Summer Rental & Visitor Information Centre Operations

URBAN VIBRANCY

OVERVIEW
This business opportunity is based on the simple reality that the Camrose Visitor Information Centre (VIC) at Mirror Lake is currently the epicenter for tourism in Camrose, and residents and non-residents alike enjoy the lake making it a major recreation area. This business capitalizes on this fact and monetizes this existing visitation by providing watercraft rentals, and by taking on an already existing contract (and its guaranteed income) to manage the VIC which is a very simple business to run. It also takes advantage of the Viking heritage of the area by providing a simple boat tour in a replica Viking boat that only requires one trained staff to operate.

LOCATION
Camrose Visitor Information Centre (Bill Fowler Centre)

INITIAL CAPITAL "D" INVESTMENT
$ 148,225

CITY OF Camrose

Market Opportunity

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Because of the outstanding location of the business and current visitor traffic, there is also an opportunity to expand the business into other rentals, tours and food and beverage services once the market demand is determined.

The capital costs are not large, and the profits combined with the salary for the owner/manager make the return on those costs worthwhile.

The Experience

Based upon the market demand, gaps and segments, the following are the initial experiences and corresponding, required infrastructure recommended for the execution of a successful watercraft rental and historic boat tour enterprise based in the Camrose.

The summer rentals opportunity is aimed at both residents of Camrose and visitors. The opportunity includes the ability to operate on Mirror Lake from the existing Visitor Information Centre (VIC) and increase the animation and attraction to the VIC. This will allow the operator to provide visitor information services under contract from the city as well as build up the commission booking centre services for other experiences offered in and around Camrose. The operator will offer rental kayaks, canoes and stand-up paddle boards for self-guided activities on Mirror Lake. In addition, building on the Nordic history of Camrose, a replica Viking boat is proposed for guided paddle/rowing tours of the lake. The rentals and guided tours will operate for 6 months of the year, while the booking centre and VIC will operate year-round.

Very little infrastructure is required other than equipment racking and storage near the lake and Visitor Information Centre. A minimum of a five-year contract with renewal options for the use of the VIC is recommended for the operator to establish themselves on the site. The major purchases include equipment for the rental operation and the eventual development of a digital booking system. This is an excellent entrepreneurial business that can be supported by the City of Camrose to fill a gap in the experiences available in Camrose.

Initial equipment inventory is set at 6 canoes, 6 kayaks, 12 SUPs and all associated equipment (PFD's, paddles). The capital estimates table also includes the development of a fibreglass Viking "look" boat that is similar to the wood Viking boat in the Visitor Information Centre that will be used for guided tours on Mirror Lake.

Financial Projections

THE SEASON

The financial projections assume a 183-day season for the paddle sports rentals and guided tours and a year-round season for the booking centre and VIC operations.

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.
It should be noted that the rates used for projections are comparable or lower to what are currently charged for similar offerings. There has been no increase in rates for the full five years of financial projections.

- Capacity for the rentals is set at 6 canoes, 6 kayaks, 12 stand-up paddle boards and one replica Viking boat for guided tours. 2-hour rental periods for the paddle sports and 2 tours per day for the Viking boat.
- Booking centre commissions are based on initially selling 10 different activities.
- Paddle Sports Rentals (2-hour periods x 4 times/day): Year One 28.5%; Year Two 32.5%; Year Three 36.5%; Year Four 39.5%; Year Five 42.5%.
- Guided Viking Boat Tours: Year One 17.5%; Year Two 21.5%: Year Three 25.5%; Year Four 28.5%; Year Five 31.5%.
- Booking centre commission sales: Year One 20%; Year Two 24%; Year Three 28%; Year Four 31%; Year Five 34%.
- Retail Sales are set at 15% of guests.

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 (including owner salary) and wages have been projected and staffing umbers have increased as sales increase.

CAPITAL COSTS

Equipment	Number	Cost per unit	Total
Canoes & Kayaks	12	$ 1,500	$ 18,000
Standup Paddle Boards	12	$ 1,200	$ 14,400
SUP Paddles	30	$ 75	$ 2,250
Viking Boat Fiberglass Replica	1	$ 25,000	$ 25,000
Assorted PFDs	60	$ 100	$ 6,000
Office and Assorted Equipment	1	$ 2,500	$ 2,500
Infrastructure			
Equipment Racking/Self Serve	2	$ 20,000	$ 40,000
Soft Costs			
Pre-Opening Marketing	1	$ 25,000	$ 25,000
10% Contingency			$ 13,475
Class "D" Capital Budget Estimate Total			**$ 148,225**