

Golf Tour Package

ACTIVE OUTDOORS

OVERVIEW

The golf tour package program is aimed at enthusiastic golfers and their friends who want a golf retreat but is not in a position to pay the exorbitant rates for high-end golf courses such as those in the Rockies. They would like to play 3 or 4 courses and participate in a bespoke experience that includes pre-booked tee times and pre-arranged dinner and entertainment options. Glamping accommodations are provided in furnished domes decorated to look like golf balls with a golfing themed décor.

INITIAL CAPITAL "D" INVESTMENT

\$ 783,750

Market Opportunity

Golf Canada reports that there are now approximately 6.3M on-course golfers in Canada and that 19.4% of the entire population has had a golf experience of some kind. With almost 2500 courses across Canada, more Canadians play golf than hockey and the golf industry contributed \$11,000,000,000 to the Canadian economy. In fact, Golf Inc. as far back as its June 2016 edition reported that the number of golfers per capita in Canada is actually double that of golfers in the USA.

Golf Canada also states that while golf numbers actually were declining between 2003 and 2018, during and since COVID-19, the sport grew exponentially in Canada with 2019–2020 seeing an increase of 347,000 new golfers alone. The article by IBIS World titled Golf Courses and Country Clubs in Canada – Nov. 2024 stated that even with the decline of the number of golfers, industry revenues have risen consistently with a CAGR of 3.1 – 3.7% over the past five years with 2024 projected to end with an increase to revenues year over year of 4.6%.

Ontario, Quebec, British Columbia and Alberta account for 73% of all the courses in the country and along with Nova Scotia and PEI are known as the best places in Canada to play. Clearly golf is on an upward trajectory in Canada and Alberta and there is an opportunity to exploit this reality in Camrose.

During the months of July through October 2024, the city of Camrose held a series of engagement sessions with tourism and business sector stakeholders to determine what the most obvious business opportunities within the city currently are. Part of that exercise was trying to determine what the brand of Camrose is and how it is perceived in the marketplace. The overwhelming consensus is that Camrose is seen as a destination that combines city sophistication with the rural ambiance of a quintessential Albertan country town. Once one is removed from the more metropolitan feel of downtown, Camrose exudes the serenity of a pastoral, family-oriented farming community.

As a result of the research into new Camrose tourism opportunities, over 30 potential businesses were subjected to an evaluation matrix that

utilized over 30 criteria to determine which businesses would likely be successful. These criteria ranged from market demand to the competitive landscape, operational challenges, the amount of required capital and the projected return on that capital that was invested. At the end of this process a new golf package experience was ranked #7 out of all the business opportunities that were identified.

This high priority was given for a number of reasons:

1. The number of quality golf courses in the proximate region to Camrose. Golf Pass (golfpass.com) is a digital golf resource center owned by NBC sports that includes information on all the best golf courses around the world but in particular provides insights into golf trips within North America. A sign of Camrose's golf bona fides, it is listed on Golf Passes golf destinations within Alberta and many of the courses are highly rated. The following courses are included on the Camrose fact page and represent the best of the 18-hole courses in the area:
 - Camrose Golf Course, Camrose with a 4.5/5 rating and a "99.7% recommended this course".
 - Whistle Stop Golf Course, Camrose with a 4/5 rating and "100% recommend this course".
 - Silver Creek Golf Course, New Norway with a 4.6/5 rating and "100% recommend this course".
 - Triple Creek Golf Course, Millet with a 5/5 rating and "100% recommend this course".
 - Coal Creek Golf Course, Ryley with a 4.1/5 rating and "91.7% recommend this course".
 - Montgomery Glen Golf Course, Wetaskiwin with a 3.1/5 rating and a "98% recommend this course".
 - Miquelon hills Golf Course, Kingsman was listed but not rated.
2. There is no current golf package for the Camrose region being offered by any reseller such as the best Golf Canada West.
3. The regions that are represented include either extremely expensive tee times and

accommodation such as the Fairmont properties in destinations like Banff and Jasper or offer less expensive but very ordinary accommodation and relatively high green fees compared to Camrose courses.

4. The section on Golf Canada West's website titled Best Golf Getaways from Edmonton features courses that are all at least a 4-hour drive from Edmonton.

Golf mini vacations have become one of the trendiest vacations for men and women alike. Whether it is a pre-wedding trip, a corporate retreat, incentive trip or just a buddy's getaway, golf provides the perfect venue to renew friendships. The issue is that for the majority of golfers that cannot afford a club membership, they would still love to go on a golf trip somewhere if only it were affordable overall and did not require the expense of a flight to get there. Enter the Camrose golf package. Only 90 minutes from Edmonton offering a bespoke experience that combines unique accommodation, dining arrangements, luxury transportation and great golf – all at a cost below most packages.

The Experience

Based upon the market demand, gaps and segments already identified in this document, the following are the initial experiences and corresponding, required infrastructure recommended for the execution of a successful golf package and accommodation business based in the Camrose region. It is assumed that the accommodation can be rented on a standalone business and may actually provide revenues to help support the start up golf business as it gains traction.

The golf tour package program is aimed at enthusiastic golfers and their friends who want a golf retreat but is not in a position to pay the exorbitant rates for high-end golf courses such as those in the Rockies. They would like to play 3 or 4 courses and participate in a bespoke experience that includes pre-booked tee times and pre-arranged dinner and entertainment options.

Glamping accommodations are provided in furnished domes decorated to look like golf balls with a golfing themed décor. These domes will also be available for others looking for unique accommodation when they are not in use by the golf package guests. This experience is built on the fact that there are six, 18-hole golf courses within a 25-minute drive of Camrose, allowing guests to choose where they would like to play and use the tour package multiple times with different course combinations. It is also based on the fact that golfing packages are absolutely the norm in the golfing community and have proven to be very successful.

The operator will develop relationships with the various golf courses, meal and entertainment providers to create excellent, bespoke experiences. Relationships will also be developed with the larger golf package distributors. Due to the low Canadian dollar, Canadian golf packages will continue to be sought out by American golfers.

The infrastructure is expected to be built on leased land but could be developed on purchased property depending on the options available when the opportunity is pursued.



10 glamping fully serviced golf ball domes, a service building, access paths and parking will be developed on the site. The 28' diameter domes (just over 600 square feet) are furnished with pillow-top beds and are configured for 2 to 4 guests. A full ensuite, sitting area and desk are found in each dome. Specific golf bag racks will be built for installation in the luxury 12 passenger van used to transport the guests. The capital estimates table assumes that the van will be leased to own to reduce initial capital costs,

however it could be purchased if the operator prefers.

This is the perfect business for an enthusiastic golfer who loves interacting with like-minded golfers and sharing their passion for the local golf scene.

Financial Projections

THE SEASON

The financial projections assume a 183-day season for the Golf Tour Packages and a 365-day season for the Glamping Domes.

OPERATING CAPACITY/OCCUPANCY

For the purpose of forecasting sales, the capacity of the proposed operation has been identified. Each of the revenue components has projections based on a conservative sales forecast in terms of occupancy and capacity. Each revenue component starts at a different occupancy or sales level based on market demand and capacity of the experience. Occupancy and sales levels have been set on a monthly basis for the first year and projected for the remaining four years.

- Capacity for the packages is set at 12 guests and 10 Glamping Domes for accommodations.
- Golf Tour Packages Weekday (2 nights, three rounds of golf): Year One 28.5%; Year Two 32.5%; Year Three 36.5%; Year Four 39.5%; Year Five 42.5%.

- Golf Tour Packages Weekend (2 nights, three rounds of golf): Year One 44.6%; Year Two 48.6%; Year Three 52.6%; Year Four 55.6%; Year Five 58.6%.
- Glamping Domes Blended Occupancy (of remaining inventory after golf tour package sales): Year One 30.9%; Year Two 34.9%; Year Three 38.9%; Year Four 41.9%; Year Five 44.9%.

CONSERVATIVE PROJECTIONS

A conservative approach to the financial projections has been utilized, including:

- No projected increase to any rates;
- Growth has been projected at 4% per year for years 2 and 3; 3% per year for years 4 and 5.
- Operating expenses have been projected to increase 5% annually;
- Bank/credit card charges of 3% on all revenues have been assessed; and
- Generous salaries and wages have been projected and staffing numbers have increased as sales increase.



CAPITAL COSTS

| Equipment | Number | Cost per unit | Total |
|--|--------|---------------|-------------------|
| Tour Van – Custom Racking for Golf Clubs | 1 | \$ 5,500 | \$ 5,500 |
| Office and Associated Equipment | 1 | \$ 3,500 | \$ 3,500 |
| Housekeeping Golf Cart | 1 | \$ 23,500 | \$ 23,500 |
| Infrastructure | | | |
| Furnished Golf Ball “Domes” on Platforms | 10 | \$ 52,000 | \$ 520,000 |
| Parking and Access Trails | 1 | \$ 37,500 | \$ 37,500 |
| Electrical Services | 1 | \$ 20,000 | \$ 20,000 |
| Water and Wastewater Services | 1 | \$ 40,000 | \$ 40,000 |
| Servicing Building | 1 | \$ 12,500 | \$ 12,500 |
| Soft Costs | | | |
| Pre-Opening Marketing | 1 | \$ 50,000 | \$ 50,000 |
| 10% Contingency | | | \$ 71,250 |
| Class “D” Capital Budget Estimate Total | | | \$ 783,750 |