and Addison Travel Marketing to prepare a comprehensive tourism development and marketing **strategy**. The consultants were also asked to prepare architectural plans for a proposed WAVA Visitors Centre and a conceptual development scheme for the **Dempster Highway**.

The study was funded under the Economic Development Agreement and overseen by the Department of Economic Development and Tourism.

The goals of the study were to create an action oriented plan that **will** achieve the following:

- o increase awareness of the long term potential of the tourism industry;
- o develop a commitment by both individual operators and **communi-ties** as to becoming involved in tourism; and
- o to identify the implementation requirements for the construction of much needed facilities and the implementation of new tourism opportunities (package tours, outfitters, etc.).

The objectives of the study are as follows:

- o to develop a background of information on tourism development in the Western Arctic Region for the public and private sector;
- o to detail a specific implementation strategy for tourism development;
- o to increase the **community** awareness of tourism opportunities and potential developments;

- o to provide a specific marketing strategy for the region with definite action oriented goals to be implemented prior to the completion of the study;
- o to develop tourism products and prepare **prefeasibility** studies for a number of projects during the planning process; and
- o to encourage private sector development in the Western Arctic tourism industry.

The study then **was** clearly meant to encourage locals to become actively involved in the travel industry as well as provide operators and government with a blueprint for future tourism development.

At the onset of the study, interest in tourism development opportunities was relatively low, and the impact of the oil and gas industry was very much in evidence. Gradually, however, as the reality of the downturn in gas exploration set in, many **local** entrepreneurs became enthusiastic about the travel industry. The last half of the study process was marked by extraordinary involvement of the local people.

The study also had the ongoing support of the GNWT particularly the Department of Economic Development and Tourism in both **Inuvik** and Yellowknife.

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1. INTRODUCTION

The Region

"You mean you can really drive to the Arctic? Sounds like a winner. **Whats'** there to do when you get **there?**"¹

Despite his basic lack of knowledge of the Western Arctic, this gentleman succinctly summed up the region - its product (the Arctic), its potential (a winner) and yes, its problem - (what to do when you get there).

The Western Arctic has product. And while it too easily conjures up adjectives like "unique", "diverse", "world-class" and "pristine" it does offer:

- o the only public highway to the Arctic - with a short flight to the Arctic Ocean;
- o diversity of cultures, including all 3 native cultures as well;
- o diversity of scenery, including mountains, a major Canadian river and delta, barren lands and ocean coastline;
- o world-class adventure such as wildlife observation on Banks Island, canoeing the **Firth** River, photography on Herschel Island, contacting native culture in Fort Good Hope and **Paulatuk** and trophy fishing on Great Bear Lake; and
- o pristine wilderness, Richardson Mountains, Northern Banks Island and Anderson River.

It would also seem to be a winner. In recent years, and especially during the 1987 season, growth rates in most market segments achieved astonishing high levels.

Leading the increase in visitation and in revenues was the stellar performance in the recreational vehicle segment which grew by approximately 70% over 1986. Improved conditions on the Dempster Highway, the affects of the N.W.T./Yukon pavilions at Expo '86, improved maps and promotion brought unprecedented numbers of vehicles to **Inuvik**. This growth also led to phenomenal increases in **flightseeing**, particularly to **Tuktoyaktuk** and **Aklavik**. Although the projected "tourism crisis" did not materialize in 1987, campgrounds were frequently filled to near capacity and retail outlets benefited.

More specifically tourism came into its own as an industry. **Tuktoyaktuk** was not exposed to the normal 100 tourists but instead 1,500 and **Aklavik** which knew very little of tourism saw 800 pass through the **community**. The growth was also part of a new and powerful trend towards adventure travel. While this rapidly emerging tourism segment has been experiencing 20% growth in the south for the past 5 years these markets are only starting to discover the north where similar growth rates are evident in the Yukon, **Dawson** City and Alaska. The particular element of the adventure **traveller** that is most appropriate to the Western Arctic is the casual category and particularly those that are recreational vehicle operators. This segment will continue to drive volume growth in the Western Arctic over the next 5 to 7 years.

Finally there is the issue of "what is there to do when you get **there?**"² At this time there are not enough activities and products to meet the demands of the markets. Consequently one of the objectives of this document is to indicate what can be done to satisfy existing markets as well as continue to attract new customers. The Master Plan has also gone beyond the simple identification of development opportunities, based on perceived market demand, and provided on site, hands-on information on how to develop product.

The tourists will continue to come in great numbers despite what happens in terms of marketing and product development over the next 5 years. What this study addresses is the long term viability of a healthy tourism industry for the region based on qualified and quality tourism development.

This will require extensive:

- o private/public capital investment;
- o realistic and targeted marketing;
- o extensive hospitality training;
- o ongoing technical assistance in terms of product development and marketing; and
- o **commitment** by the government, WAVA and the private sector.

These final five points have been described in great detail in virtually every Regional Master Plan to be produced in the Northwest Territories. There is no need to go into further detail other than to underline that where the requirements have been met, such as in the **Baffin** and the **Keewatin** regions, real growth has been realized.

If that commitment **is** shown, the economic impacts will be many times greater than those two regions (**Baffin, Keewatin**) combined.

The Western Arctic can become the number one tourism region in the Northwest Territories. Overall investment in this area will yield a greater return than in other regions and monies, particular government expenditures to defray construction and start-up costs " will be paid back many times as the industry continues to grow.

THE COMMUNITIES

The development strategy is based on a **community-based** approach which is fully consistent with GNWT tourism policies and the **community** resources of the Western Arctic. **Community-based**

tourism focuses tourism activity on **communi** ties where most services are located. Tourism products will be developed in and around communities enabling visitors to experience both the northern environment and as well as the social fabric of the **community**.

With tourists using a **community** as a base point for tours to surrounding attractions, local tour operators can utilize existing local services, thereby enhancing the benefits of tourist expenditures for each **community**. Furthermore, by bringing tourists through the **communities**, local residents can be encouraged to participate in the planning of tourism development. The intent of a **community-based** approach to tourism development is to concentrate the economic and social benefits from tourism in the communities and to offer visitors the unique experience of participating in a **community's** culture and lifestyle.

While each community acts as a service centre, it is also part of a network of **communities** offering visitors different experiences. For balance in the region, communities need to establish individual themes with identifiable character and types of experience. Cooperation, not competition, is essential.

The quality of the tourist experience is closely associated with the degree of **communication** between the various components that make up the attractions and services. The performance of one operator affects the success of others. The quality of the tourist experience in one **community** affects the overall regional tourism experience. Communication between operators and communities allows for better industry understanding, cooperation and performance.

The **community-based** approach also recognizes that individual **communities** develop at different rates. The positive experience of the more aggressive **communities** can demonstrate to other

communities the benefits from tourism development and how tourism projects can be successfully implemented. If one **community** wishes to proceed at a faster pace than others, its travel products could be packaged with the products of **communities** in other regions (e.g. Arctic Coast, **Dawson City of Big River**).

Each **community** will match its unique natural and cultural resources with the overall regional themes and development concept. In order to respect the integrity of each **community**, as well as respond to the variety of market segments, it is possible to suggest a distinct focus for each **community**. In some cases more than one primary tourism activity may be suggested. For instance it is not necessary to suggest that wilderness tours are more important in Sachs **Harbour** than sport hunting. In addition, secondary themes are sometimes appropriate for certain communities.

Designating a particular orientation for a **community** does not imply that it is locked into a rigid description. The purpose is however, to create an integrated and balanced development plan throughout the region, as well as promote **inter-community** collaboration. The latter is potentially achieved, for instance, by two adjacent communities offering complementary activities in an overall **two-community** package.

The themes and **subthemes** proposed for each **community** are summarized on the following table:

COMMUNITY THEMES



COMMUNITY	THEME	SUBTHEME
<u>A. MACKENZIE RIVER AREA</u>		
a) Norman Wells	Mackenzie River Canol Trail	Oil and Gas Industry Interpretation
b) Fort Franklin	Trophy Sportfishing	Native Lifestyle
c) Fort Norman	Sport Hunting	Wilderness Tours
d) Fort Good Hope	Mackenzie River Arctic Circle	Sport Hunting/Fishing Dene Culture
e) Colville Lake	Sportfishing	Native Lifestyle
<u>B. MACKENZIE DELTA AREA</u>		
a) Inuvik	Regional Staging Area Mackenzie Delta	Destination Attractions Information Services
b) Aklavik	Richardson Mountains History	Herschel Island Sport Hunting Arts and Crafts Mackenzie Delta
c) Fort McPherson	Dempster Highway Visitor Services	Loucheux Culture Sport Hunting Dempster Patrol Peel River Interpretation
d) Arctic Red River	Dempster Highway Services	Native Culture Fish Camp
<u>C. ARCTIC OCEAN AREA</u>		
a) Paulatuk	Nature/Ocean Tours Wilderness Lodge	Sport Hunting/Fishing Inuit Culture Arts and Crafts
b) Sachs Harbour	Banks Island Nature Interpretation	Sport Hunting
c) Tuktoyaktuk	Arctic Ocean Touring Inuit Culture	Pingos Oil and Gas Sport Hunting

WESTERN ARCTIC

Tourism Strategy

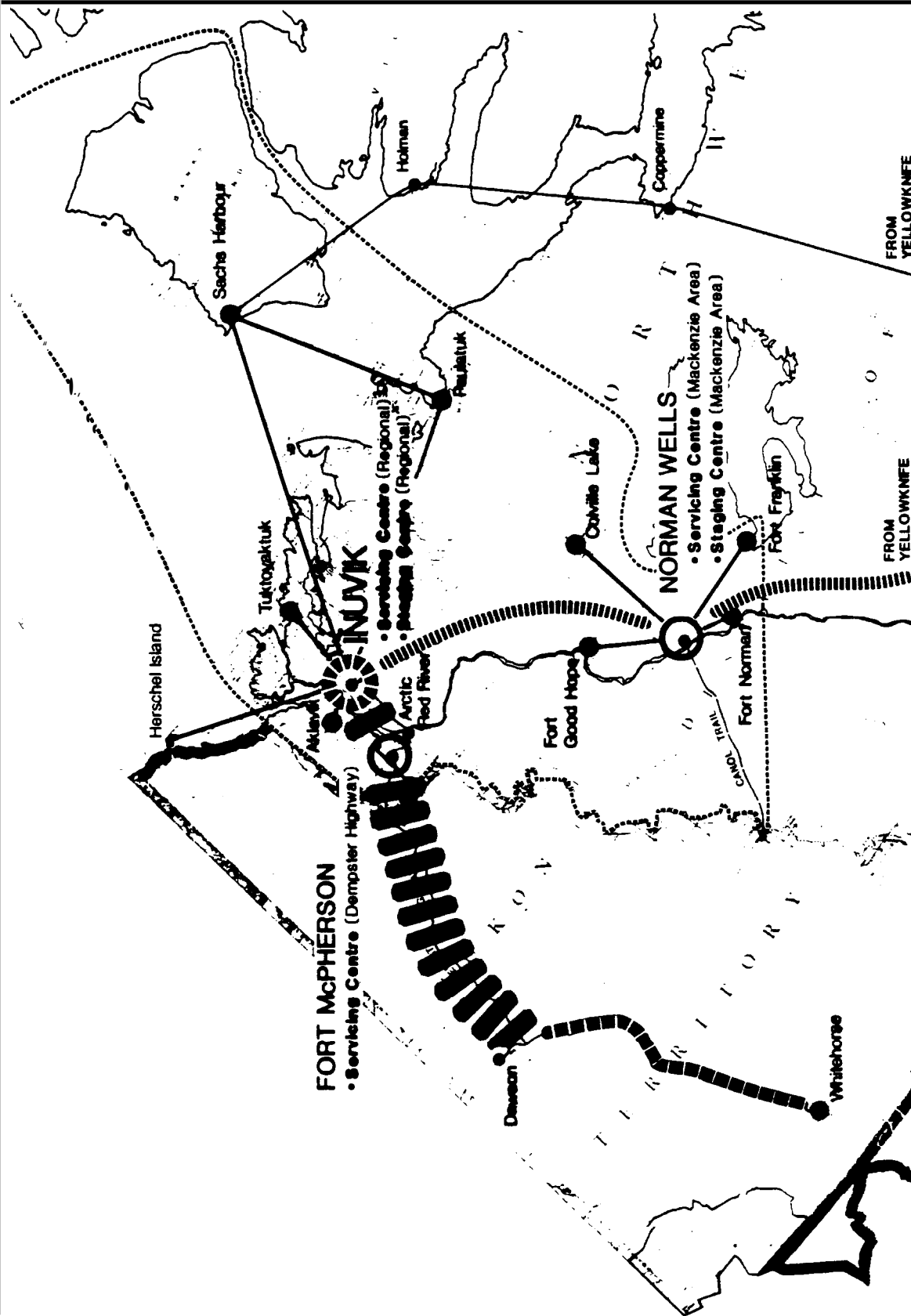
Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

LEGEND

- Regional Boundary
- Rubber Tire Access Route 
- Air Access Route 

Development Concept

Map 100-N-17-100-000-001
WESTERN ARCTIC VISITORS ASSOCIATION
ECONOMIC DEVELOPMENT AND TOURISM
GOVERNMENT OF THE NORTHWEST TERRITORIES



WESTERN ARCTIC

Tourism Strategy

Western Arctic Visitors Association
Economic Development and Tourism
Government of the Northwest Territories

LEGEND

Regional Boundaries

Sub-Region

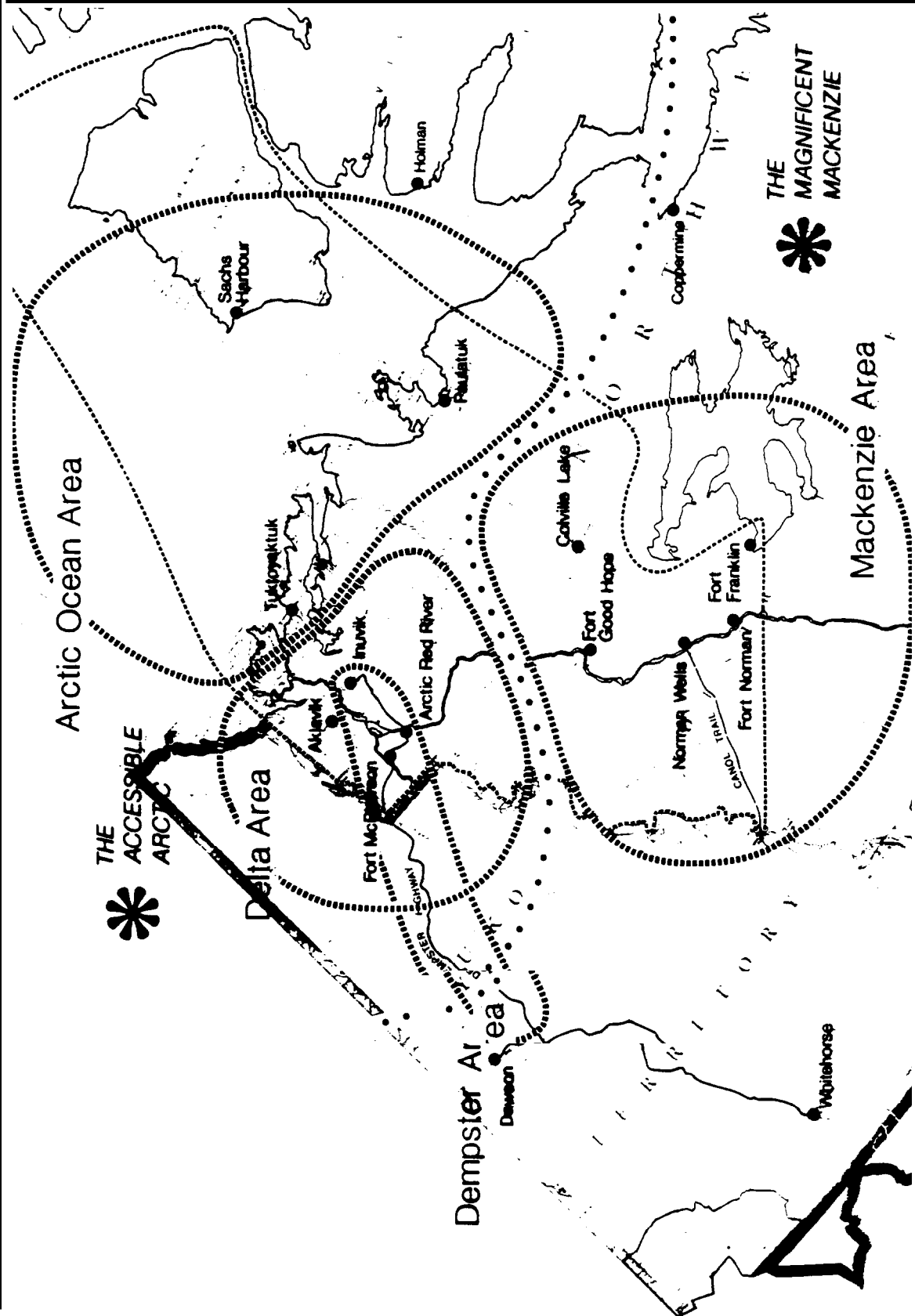
Theme

Area/Corridor Boundary

Attraction Concept

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Interest in tourism has increased substantially since last fall as a result of:

- Al **Wheaton's** new **visitor** services;
- a successful **music** festival which was attended by 1000 people at Midway Lake; and
- an **increase in tourists** stopping for gas, food, etc. and touring of the Hamlet.

There are also a number of individuals interested in offering tourism services. If the Band can reach a purchase agreement **with Al Wheaton** then they could assume a major responsibility for tourism.

Visitor Service Area

A 1987 feasibility study for a Full-scale Visitor Service **Centre** has proven it not to be a viable venture. For instance, a motel cannot survive the short summer season, however, as the first Western Arctic **community** along the **Dempster** Highway and the first potential service stop **after** leaving Eagle Plains, Fort McPherson plays a major role in welcoming **Dempster** travelers to the region and informing them of the security of the highway. Fort McPherson has been identified in the **Dempster** Highway Development plan as a potential site **for** one of the two Secondary Visitor Service **Centres'** proposed for the highway.

While a specific service **centre** is not **feasible**, the **community** could be developed as a 'Visitor Service Area'. Some of the components already exist:

- Gas/oil - **Wheaton** Complex (16 hrs/day) and at the Band Garage
- Restaurant - **Wheaton** Complex
- Grocery - The Bay, **Wheaton** Complex and Coop
- Mechanical - Band Garage and 2 mechanics in town
- Tire Repair - Local individual with garage complex
- **Accommodation** - 3-rooms at **Wheaton**
- Retail - Canvas Shop

What appears to be missing are attractions to hold tourists longer such as a stable arts and craft outlet, museum or **community** tours. **In addition**, perhaps the hiring of a **community** host such as in Norman Wells to greet and direct visitors.

There is need for some structure or kiosk on the highway to encourage travelers to stop. Ideally this should be manned to adequately explain the services and attractions of Fort McPherson and the surrounding area.

Revenue could be generated by sales of arts and craft (even if they have to be brought from other **communities** such as **Aklavik**) and souvenirs. For instance if **half** the tourists on the road were to spend \$10.00 it would generate \$15,000/month and that would maintain the facility in the summer. A repair bay could eventually be added as the Band garage is not adequate. A **prefeasibility** study for this facility has been prepared by the study team and is presented in **Volume 6**.

Museum Attraction

The community has a fascinating **Loucheaux** history that could be interpreted for the **traveller**. This combined with the canvas shop could hold the visitors longer, thus encouraging greater expenditure (food, supplies, gas, crafts, etc.).

The Old Catholic church could be an adequate facility for the first few years before funds could be made available to build an appropriate facility to house many of the artifacts now located in Ottawa and **Yellowknife**.

Nutuiliue Campground

This facility is one of the best in the Western Arctic and the hospitality is excellent. In order to hold visitors longer it should have showers and evening activities such as slide shows, native song and dance etc. This could also be a **point** of sales for Neil **Collin's** tours, local craft, Fort McPherson services, etc.

River Tours - Neil Collins

Neil Collins has the equipment, knowledge and natural resources to sell half day, 1 and 2 day tours on the **Peel River**. In discussion with Neil, the **following** packages were developed:

- ½ day, **Dempster** Patrol Monument
- 1 day, mouth of Peel River
- 2 days, overnight at Peel/Mackenzie River cabin

These packages could be quite popular if adequately marketed at the **Nutuilaie** Campground, proposed Midway Lake Site, **Visitor Service Centre** and in **Dawson** City.

Midway Lake Development

This lakeside location **is** one of the best sites for a campground on the **N.W.T.** portion of the **Dempster** Highway. It is an attractive area, offering opportunities for canoeing, fishing and hiking. It is also becoming a favorite area for the Fort McPherson Band's special functions such as the Annual Music Festival and their assemblies. The site could be developed for tourist and local functions and campsites could serve both. Facilities such as a stage/amphitheatre, washrooms, kiosks, wharf, etc, could also serve both groups. Obviously on those 2 or 3 weekends when the Band is using the site, campers would not have access to **all** of the **R.V.** campsites.

MACKENZIE DELTA AREA

Fort McPherson

o Existing Facilities

See Table located at the end of this section.

o Resources

close proximity to outfitting areas in the Richardson Mountains;

Peel River location for visits to fish camps;

Piet Van Loon art studio;

several crafts people;

growing sense of **community** and increase in community events;

Fort McPherson Incorporated Band Ltd. with quality management;

historic churches, Hudson's **Bay Co. post**, archaeological sites, and Mad Trapper Cabin at Rat River/Lost Patrol;

Fort McPherson Canvas Shop; and

existing outfitter (**Dempster** Patrol).

o Issues and Trends

- Special ARDA will fund a feasibility study for the development of a Visitor Service **Centre** on the highway;
- **community** is in a state of transition as increased interest in tourism development for travelers on the **Dempster** Highway is taking place;
- Midway Lake presents one of the best opportunities for a camp ground along the **N.W.T.** portion of the **Dempster**;
- **this is the first** complete native **community** that motorists encounter on their drive from **Whitehorse/Dawson City** along the **Dempster**; and
- several quality outfitting areas exist between the Peel River and Yukon Border.

Short Term

- **Dempster Highway Visitors Service Centre** including **winterized/non-winterized accommodation**, restaurant, information desk, craft sales, **community** tours;
- Big Game Hunting Outpost Camp in the Richardson Mountains with HTA;
- dog team packages to **Aklavik (4 days)** with **Dempster Patrol** Outfitters;
- coordinated craft production; **and**
- naturalist package tours (**3 - 4 days**) to Rat **River** and Richardson Mountains, IBP site, etc.

Long Term

- Midway Lake Recreational Vehicle Campground including nature interpretation services, food and camper supply sales, craft outlet, canoe rental, stocking lake;
- package tours to fish camps on Peel River;
- Big Game Lodge; and
- Visitor Service **Centre accommodation** expansion.

Component	Name	Facilities
FORT McPHERSON		
Accommodation	Cariboo Motel (closed) and restaurant	6 units dining area
Campground	Nutuiliue Campground	20 sites
Attractions	Peel River Dempster Highway Fort McPherson Canvas Shop Piet Van Loon Peel River Information Centre	crafts, tent making artist studio
Activities	7 dog teams several powerboats Dempster Partol Outfitters	14' - 18' in length fishing, wildlife
Services	The Bay Tetlit Co-op Krutko's General Store Wheton Gas Bar (under construction)	
Transportation	PMB Taxi Kenn Borek Air	scheduled flights

3. DEVELOPMENT OPPORTUNITIES

1. BACKGROUND/RATIONALE

- 0 this is the first service area after Eagle Plains and a potentially attractive stop, a full service development would not be feasible because of the short season and relative proximity to **Inuvik**;
- 0 a major highway facility would also compete with existing in town operations; and
- 0 there are several services in the town that could collectively be promoted as a "Fort McPherson Visitor Service Area".

2. DESCRIPTION

- 0 the facility would include information signage on the various services in the community (retail stores, gas bar canvas shop, restaurant, tire repair, etc.), and a small arts and crafts outlet - possibly in association with existing operators and gas sales. A service bay building would be added for minor repairs; and
- 0 development would include both a roadside and community (garage, equipment) facility.

3. OBJECTIVES

- 0 increase visitation and expenditure in Fort McPherson;
- 0 maximize its unique **location** on Dempster Highway; and
- 0 provide essential services to the rapidly expanding visitor traffic on the highway.

4. MARKETING STRATEGY

- 0 produce brochure;
- 0 advertise in Milepost, Trailer Life Wheelers Guide; and
- 0 selling trip to Whitehorse, Dawson City, Eagle Plains, **Inuvik**.

5. RESPONSIBILITY AND IMPLEMENTATION

- 0 private operator/Fort McPherson Development Corporation joint venture.

6. PERFORMANCE INDICATORS

- o encourage 70% of travelers on **Dempster** Highway to stop; and
- o general expenditures of \$500,000 by 1992.

7. OPPORTUNITIES AND CONSTRAINTS

- o traffic on **Dempster** Highway expected to increase by an average of 30% each year over the next 3 years;
- o another outlet for arts and crafts;
- o situated in a strategic location between Eagle Plains and **Inuvik**;
- o can act as a hook to attract tourists into Fort McPherson;
- o gas outlet may compete with in-town service; and
- o extremely short season, necessary to maximize revenue in 4 month period.

8. IMPLEMENTATION STEPS

- o establish joint venture partners;
- o develop initial plans and detailed feasibility;
- o arrange the necessary financing; ,
- o prepare design drawings;
- o construct;
- o hire and train staff; and
- o stock centre and arts and craft outlets.

9. COSTS

Roadside Facility

Construction: \$510,000

Start-up: \$65,000

Community Facilities

Construction: \$45,000

Total Costs: \$620,000

10. REVENUE AND OPERATING COSTSRevenue in 1992

Assume 70% of R.V., automobile, coach and small van traffic combined (estimated at 6,600 for **1992**) will stop at the VSA = 4,600 vehicles.

o Gas (50% purchase at \$40.00 each)	\$ 92,000.00
o Vehicle Repairs and Supplies (5% purchase at \$50.00)	12,000.00
o Camping Supplies (30% purchase at \$20.00)	28,000.00
o Arts and Crafts (40% purchase at \$15.00)	28,000.00
(10% purchase at \$25.00)	11,500.00
(10% purchase at \$50.00)	<u>23,000.00</u>
 TOTAL:	 \$194,500.00

costs

Salaries - Manager (5 months)	\$ 20,000.00
Mechanic/Maintenance Person (4 months on call)	12,000.00
Sales Staff (2 or 3) (120 days x 12 hours)	22,000.00
Fuel	74,000.00
Vehicles and Camping Supplies, Arts and Crafts	57,000.00
Marketing and Promotion	10,000.00
Building Maintenance	5,000.00
Administration and Supplies	8,000.00
Utilities	5,000.00
Insurance	<u>4,000.00</u>
 TOTAL:	 \$217,000.00

\$21,000.00 in start-up costs will be allocated to this **project** to rectify the operating revenue deficiency in the first year. Thus, the Fort McPherson Visitor Service Centre will just about breakeven in 1993.

PRIORITY I

RIVER TOURS
FORT **MCPHERSON**1. BACKGROUND/RATIONALE

- o there are excellent river tour opportunities along the Peel River, with the Peel River Crossing being used as a staging area, an operator is slowly establishing a tour operation.

2. DESCRIPTION

- o three optional tours are available:
 - ½ day to the Lost Patrol Monument
 - 1 day to mouth of Peel River
 - 2 day (overnight) at River Camp; and
- o equipment needed includes bedding, gear and marketing support.

3. OBJECTIVES

- o sell directly to those traveling the **Dempster** Highway; and
- o establish an operation for a **variety** of boat and hiking tours.

4. MARKETING STRATEGY

- o produce brochure;
- o target **Dempster** Highway traffic;
- o contact southern operators using Peel River; and
- o advertise in Up Here, Explorers Guide, Milepost, etc.

5. RESPONSIBILITY AND IMPLEMENTATION

- o Private operator; and
- o start-up assistance from Economic Development and Tourism.

6. PERFORMANCE INDICATORS

- o increased visitor attraction to Fort McPherson.

7. OPPORTUNITIES AND CONSTRAINTS

- o demand for adventure river tours with traffic along Dempster is increasing;
- o excellent opportunities on Peel River with 3 levels of tour ranging from $\frac{1}{2}$ to 2 days; and
- o tour operator already in place but will need assistance.

8. IMPLEMENTATION STEPS

- o develop plans with existing operator or other operators; and
- o seek government support for purchase of equipment, etc.

9. COSTS

Total Costs: \$50,000

10. REVENUE AND OPERATING COSTSRevenue in 1991

2% of R.V. travelers = 248

3% of automobilists = 81

1 small van = 12

Total: 341

50% take $\frac{1}{2}$ day trip, i.e. 170

30% take 1 day trip, i.e. 102

20% take overnight trip, i.e. 68

o 170 x \$45.00	\$ 7,650.00
o 102 x \$125.00	12,750.00
o 68 x \$350.00	<u>23,800.00</u>
TOTAL:	\$44,200.00

costs

Sal aries - Operator (4 months)	\$12,000.00
Assistant (2 months)	5,000.00
Admi ni strati on/Marketi ng	3,500.00
Mai ntenance	4,000.00
Food Suppl i es	15,700.00
Fuel	2,600.00
Util i ti es	1,000.00
Insuranc e	<u>1,000.00</u>
TOTAL:	\$44,800.00

1991 is the first year this **operation** will make a profit. Start-up capital will be required until that time.

1. BACKGROUND/RATIONALE

- 0 the existing Catholic church is an attractive facility of significant historic value;
- 0 it is necessary to have an attraction to encourage travelers to enter the community and spend some time and money, in fact there could be an interpretive theme developed around the two churches; and
- 0 this would become a **centre** for the demonstration of **Loucheaux** culture.

2. DESCRIPTION

- 0 a complete restoration of the building including an outside exhibit of canoes, shelter types, etc., many artifacts exist both in the community as well as in Ottawa - particularly from its Gold Rush and **Dempster** Patrol days and where possible, artifacts will be retrieved.

3. OBJECTIVES

- 0 increase the pull of highway traffic into the town for the benefit of the stores, restaurants, etc.;
- 0 present **Loucheaux** culture as it is represented in the region;
- 0 collect data and present the communities role during the gold rush; and
- 0 generate income for the Band Corporation.

4. MARKETING STRATEGY

- 0 prepare flat sheet; and
- 0 target visitors on the **Dempster** Highway.

5. RESPONSIBILITY AND IMPLEMENTATION

- 0 Community of Fort McPherson;
- 0 GNWT Department of Justice and Public Service; and
- 0 Northern Heritage **Centre**.

6. PERFORMANCE INDICATORS

- 0 increase visitors' stay in Fort McPherson by 1/4 day;
- 0 create an attraction to pull an additional 4,000 visitors off the Dempster Highway.

7. OPPORTUNITIES AND CONSTRAINTS

- 0 basic attraction (church) is in place;
- 0 area for demonstration of Loucheaux culture available; and
- 0 opportunity to retrieve artifacts and display for cultural / educational purposes.

8. IMPLEMENTATION STEPS

- 0 develop plans for review by Northern Heritage Centre, GNWT;
- 0 secure funding "for construction;
- 0 hire a part time curator; and
- 0 construct.

9. COSTS

Data Collection: \$25,000

Construction: \$270,000

Start-up: \$85,000

Total Costs: \$380,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

0 R.V./automobilists on Dempster (25%) = 5,250 x \$10.00	\$52,500.00
0 Motorcoach/small van (80%) = 976 x \$8.00	<u>7,800.00</u>
TOTAL:	\$60,300.00

costs

Salaries - Part Time Curator (5 months) @ \$4,000.00/month	\$20,000.00
Assistant (4 months) @ \$3,000.00/month)	12,000.00
Administration	3,000.00
Maintenance	6,000.00
Utilities	2,000.00
Restoration Supplies	5,000.00
Marketing	5,000.00
Special Events	<u>5,000.00</u>
TOTAL:	\$58,000.00

PRIORITY II

MIDWAY LAKE
FORT MCPHERSON1. BACKGROUND/RATIONALE

- o the site is one of the most attractive on the N.W.T. portion of the **Dempster** Highway;
- o a new campground will be required to respond to increased volume;
- o while **Nutuiluie** is not usually full, there is need for a quality lake side location; and
- o the area is now being used by the people of Fort McPherson and their interests should be included in the planning.

2. DESCRIPTION

- o phase I - picnic site including amphitheatre, toilet service, docking area and 14 campsites;
- o phase II - 16 additional sites; and
- o phase III - retail outlet to sell camper supplies.

3. OBJECTIVES

- o respond to expanding **R.V.** market as well as creating a quality, interesting campground on the **Dempster**;
- o an economic opportunity for the Fort McPherson Band;
- o develop a site for the Band to stage special events; and
- o create a picnic site for motorcoaches.

4. MARKETING STRATEGY

- o produce brochure;
- o target **R.V.** operators on **Dempster** Highway; and
- o Arctic Hot Line request fulfillment.

5. RESPONSIBILITY AND IMPLEMENTATION

- o Fort McPherson Development Corporation; and
- o GNWT Tourism and Parks.

6. PERFORMANCE INDICATORS

- o create 80% occupancy during the 1993 season.

7. OPPORTUNITIES AND CONSTRAINTS

- o **R.V.** market expanding quickly;
- o **quality** lakeside campground can supply local needs (festivals, special events) as well as growing Dempster Highway traffic;
- o chance to develop retail outlet; and
- o short 4month season.

8. IMPLEMENTATION STEPS

- o Prepare initial feasibility study and plans;
- o identify operator(s);
- o arrange financial support from **GNWT** and Fort McPherson Development Corporation; and
- o **commence** construction.

9. COSTS

Planning: \$65,000

Construction (pinnacle): **\$310,000**

Construction (campground): \$280,000

Start-up: \$130,000

Total Costs: \$785,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

If open 100 days there is potential 3,000 camper nights.

o if 20% of R.V. operators stay 1 night = 1,280 nights

o if 4% of R.V. operators stay 2 nights = 512 nights

TOTAL: 1,792 **camper** nights

1,792 camper nights = 60% occupancy

o 1,792 x \$25.00/night	\$44,800.00
o Camper Supplies (\$10.00 each)	18,000.00
o Craft Sales	12,000.00
o Canoe Rental	<u>8,000.00</u>
TOTAL:	\$82,800.00

costs

Salaries - Coordinator (5 months) ,	\$15,000.00
Assistant (2 months)	5,000.00
Part Time Staff (4) (3 months)	30,000.00
Supplies	20,000.00
Maintenance/Administration	9,000.00
Marketing	<u>3,000.00</u>
TOTAL:	\$82,000.00

1. BACKGROUND/RATIONALE

- o there are many people in the community who have craft skills to produce for the thousands of tourists driving along the highway; and
- o there is a definite demand for native arts and crafts and sales represents direct revenue to Band members.

2. DESCRIPTION

- o to defray start-up costs, materials could be purchased and sold at a minor charge, funding should also be used to buy the product when the artifact is finished, thus encouraging greater production;
- o the responsible agency should maintain quality control; and
- o crafts would be sold at Visitor Centres, in the community and throughout the region.

3. OBJECTIVES

- o provide economic opportunities for individuals especially during the winter when they have more time to produce.

4. MARKETING STRATEGY

- o target day visitors to Fort McPherson; and
- o sell to **Inuvik** craft outlets.

5. RESPONSIBILITY AND IMPLEMENTATION

- o Fort McPherson Band Council; and
- o Local Craft Association.

6. PERFORMANCE INDICATORS

- o generate equivalent of 1.5 full time **jobs** by **1993**; and
- o create retail sales of \$85,000.00/year.

7. OPPORTUNITIES AND CONSTRAINTS

- o **Dempster** Highway travel **lers/package** tour visitors expected to triple by representing a large "drop-in" market for Fort McPherson arts and crafts;
- o available skills can be encouraged to develop;
- o training of new artists will be possible with employment opportunities; and
- o unreliability and lack of individual funds for purchase of material.

8. IMPLEMENTATION AND CONSTRAINTS

- o establish local arts and crafts association Fort McPherson Band Council; and
- o take necessary training in production, design and marketing.

9. COSTS

Total Costs: \$50,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

Potential visitor volume from **Dempster** Highway is 22,270 or 8,000 parties.

Assuming 1/3 are interested in purchasing craft (2,640 parties) and of these:

o 25% buy for \$15.00	\$ 9,900.00
o 25% buy for \$25.00	16,500.00
o 25% buy for \$50.00	33,000.00
o 5% buy for \$80.00	10,600.00
o plus sales in the region	<u>12,000.00</u>
TOTAL:	\$82,000.00

costs

3 crafts people at (6 months) at \$2,500.00/month	\$45,000.00
Material	32,000.00
Distribution/Admini strati on	<u>5,000.00</u>
TOTAL:	\$82,000.00

1. BACKGROUND/RATIONALE

o with several thousand people stopping in Fort McPherson in the next few years, it will be appropriate to have a community host to provide tours.

2. DESCRIPTION

o the host's position will be supported by the Band but revenues from local community tours should eventually pay the costs.

3. OBJECTIVES

o develop better understanding of Fort McPherson;
o develop an avenue to organize tourist activities; and
o create summer employment for student.

4. MARKETING STRATEGY

o Prepare brochure; and
o target Dempster Highway Traveller.

5. RESPONSIBILITY AND IMPLEMENTATION

o Fort McPherson Band Council.

6. PERFORMANCE INDICATORS

o increase stay in Fort McPherson by $\frac{1}{2}$ and $\frac{1}{2}$ day;
o create host's position which is self-supporting through tour generated revenues; and
o Presence of host can act as important catalyst for craft purchase.

7. OPPORTUNITIES AND CONSTRAINTS

- o visitors to Fort McPherson on the **Dempster** Highway will increase 3 fold over the next 5 years;
- o opportunity to create summer employment for 2 students and develop community awareness; and
- o opportunity to direct visitors to important cultural displays and to arts and crafts outlets.

8. IMPLEMENTATION STEPS

- o prepare brochures;
- o prepare information package for guides and distribute (history, etc.);
- o establish focus of tour (**community centre/museum**); and
- o hire students.

9. COSTS

Total Costs: \$50,000

10. REVENUE AND OPERATING COSTSRevenue in 1993

Assuming 10% of those driving the **Dempster** Highway stop and take a community tour.

22,270 x 10% x \$10.00	\$22,270.00
------------------------	-------------

costs

Guides (2) (4 months @ \$2,500.00 month)	\$20,000.00
Administration	1,000.00
Special Events/Food	<u>3,000.00</u>
TOTAL:	\$24,000.00

PRIORITY II

SPORT HUNTING **OUTFITTER**
FORT MCPHERSON1. BACKGROUND/RATIONALE

- 0 Fort McPherson shares valuable Dan Sheep tags with **Aklavik**, they also have access to other species (moose, bear, caribou); and
- 0 with proper training it would be possible to set up an outfitting operation.

2. DESCRIPTION

- 0 purchase of tent frames, gear and marketing.

3. OBJECTIVES

- 0 work closely with **Aklavik HTA**; and
- 0 take maximum advantage of proximity to mountain big game ranges.

4. MARKETING STRATEGY

- 0 produce brochure;
- 0 advertise in **FNAWS** Safari Club; and
- 0 develop mailing lists.

5. RESPONSIBILITY AND IMPLEMENTATION

- 0 private operator;
- 0 **HTA**;
- 0 Band Development Corporation; and
- 0 Guided Arctic.

6. PERFORMANCE INDICATORS

- 0 create a goal to attract 12 hunters by 1993 including 3 Dan Sheep as part of shared tags with **Aklavik**.

7. OPPORTUNITIES AND CONSTRAINTS

- o 3 Dall Sheep tags available on shared basis with Aklavik;
- o moose, bear and caribou offer 10-20 opportunities to attract hunters as well;
- o Guided Arctic has well developed marketing network;
- o hunters will buy arts and crafts and use accommodation/food services;
- o there are no trained guides in Fort McPherson, individuals will require training; and
- o number of tags may vary in future.

8. RESPONSIBILITY AND IMPLEMENTATION

- o HTA/Fort McPherson Band Council establish proportion of tag availability with Aklavik;
- o select guides and train them;
- o develop plans for camps, transportation, etc.; and
- o market hunts with Guided Arctic.

9. COSTS

Equipment: \$55,000
 Start-up: \$35,000
 Total Costs: \$90,000

10. REVENUE AND OPERATING COSTS

Revenue in 1993

03 hunters for Dan Sheep x \$9,000.00	\$27,000.00
09 hunters for mixed bag x \$7,000.00	63,000.00
03 bonuses	<u>3,000.00</u>
TOTAL:	\$93,000.00

costs

Salaries - Head Guides (6 months)	\$20,000.00
Guides (3) (14 day hunts)	25,200.00
Food and Supplies	12,000.00
Administration	4,000.00
Insurance	2,000.00
Maintenance	2,000.00
Marketing	10,000.00
Commissions	<u>3,000.00</u>
TOTAL:	\$78,200.00

MACKENZIE DELTA AREA	1989 ('000) \$	1990 ('000) \$	1991 ('000) \$	1992 ('000) \$	1993 ('000) \$	1994-1995 ('000) \$
FORT MCPHERSON						
1. VISITOR SERVICE AREA						
Roadside Facility Planning	25					
Construction		200	200	85		
Start-up		30	20	10	5	
Community Facility						
Construction	25	10	10			
2. MUSEUM ATTRACTION						
Data Collection	15	10				
Construction		20	50	75	75	50
Start-up			25		35	25
3. MIDWAY LAKE						
Planning	15	50				
Construction (recreation)			150	160		
Construction (campground)			100	80	50	50
Start-up				40	40	50
4. NUTUILUIE CAMPGROUND						
Upgrade/Showers	50	30	30	20	20	
5. RIVER TOURS						
Equipment	10	10	10			
Start-up	5	10	5			
6. ARTS AND CRAFTS						
Production			10	10	10	20
7. COMMUNITY TOURS/HOST	15	15	10	5	5	
8. SPORT HUNTING OUTFITTER						
Equipment		20	35			
Start-up		10	15	10		
TOTAL:	\$ 160	\$ 415	\$ 670	\$ 495	\$ 240	\$ 195
GRAND TOTAL:	\$2,175,000					

MACKENZIE DELTA AREA (\$' 000)

FORT MCPHERSON

	ECONOMIC DEVELOPMENT AND TOURISM	EDA	SPECIAL ARDA	NEDP	NATIVE DEVELOPMENT CORPORATION	ESKIMO LOAN FUND	HAMLET/TOWN COUNCIL	REGIONAL DEVELOPMENT CORPORATION	NORTHERN HERITAGE CENTRE	LENDING INSTITUTIONS SMALL BUSINESS LOAN FUND	PRIVATE OPERATOR EQUITY
1. VISITOR SERVICE AREA											
Roadside Facility Planning	25										
Construction		200			185					50	50
Start-up	30				35						
Community Facility Construction							45				
2. MUSEUM ATTRACTION											
Data Collection									25		
Construction									270		
Start-up	85										
3. MIDMAY LAKE											
Planning	65										
Construction (recreation)	100	210									
Construction (campground)		180			100						
Start-up					30		100				
4. NUTJILUIE CAMPGROUND											
Upgrade/Showers	150										
5. RIVER TOURS											
Equipment	20										10
Start-up	20										
6. ARTS AND CRAFTS											
Production		30			20						
7. COMMUNITY TOURS/HOST							50				
8. SPORT HUNTING OUTFITTER											
Equipment		55									
Start-up		35									
TOTAL:	495	710			370		195		295	50	60

4. COMMUNITY TOURISM MARKETING STRATEGY

The regional marketing strategy outlines marketing expenditures for the Western Arctic from 1989 to 1995. Each community must also participate in the overall marketing plan through;

- o expenditures by local suppliers and operators;
- o expenditures by hamlets; and
- o joint expenditures with **WAVA**.

Community based marketing will take the form of;

- o consumer magazines;
- o brochures and flat sheets;
- o tour operator familiarization tours;
- o consumer **travel** shows;
- o travel writers;
- o videos;
- o inquiry **fulfillment**;
- o mailing list **development**;
- o **WAVA** special promotions/media events;
- o in-house promotions/give aways;
- o marketing support; and
- o marketing research.

The marketing plan is tailored to reflect the general orientation of TIA an Travel Arctic, but is more target specific, focusing on identified market segments to the Western Arctic and the individual community product offerings.

OVERALL GOALS

Individual **communities** will participate in the regional strategy by supporting specific objectives including;

- o Focusing on the western United States and increasing their share from 40% to 60% of the overall market. This will necessitate lowering the Canadian components from 60% to 40% and bringing the geographic breakdown more in line with the Yukon.
- o Capitalizing on the Dempster Highway by increasing rubber tire volume to **Inuvik** by 30% per year over the first 3 years of the plan.
- o Increasing the Western Arctic market share of travel industry revenue to the **N.W.T.** by 5% in the first three years, thus solidifying the Western Arctics' position as a **major N.W.T.** destination region.
- o In Canada, focusing on southern Ontario especially in those populated areas that can deliver the volumes.
- o Promoting in high population areas and increase Western Arctic tourism 3 fold over the next 5 to 7 years (See Market Projections).

COMMUNITY MARKETING OBJECTIVES

Each **community** strategy has been designed to meet the following objectives:

- o focus on new adventure travel activities such as canoeing, hiking, fishing, cultural inclusion, etc.
- o working closely with **TIA-N.W.T.** and Travel arctic by:
 - responding rapidly (fulfillment) to 1-800 number leads
 - complementing generic travel Arctic advertising with community product specific advertising
 - maintaining a 80% **level** of target specific promotion within the **community** local operator budgets

- o appealing for the most part to:
 - hiking, canoeing, hunting and fishing, and cultural/nature interpretation tour wholesalers and consumers.

- o placing a **major** emphasis on print material which reaches high numbers and supports inquiry fulfillment 1-800 requests, travel magazines, etc.

- o advertising in specifically high end magazines that appeal to consumers that are:
 - activity oriented
 - interested in specific products and prices
 - oriented toward culture and nature interpretation
 - potentially interested in package tours

COMMUNITY MARKETING EXPENDITURES (1989 Dollars)

The following tables outline, on a year by year basis the marketing activities for your **community**. Responsibility for many of these expenditures are to be cost shared with WAVA as well as other funding sources. As well all displayed cost do not necessarily suggest that your community need participate. However the opportunity is there to be involved in such activities as trade shows, the regional directory, regional videos, etc.

MARKET PROJECTIONS FOR THE WESTERN ARCTIC

<u>MARKETS</u>	<u>ACTUAL 1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
<u>Rubber Tire</u>							
R.V.	4,815	5,906	7,677	9,980	12,475	15,594	17,933
Auto	850	1,027	1,334	1,735	2,168	2,710	3,116
Coach	649	690	750	810	870	930	990
Small Vans	47	83	113	143	173	193	230
<u>Hunting</u>							
Beaufort Area	86	95	-	104	112	120	125
Bear Area	180	204	228	252	276	300	320
Aklavik/McPherson	-	5	10	20	30	40	45
<u>Fishing</u>							
Trophy	260	300	360	440	520	560	600
Wilderness	92	100	120	200	260	300	320
<u>Adventure Travel</u>							
Hiking	-	30	60	120	240	360	420
Canoe/Kayak/Zodiac	57	100	130	170	220	286	352
Boat Cruise (Package Only)	-	20	72	88	106	140	160
Wildlife/Photo/Herschel	18	60	120	180	270	351	456
Culture/Arts and Crafts Workshops	-	20	40	60	80	120	140
<u>Air</u>	<u>750</u>	<u>790</u>	<u>830</u>	<u>870</u>	<u>915</u>	<u>960</u>	<u>1,056</u>
TOTAL:	7,804	9,430	11,845	15,172	18,715	22,964	26,263

MARKETING STRATEGY SUMMARY

	1989	1990	1991	1992	1993	1994/95
CONSUMER MAGAZINES	40,670	42,330	41,170	36,220	37,100	66,000
BROCHURES, OPERATOR AND GENERAL WAVA	165,500	30,000	130,500	38,500	143,800	146,000
COMMUNITY FLAT SHEETS	22,000	18,700	23,500	22,400	27,500	58,800
TOUR OPERATOR, FAMILIARIZATION TOURS	12,800	8,150	8,100	2,900	5,050	-
CONSUMER TRAVEL SHOWS	33,900	37,000	40,220	31,950	27,550	40,900
RAVEL WRITERS	8,500	11,900	10,200	10,400	3,500	8,800
YUKON CO-OP WITH WRITERS	9,000	9,900	10,900	7,000	1,800	8,200
✓ DEOS	50,000	77,000	64,000	75,000	77,000	000
INQUIRY FULFILLMENT	12,500	16,100	23,100	30,300	36,300	85,000
MAILING LISTS	35,250	42,500	51,500	62,000	16,000	173,000
WAVA SPECIAL PROMOTIONS (MEDIA) EVENTS	20,000	8,000	8,000	10,000	15,000	30,000
IN-HOUSE PROMO/GIVE AWAYS	9,700	11,200	14,200	18,500	23,000	22,000
MARKETING SUPPORT	17,000	11,500	2,500	2,500	2,000	19,000
MARKETING RESEARCH	9,500	15,000	78,000	58,500	37,000	18,000
GRAND TOTAL:	528,320	339,280	515,890	416,270	528,610	785,840

CONSUMER MAGAZINES

FOT MCPHERSON

YEAR	ACTIVITY	1989	1990	1991	1992	1993	1994/95
	<u>RUBBER TIRE (WAVA)</u>						
o	Milepost	800	920	970	1,020	1,070	2,400
o	B.C./Alaska/Yukon Guide	230	250	-	300	330	-
o	Trailer Life	500	530	570	-	620	-
o	Woodard's R.V. Directory	460	-	500	-	540	-
o	Rand-McNally	520	560	-	610	-	1,450
o	Wheeler's Guide	480	-	620	560	-	1,340
o	West World (BCAA, AMA)	2,600	1,200	1,500	-	3,000	-
o	State Automobile Assoc. Magazine						
-	Washington	400	-	450	-	500	-
-	Oregon	400	440	-	490	-	1,200
-	California (north)	-	500	0	500	-	1,300
-	California (south)	400	-	460	-	520	-
o	Co-op with Yukon						
-	Dempster	1,400	1,600	1,800	2,000	-	-

BROCHURES

1. WESTERN R TIC PRODUCT DIRECTORY							
Design	20,000	-	10,000	-	-	12,000	12,000
Printing	50,000	-	55,000	-	-	60,000	65,000

BROCHURES CONTINUED

FORT MCPHERSON

YEAR	ACTIVITY	1989	1990	1991	1992	1993	99 * /95
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2.	DEMPSTER HIGHWAY						
	Design	4,000	-	1,500	-	2,000	-
	Printing	12,000	-	3,500	-	15,000	-
3.	INDIVIDUAL PRODUCT						
o	Peel River Tours						
	Design	1,000	-	-	-	-	-
	Printing	1,500	-	2,000	-	2,500	-

COMMUNITY HANDOUTS/FLAT SHEETS

OVERALL DESIGN FEE							
Printing Cost:							
o Fort McPherson	1,500	1,650	1,800	2,000	2,200	5,200	

TOUR OPERATOR FAMILIARIZATION TOURS

1.	FIESTA WAYF R R HOLIDAYS						
o	Transportation	400	450	-	-	-	-
o	Accommodation	600	700	800	-	-	-
o	Land Cost	1,500	1,500	1,700	-	-	-
2.	HORIZON HOLIDAYS						
o	Transportation	400	-	-	500	-	-
o	Accommodation	300	-	-	400	-	-
o	Land Costs	1,500	-	-	2,000	-	-

FORT MCPHERSON

YEAR	ACTIVITY	1989	1990	1991	1992	1993	1994/95
3.	WAGEL TOURS						
o	Transportation	400	-	-	-	500	-
o	Accommodation	500	-	-	-	650	-
o	Land Costs	1,200				1,400	
4.	RAINBOW ADVENTURE TOURS						
o	Transportation	-	300	-	-	500	-
o	Accommodation	-	300	-	-	500	-
o	Land Costs	-	1,500	-	-	1,500	-

YUKON TRAVEL WRITER CO-OP

- 1. CO-OP WITH OURISM YUKON ON 6 WRITERS PER YEAR ON DEMPSTER HIGHWAY
 - o Transportation @ \$700.00
 - o Accommodation @ \$300.00
 - o Land Costs @ \$500.00

4,200	4,600	5,100	2,800	3,000	7,200
1,800	2,000	2,200	1,500	1,000	4,000
3,000	3,300	3,600	2,800	3,000	7,000

IN-HOUSE PROMO/GIVE AWAYS

FORT MCPHERSON

YEAR	ACTIVITY	1989	1990	1991	1992	1993	1994/95
1. WESTERN ARCTIC VISITORS ASSOCIATION							
o	Trailer Life Magazine Draw (Western Arctic Tour)	2,000	-	2,000	-	-	2,000
e	Milepost	-	2,000	-	-	2,000	-
e	Explorer Magazine	-	-	-	2,000	-	2,000
2. FISHING OPERATORS							
o	Great Bear Trophy	1,000	1,000	1,000	-	-	-
o	Fort Franklin	-	-	2,000	1,000	1,000	-
o	Drum Lake	-	1,000	-	1,000	-	1,000
o	Colville Lake	-	-	-	-	1,000	2,000
o	Eskimo Lake	-	-	-	1,000	-	-
o	Sitidgi Lake	-	-	-	-	1,000	-
3. COMMUNITY ARTS AND CRAFT WORKSHOPS							
o	Tuktoyaktuk	-	-	800	-	-	-
a)	Crafts Plus	-	-	-	800	-	-
b)	Harrowsmith	-	-	-	-	800	-
c)	Crafts	-	-	-	-	-	-
e	Arctic Red	700	700	700	-	-	-
e	Aklavik	-	-	700	700	-	-
e	Fort McPherson	-	-	-	700	700	-

MARKETING RESEARCH

FORT MCPHERSON

YEAR	1989	1990	1991	1992	1993	1994/95
ACTIVITY						
1. WESTERN ARCTIC VISITORS ASSOCIATION						
o Western Arctic and Dempster Highway Exist Survey and Updates	80,000	-	40,000	-	20,000	
o Analysis of Industry survey Data	10,000	5,000	5,000	5,000	5,000	10,000
2. TOUR OPERATOR SURVEYS	1,000	1,500	2,000	2,500	2,500	5,000

5. TRAINING PROGRAMS

Each **community** project will **require** some level of training. It will generally be the responsibility of Arctic College, Continuing Education and Renewable Resources to deliver these programs. Where possible, courses will be given in the various communities; however, it will frequently be necessary to conduct training in **Inuvik** or Norman Wells because of the availability of certain training services.

Courses will generally be 1 to 4 weeks long. The following number of training weeks are proposed for your **community**.

MACKENZIE DELTA AREA
Training (Weeks)

	MANAGEMENT	MAINTENANCE	GUIDES	COOK	MAIDS	MARKETING	BOOKKEEPING/ACCOUNTING	CRAFTS INSTRUCTOR	COMPUTER SKILLS	WAITER/WAITRESS	HOST/HOESSE
<u>FORT MCPHERSON</u>											
1. VISITOR SERVICE AREA	8	8				2	2		2		3x4
2. MUSEUM ATTRACTION	2	1				1					2
3. MIDWAY LAKE	8	4				2					4x1
4. NUTUILUIE CAMPGROUND											
5. RIVER TOURS	4		2			1	1				
6. ARTS AND CRAFTS	4					1		2x2			
7. COMMUNITY TOURS/HOST											2x2
8. SPORT HUNTING OUTFITTER	8		3x4	2		2	2		1		
TOTAL:	34	13	14	2		9	5	4	3		22

APPENDIX X

FORT **MCPHERSON** VISITORS SERVICE **CENTRE** **PREFEASIBILITY** STUDY

INTRODUCTION

Background

In 1979, John Diefenbaker's "Road to Riches" was completed. Stretching 750 km across largely **unglaciated** landscape from Dawson City in the Yukon to **Inuvik**, Northwest Territories, this new highway was called "The **Dempster**" after corporal **W.J.D. Dempster** of the North **West** Mounted Police. The **Dempster** is the only highway in North America that crosses the Arctic Circle and allows the automobile **traveller** to reach the Mackenzie River Delta, on the shores of the Beaufort Sea and Arctic Ocean.

Fort McPherson is situated on the east bank of the scenic Peel River, approximately 540 km north of **Dawson** and 210 km south of **Inuvik**. This historically and culturally rich Loucheaux Indian community has a population of approximately 700 people. The first trading post was established along the Peel River in 1840, and twelve years later moved to the present **townsite** location which was then named after the Hudson Bay company's chief trader, Murdoch McPherson. In 1958, Fort McPherson was established as the **centre** for the Anglican Church's work in the Western Arctic. The Klondike Gold Rush throughout the Yukon brought thousands of prospectors through Fort McPherson in 1897. Their intent was to hire local Dene guides to take them over the mountains to the Yukon. In the early 1900's, Fort McPherson was an important RCMP post. It was from there that the famous Lost Patrol departed on its way to **Dawson** in 1910. The four members of the patrol perished **while** trying to return to Fort McPherson. They are buried along the Peel River and a monument stands in the **townsite** in recognition of their bravery.

The people of Fort McPherson today are known for their sense of pride in local culture. Several of the residents have become involved in regional, territorial and national politics and quality canvas products are manufactured in the community produce.

Purpose

Fort McPherson is the first Northwest Territories and Western Arctic **community** which travelers encounter when going up the **Dempster** Highway towards **Inuvik**. Currently, there are no facilities between Eagle Plains (180 km to the south) and **Inuvik** (210 km to the north). As a result, the 390 km distance, which requires 5 to 6 hours of driving time, depending on road conditions, is long, tiring, dusty and a possible deterrent to some travelers. Therefore, Fort McPherson is a prime location for welcoming visitors to the Western Arctic and providing them with an opportunity to rest, obtain necessary goods and services and participate in local and native tourist activities. With over 6,000 travelers on the **Dempster** at present and a 370% increase to some 22,000 by 1993, (see Section 4). A suitable Fort McPherson visitor service area would be an integral tourism component of the **Dempster** Highway's short/immediate term development and would provide a valuable revenue generator to the community.

The purpose of this study is to define, evaluate and design the most appropriate and profitable Fort McPherson Visitor Service Area based on the following three objectives:

- o to maximize its strategic location on the **Dempster** Highway;
- o to provide essential services to the rapidly expanding visitor traffic on the highway; and
- o to increase visitation and expenditure in Fort McPherson.

An analysis of existing facilities in Fort McPherson and **Dempster** Highway Visitor information/service centres plus insight into the typical **Dempster** Highway **traveller** will provide the basis for the **summary** and recommendations on meeting these three objectives.

EXISTING FACILITIES AND SERVICES IN FORT MCPHERSON

This section outlines those facilities and services of interest to tourists and currently existing in or near Fort McPherson. When addressing the feasibility of the proposed visitor service area, it must be recognized that certain existing facilities may have to be modified slightly and/or relocated in order to respond to market opportunities.

Restaurants - there is currently one restaurant in Fort McPherson. The facility provides cafeteria style service and its current capacity is 20-25 persons. It is conveniently adjacent to Al **Wheaton's** Store, however tourists must drive to the community center to use its services.

Motels - there is a transient centre in the community above the **Wheaton** Store. This facility has a capacity of approximately 6-8 persons. It only provides basic sleeping facilities. The **Cariboo** Motel (currently closed) can accommodate approximately 6 to 10 persons per night. Although this motel is closed, it is anticipated that it may open at any time, should **it** be required for special occasions. In addition to the Caribou Motel, there is a "bed and breakfast" arrangement currently in operation in the community. It can accommodate up to 6 persons per night. There are plans for expansion of the bed and breakfast service to include an additional 3 rooms.

Camping and Picnic Area - there are no camping **facilities** in or adjacent to the townsite. The closest is **Nutuiliue** Park, located 8 km south of Fort McPherson at the Peel River crossing. It has 20 campsites, picnic sites quarters and an attractive visitor information booth. There are also several campgrounds north of the Mackenzie River but closer to **Inuvik**.

Tavern Lounge - there are currently no drinking establishments in the community.

Service Station - there are two auto service stations in Fort McPherson. One station located close to the main roadway into town is owned and operated **by** the Incorporated Band. The station offers minor service and repair facilities (tires, air and gas). A second gas outlet owned by Al **Wheaton**, is located more centrally in the town. Due to its central location, it has captured most of the local market for gasoline, despite its higher prices. Two other private mechanics do vehicle repair work in the community and one specializes in tire repair.

Grocery - the Bay Department store and the **Wheaton** Service Station sell food items.

Gift Shops - the Fort McPherson Canvas Shop offers a range of quality canvas products produced locally. There is a small arts and crafts shop in the Administration Building at Fort McPherson. Most visitors are unaware of this shop due to its low, visibility and lack of promotion. There are also small arts and crafts displayed throughout the community in the Hudson Bay and **Co-op** store. There are virtually unadvertised and not well patronized.

Cultural/Heritage Displays and Centre - there are currently displays and exhibits in the local school and the language/cultural **centre**. These exhibits have excellent potential for attracting local residents; however, they are somewhat dispersed and poorly located for access by non-resident markets.

Tourist Sites/Activities - sites of historical interest to Fort McPherson visitors include the Anglican Church and the Lost Patrol Monument. The local canvas factory/shop and cultural/heritage displays and **centre** have the potential for attracting tourists. At present there are no organized activities such as independent or guided walking tours available for tourists stopping for a look around the community.

In order to hold tourists in Fort McPherson, attractions and activities such as a stable and visible arts and crafts outlets, a museum or community tours must be organized. Since Fort McPherson lies off the Dempster Highway a roadside facility or kiosk could capture visitor interest and encourage them to stop and obtain information on the community.

3

EXISTING VISITOR SERVICE CENTRES/AREAS ON THE DEMPSTER HIGHWAY

A look at the two major existing visitor centres on the Dempster Highway will provide insight on what services are currently available and what may be lacking and could thereby be fulfilled by the Fort McPherson Visitor Service Area.

Dawson City/South End

Corresponding with overall tourism growth in the Yukon, Dawson at the south end of the Dempster Highway has experienced substantial increases in the number of visitors it receives. Tourism visitation was close to 50,000 in 1986, representing just over 10% of the 486,000 total visitors to the Yukon.¹ The actual number of visitors to Dawson City during 1987 was 60,000 giving an impressive 35% growth.

The recent "streetscape" program to make Yukon communities more attractive to visit has created a conveniently located and appealing Visitor Reception Centre (VRC) in Dawson City. In addition to providing general information to visitors, the receptionists are dressed in historical costumes and VRC encompasses a theatre which offers a variety of ongoing tourist activities. As a result, the VRC has actually become an attraction in itself so that up to 75% of all Dawson City visitors are said to drop in at some point.³ Registrations have increased from an annual average of 34,000 in the years from 1984 to 1986 to 46,000 in 1987.

In 1987, WAVA sponsored the hiring of a fourth receptionist at the Dawson City VRC which made the delivery of Dempster Highway and Western Inuvik area information much more efficient and knowledgeable. The Dawson City VRC is an indication of what might be achieved at the Fort McPherson Visitor Service area on a smaller scale. With the number of potential Dempster travelers passing through the VRC it is important for all Dempster-related tourist service facilities to supply the centre with their marketing information.

Inuvik/North End

Inuvik, the northern most destination point along the Dempster Highway has also experienced significant growth in tourism visitation over the last few years. Total tourist traffic to the Western Arctic was approximately 5,000⁴ in 1986 and was over 7,700⁵ in 1987 (an increase of 71%).

In terms of attendance at the Inuvik Visitor Centre (IVC), registration surveys at the Inuvik (IVC) indicate that at least 75% of these travelers are coming by rubber tire and could therefore be potential Fort McPherson visitors on their drive north, south or both ways. However, the proportion of visitor registrations to total visitation is low (30%) compared to that of Dawson City. This low attendance is partially attributed to the fact that the IVC building itself has limited appeal as a tourist attraction. In addition its location is less central, hours of operation are shorter and fewer visitor activities are planned than in Dawson City. There were only 2,200 registrations during the period from June 17 - August 29, 1987. Nonetheless, as efforts are made to offer more visitor activities through the IVC both the centre and the community benefit greatly. For example, 1987 visitor registrations did increase 70% over 1986. That was also the first year that the Denji Native Corporation organized a Summer Culture Event Program in Inuvik. Three scheduled events per week for a total of nineteen different programs involving music entertainment, northern foods and special events were offered. Employment was created for 120 local people and enough interest, enthusiasm and participation was shown by residents and visitors alike that in 1988 an admission fee may be charged in order to generate some revenue back into the program.

Antler Aviation, based in **Inuvik**, offered air excursions to Tuktoyaktuk and Aklavik for the second year in a row and reported 88% and 500% growth rates respectively.

Other activities now being offered through the **IVC** are walking tours, slide shows and church igloo tours, all of which act to enhance and consequently lengthen tourists' experience in the region. Recognition of these principles should prompt both the **IVC** and the proposed Fort McPherson visitor area to set attendance goals at 75% of visitor volume.

4

MARKET ANALYSIS

Based on the mode and purpose of travel, rubber tire is by far the largest travel market to the Western Arctic, representing between 80% to 84% of total tourist traffic to the region. The majority to Fort McPherson are clearly rubber tire and therefore, the only market segment to be analyzed here with respect to the proposed Fort McPherson Visitor Service Area.

Rubber tire tourism traffic, is defined as all vehicle traffic and includes four sub-segments based on the type of vehicle. As Table 2.1 indicates, the **R.V.** segment represents the largest proportion of visitors (74% in 1987) and this is expected to increase nearly 300% by 1993 due to intensified target marketing and continued improvements to the highway. The bus tour segment will experience more moderate growth.⁶

Volume

In 1987, approximately 6,400 "rubber tire" travelers drove along the **Dempster** Highway between **Dawson** and **Inuvik**. Table 2.2 displays actual visitor volume for each of the four segments from 1985-1987 and market projections for the years 1988 to 1993. Of particular significance is the degree of growth exhibited between 1986 and 1987, a total of 71%.⁷ This phenomenon is attributed to the interest and awareness sparked in the north during Expo '86 in Vancouver, major improvements made to the condition of the **Dempster** Highway during 1986 on the Yukon side and overall improved awareness of the highway. Some travelers may have

TABLE 2.1
RUBBER TIRE SUB-SEGMENTS

	1987	1993*
Recreational Vehicles (R.V.'s)	75%	81%
Automobiles	13%	14%
Bus/Coach Tours	11%	4%
Small Vans	<u>1%</u>	<u>1%</u>
TOTAL:	100%	100%

* projected

TABLE 2.2
ACTUAL AND PROJECTED DEMPSTER HIGHWAY TRAVELERS*

	ACTUAL			PROJECTED					
	1985	1986	1987	1988	1989	1990	1991	1992	1993
Recreational Vehicle	2,625	2,625	4,815	5,906	7,677	9,980	12,475	15,594	17,933
Automobile	515	515	850	1,027	1,335	1,735	2,168	2,710	3,116
Bus/Coach Tour	600	580	649	690	750	810	870	930	990
Small Vans	- N/A	<u>N/A</u>	<u>47</u>	- 83	<u>113</u>	<u>143</u>	<u>173</u>	<u>193</u>	<u>230</u>
TOTAL:	3,740	3,720	6,361	7,706	9,875	12,668	15,686	19,427	22,269

Source: Western Arctic Tourism Strategy Interim Report: Phase 2 Market Analysis (Revised October 1987).

* Based on average party size of 2.8 per vehicle from 1985 Dempster Highway Exit Survey.

turned back at the sight of major highway construction and then returned to try again in 1987.⁸ As a result of these factors and the activities of the present Western Arctic marketing strategy which will focus on **Dempster** traffic and its association with **Dawson City**, rubber tire is expected to continue at an average annual growth rate of 26% between the years 1987 to 1992 before it begins to slow down (expected 15% from 1992 to 1993). The total increase in the number of rubber tire visitors projected for the six year period is 270%.

Profile

The 1985 **Dempster** Highway Exit Survey plus an analysis of the **Inuvik Visitor Centre's** 1986 and 1987 visitor registration books (Table 2.3) indicates that in descending order, Western Arctic Visitor's origins are as follows:

1. Canadian - the four major provinces are B.C., Alberta, Ontario and the Yukon.
2. U.S.A. - the western and eastern states represent the largest proportions especially California, Alaska, Washington, Florida and Texas.
3. Overseas - Germany, Switzerland and to a smaller degree Australia and Japan are key countries.

Other data obtained from the 1985 **Dempster** Highway Exit Survey and the 1987 **Inuvik** Visitor Centre Registration survey makes it possible to develop a typical **Dempster** Highway **Traveller** Profile:

- o average party size is 2.8 travelers per vehicle;
- o 35-45% are 41 years or older (**IVC** suggests average age may be decreasing);
- o the proportions of professional and skilled **labourer** occupations and retirees are fairly equal at 20-25% each;
- o close to 50% earn incomes greater than \$40,000.00 per annum;
- o average length of stay (travel on the **Dempster** to **Inuvik** and back) was 3 nights/4 days in 1985 but appears to have increased in 1987 as **IVC** indicates 67% of registrants spent 2-3 days in **Inuvik** alone;

TABLE 2.3
DEMPSTER TRAFFIC: POINT OF ORIGIN

	1985 DEMPSTER EXIT SURVEY		1986 INUVIK VISITOR CENTRE REGISTRATION		1987 INUVIK VISITOR CENTRE REGISTRATION	
	% Total		% Total		% Total	
Canada	Z Can.		Z Can.		% Can.	
N.W. T.	N/A		6		5	
Yukon	19		4		8	
British Columbia	34		25		31	
Alberta	21		22		19	
Ontario	13		24		27	
Other Prairie	8		10		4	
Other Eastern	5		9		3	
	100%	58	100%	43	100%	45
United States	% U.S.		% U.S.		% U.S.	
Western	39		34		55	
Midwest	24		9		10	
Mid east	20		22		13	
Eastern	17		35		22	
	100%	38	100%	30	100%	34
Europe	% Europe		% Europe		% Europe	
West Germany	50		25		36	
Switzerland			43			
Great Britain	50		9		11	
Others			23		53	
	100%	4	100%	25	100%	19
Other	% Other		% Other		% Other	
Japan			12		15	
Australia			54		51	
Others			34		34	
	100%		100%	2	100%	2
	100%		100%		100%	

o average per person expenditure was **\$209.45** or **\$52.00** per day in 1985. This is estimated to have increased to \$70.00 in 1987.⁹; and
 o five activities dominate visitors' interests, namely camping, shopping for crafts, visiting museums/historic sites, nature study and fishing. These can all be categorized as either outdoor or heritage related, perhaps indicating how most tourists view the Northwest Territories.

As a result, **Dempster** visitors are typically older and have the time and money to spend at various visitor attractions during their travels. The fact that **length** of stay has increased in recent years can largely be attributed to the greater number of visitor activities available in **Inuvik** and the surrounding communities. Similarly, longer visitation in Fort McPherson could be expected with the development of a visitor service **centre** on the highway. The areas of interest noted by **Dempster** tourists are themes that Fort McPherson could provide.

Additional **comments** from the 1985 survey indicates that **Dempster** travelers seek improved road conditions and services, information outlets and activities. These needs were confirmed by recent interviews with several R.V. 'caravans operators which also indicated that there is concern over the **Dempster** Highway's safety in terms of its road conditions and facilities, especially **gas pumps, and that** there is a general lack of information (both before and while on the highway), activities and festivals.

Another potential market group to be attracted to a Fort McPherson Visitor Service facility is the bus/coach tours and small van segment. Bus tours typically consist of 50 to 60 year old, retired or semi-retired. Bus tour groups consisting of 20 to 30 travelers generally like to stop every 3 to 5 hours to give their passengers a chance to stretch their legs, **buy** snacks, souvenirs, **etc.** **Small van** scheduled and unscheduled tours offer a group of 6 to 12 travelers the flexibility to stop at points of interests. Since the closest service **centre** is a 3-5 hour drive in either direction, both van and bus groups would likely welcome a stop at Fort McPherson. In order to attract these markets, the food and services must be appropriate and competitively prices.

The preceding analyses indicate that a visitor **service** area (**VSA**) at Fort **McPherson** could be a viable undertaking given that it meets the needs of the marketplace and is thereby able to attract sufficient numbers of travelers. This can be achieved by understanding and meeting the three previously defined objectives as follows:

1. MAXIMIZE ITS STRATEGIC LOCATION ON THE **DEMPSTER** HIGHWAY

Since Fort McPherson is the only potential visitor service area after Eagle Plains and before **Inuvik** (+200 km) and also the first northwest community encountered when traveling up the **Dempster**, its location is vital in creating a sense of security and cohesiveness for travelers as well as welcoming them to the region. An esthetically appalling roadside structure should be successful in capturing drivers attention and interest. Highway signage for travelers in both directions should be designed to general interest by informing, convincing and reminding visitors of what Fort McPherson and the **VSA** have to offer. Effective communication and coordination with the visitor centres in **Dawson City** and **Inuvik** to **ensure** that potential travelers are aware of the facilities, services and activities available "en route" will further increase the **VSA's** likelihood of attracting 75% of rubber tire travelers.

2. PROVIDE ESSENTIAL SERVICES TO THE RAPIDLY EXPANDING VISITOR TRAFFIC ON THE HIGHWAY

Fort McPherson's role as a secondary service area will help to create a sense of security and safety to travelers driving this wilderness highway. In addition, it will play an important role in fulfilling travelers' general convenience and information needs. Existing operators in the community could move their operations to the roadside facility during its opening season. In meeting the demands of the rubber tire and largely **R.V.** market, the following essential products and services are recommended:

Safety Needs

- o gas/diesel fuel supply;
- o automobile supplies (**oil**, windshield cleaner, fluid, etc.); and
- o tire and minor vehicle repairs.

Convenience Needs

- o camping supplies; and
- o arts and crafts.

Information Needs

- o Provide information on local history, culture and community points of interest and activities as well as general highway conditions and pre-destination information on **Inuvik** and **Dawson City**.

3. INCREASE VISITATION AND EXPENDITURE IN FORT MCPHERSON

The examples provided by the visitor service centres in **Dawson City** and **Inuvik** clearly show that the time spent traveling the Dempster Highway area has the potential for extension. Fort McPherson is a likely candidate to receive anywhere from an hour to a half-day of this time. By also developing an appealing array of tourist services and activities designed to meet the interests of tourists, appropriate themes would include the local Loucheux Indian culture, gold rush history and spectacular wilderness.

The visitor service area and community can work together to provide the following:

Visitor Service Area

- o cultural, historical and nature information/display area;
- o arts and crafts sales; and
- o canvas shop sales.

Community

- o walking tours of the **community** to visit cultural and historic sites, canvas shop production;
- o short hikes or nature walks with explanations of Western Arctic terrain and vegetation (i.e. non-glaciated aspects);
- o cultural presentation and interpretation programs (i.e. dancing, music, crafts, etc.); and
- o outdoor tours such as Peel River boat tour.

6

FINANCIAL FEASIBILITY

Optimistic and pessimistic **proforma** statements have been prepared for the Service Centre, 1990 is considered as the start-up **year**. Even though the facility will not be completed until 1992, it shows to be making a slight profit in the second year even in the pessimistic scenario.

Start-up capital, in the way of grants or loans will be necessary in the first few years in order to develop inventory and meet salary requirements in the first **month** each season.

Revenues are projected based on:

- o gasoline purchase;
- o auto repairs;
- o camping supply purchase; and
- o arts and crafts purchase.

The following assumptions and cash flow statements indicate profit and loss for the first 4 years.

Line items:	Year:	1990	1991	1992	1993
Gross sales		\$261,484	1324,439	1402,725	\$461,984
Discounts, returns, & allow.		7,845	9,134	12,082	13,840
Net sales		253,640	314,744	390,644	440,124
COSTS OF GOODS SOLD					
Fuel		\$7,216	58,161	13,635	84,651
Vehicles and camping supplies		30,292	37,547	46,543	53,273
All others		85,129	105,410	130,549	149,648
Total cost of goods sold		162,636	201,918	250,734	287,677
Gross profit		91,004	112,826	139,909	160,441
(OPERATING EXPENSES)					
Salaries		54,000	56,160	50,406	60,743
Marketing and promotion		10,000	10,460	10,816	11,249
Building maintenance		5,000	5,101	5,400	5,624
Administration & supplies		8,000	8,320	8,653	8,999
Utilities		5,000	5,200	5,408	5,624
Insurance		4,000	4,160	4,326	4,499
Depreciation on buildings		10,500	16,975	10,126	17,220
Total operating expenses		96,500	106,415	111,144	113,958
Operating income/loss ()		(5,496)	6,411	28,766	46,489
Other income - Start up subsidies		30,000	20,000	10,000	5,000
Other expenses - Interest expenses		5,000	5,000	5,000	5,000
Profit before taxes		19,504	21,411	23,766	46,489
Taxes - n/a					
Net income/loss ()		19,504	21,411	23,766	46,489

Visitor Data:	1990	1991	1992	1993
Total Visitors				
-Rv / Auto	11,715	14,643	18,304	21,049
-Coach / Van	953	1,043	1,123	1,220
Total	12,668	15,686	19,427	22,269
Total Visitors stop over 70%				
-Rv / Auto	8,301	10,250	12,813	14,714
-Coach / Van	667	730	786	854
Total	8,968	10,980	13,599	15,568
Total # of Vehicles				
-Rv / Auto (2.8 avg. party size)	2,929	3,661	4,576	5,262
-Coach / Van (30 avg. party size)	22	24	26	28
Total	2,951	3,685	4,602	5,291

Sales/Revenues:	1990	1991	1992	1993
Consumption by stop-over visitors:				
(Based on # vehicles stopping over...)				
-Gas (50 ¢ purchase @ \$40 per l)	\$51,020	\$73,702	\$92,344	\$105,814
-Vehicle repairs (5 ¢ purchase @ \$50 l)	7,377	3,213	11,506	13,227
(Based on # visitors stopping over/70 %)				
-Camping supplies (30 ¢ purchase @ \$20 l)	53,206	65,881	81,573	93,530
-Arts & crafts (40 ¢ purchase @ \$15 l)	53,206	65,881	81,593	93,530
-Arts & crafts (20 ¢ purchase @ \$25 l)	44,338	54,901	67,995	77,941
-Arts & crafts (10 ¢ purchase @ \$50 l)	44,338	54,901	67,995	77,942
Total	\$261,484	\$24,479	440,275	\$461,984

Costs:	1990	1991	1992	1993
Salaries - Manager (5 months)	120,000	\$20,800	121,622	\$22,497
Mechanic/maintenance (4 months on call)	12,000	12,480	12,979	11,498
Sales staff (2,3 l) (120 days @ 12hrs)	22,000	22,880	23,795	14,147
Marketing and promotion	10,000	10,460	10,816	11,249
Building maintenance	5,000	5,100	5,408	5,624
Administration & supplies	8,000	8,320	8,653	8,999
Utilities	5,000	5,200	5,408	5,624
Insurance	4,000	4,160	4,326	4,499
Assumes no debt servicing				
Total	\$86,000	\$39,440	\$92,018	\$96,738

Operational costs indexed to 4.2 CPI index per annum.	1990	1991	1992	1993
Cost of goods sold:				
Fuel @ 80 ¢				
Vehicles & camping supplies @ 50 ¢				
All others @ 60 ¢				
Capital Expenses:				
Roadside facility				
Construction (class 3-5) @ 100,000	\$100,000	\$100,000	\$100,000	\$100,000
-Start up	30,000	20,000	10,000	5,000
community facility				
Construction (class 2-5) @ 10,000	10,000	10,000	10,000	10,000
Total	40,000	30,000	20,000	15,000

Please indicate if top costs are...

Capital expenditures:	1990	1991	1992	1993
Construction (class 3-5) @ 100,000	\$100,000	\$100,000	\$100,000	\$100,000
Construction (class 2-5) @ 10,000	10,000	10,000	10,000	10,000
Total	\$110,000	\$110,000	\$110,000	\$110,000

Line Items:	1990	1991	1992	1993
Gross sales	635,028	845,261	652,313	463,455
Discounts, returns, & allow.	10,771	13,358	16,369	19,004
Net sales	346,257	431,903	535,744	614,451
(COST OF GOODS SOLD)				
Fuel	47,216	58,961	73,635	84,651
Vehicles and camping supplies	31,159	43,527	60,448	69,967
All others	33,014	16,703	01,904	23,825
Total cost of goods sold	219,389	272,192	337,767	387,443
Gross profit	128,868	159,712	197,977	227,009
(OPERATING EXPENSES)				
Salaries	54,000	56,160	58,406	60,743
Marketing and promotion	10,000	10,400	10,816	11,249
Building maintenance	5,000	5,200	5,408	5,624
Administration & supplies	8,000	8,320	8,653	8,999
Utilities	5,000	5,200	5,408	5,624
Insurance	4,000	4,160	4,326	4,499
Depreciation on buildings	10,500	16,975	18,126	17,220
Start-up costs	30,000	20,000	10,000	5,000
Total operating expenses	126,500	126,415	121,446	118,958
Operating income/loss	2,368	33,297	76,531	108,051
Other income	15,000	116,000	116,000	116,000
Other expenses	(6,000)	(116,000)	(116,000)	(116,000)
Profit before taxes	1,368	33,297	76,531	108,051
Taxes	1,184	16,648	38,416	54,025
Net income/loss	1,184	16,648	38,116	54,025

Visitor Data:	1990	1991	1992	1993
Total Visitors	11,715	14,643	18,304	21,049
-Rv/ Auto	953	1,043	1,123	1,220
-Coach /Van	12,668	15,686	19,427	22,269
Total	13,621	16,729	20,550	23,489
Total Visitors stop over - 70%	9,535	11,710	14,385	16,442
-Rv/ Auto	8,201	10,250	12,813	14,734
-Coach /Van	667	730	786	854
Total	8,868	10,980	13,599	15,588
Total # of Vehicles	2,929	3,641	4,576	5,422
-Rv/ Auto (2.8 avg. party size)	22	24	26	28
-Coach /Van (30 avg. party size)	2,907	3,617	4,550	5,394
Total	2,931	3,685	4,602	5,421
Sales/Revenues:				
Consumption by stop over visitors:				
-Based on # vehicles stopping over:				
-Gas (50 ¢ purchase @ \$40 per l)	\$59,020	\$73,702	\$92,044	\$105,814
-Vehicle repairs (5 ¢ purchase @ \$50 l)	7,377	9,213	11,506	13,227
-Based on # visitors stopping over (70 %)				
-Camping supplies (40 ¢ purchase @ \$20)	70,941	87,842	108,791	124,706
-Arts & crafts (50 ¢ purchase @ \$15)	66,507	82,352	101,992	116,912
-Arts & crafts (30 ¢ purchase @ \$25)	66,507	82,352	101,992	116,912
-Arts & crafts (20 ¢ purchase @ \$50)	88,676	109,802	135,989	155,883
Total	\$359,028	\$445,761	\$552,313	\$633,455
Costs:				
Salaries - Manager (5 months)	\$20,000	\$20,800	\$21,632	\$22,497
- Rental - maintenance (4 months on call)	12,000	12,480	12,979	13,498
Sales staff (2,3 11/20 days/2hrs)	22,000	22,880	23,795	24,747
Marketing and promotion	10,000	10,400	10,816	11,249
Building maintenance	5,000	5,200	5,408	5,624
Administration & supplies	8,000	8,320	8,653	8,999
Utilities	5,000	5,200	5,408	5,624
Insurance	4,000	4,160	4,326	4,499
Assumes no debt servicing	4,000	4,160	4,326	4,499
Total	\$186,000	\$199,440	\$213,018	\$226,738
Operational costs indexed to 4 I (pi index per annum.				
Cost of Goods Sold:				
Fuel - 80 %	\$200,000	\$100,000	\$20,000	\$20,000
Vehicles & camping supplies - 50 %	30,000	20,000	10,000	5,000
All others - 60 %	10,000	10,000	10,000	10,000
Capital Expenses:				
Roadside facility	\$1,500,000	\$1,200,000	\$50,000	\$5,000
-Construction (cca class 3-5 I)				
-Start-up				
Community facility				
-Construction (cca class 3-5 I)				
Total	\$1,500,000	\$1,200,000	\$50,000	\$5,000

Please note start-up costs considered part of operational expenses.

FOOTNOTES

1. Don Weisbeck, Tourism Yukon, White horse.
2. Don Weisbeck and George Sinfield Tourism Yukon, Whitehorse, October 1987.
3. IBID
4. Compiled from 3 sources: 1985 Dempster Highway Exit Survey, The Market for Motoring Visitors to the N.W.T. 1985, and telephone interviews with Western Arctic tourism operators.
5. Western Arctic Tourism Strategy Interim Report: Phase 2 Market Analysis (Revised October 1987).
6. Interviews with Atlas Tours, Horizon Holidays and Wells Gray, October 1987.
7. Telephone interviews with Western Arctic Operators, October 1987.
8. Frank Addison, President, Addison Travel Marketing.
9. Don Weisbeck and George Sinfield Tourism Yukon, Whitehorse, October 1987.