

Tourism Investment Symposium 2008

Town of Olds

Opportunities like this just don't come by very often. And when they do, astute investors sit up and take notice. The town of Olds is that kind of opportunity. The citizens and business community are pleased to roll out the red carpet for prospective hotel and convention centre developers and franchises. Olds is ready for you!

Section 1: Community Profile

A. Overview

Innovation. Technology. Sustainability. These are all beacons for the future of the Town of Olds, Alberta. Nowhere else in rural Western Canada can you find video conferencing facilities and multimedia production suites adjacent to an educational working farm. Agribusiness powerhouses, commercial and industrial enterprises and cultural opportunities round out the vibrant fabric of the community. If one was seeking a microcosmic sample of Alberta's macroeconomic leviathan, one need look no further than Olds.



Location

Just 63 km (40 miles) south of Red Deer, and the same distance north of Airdrie, Olds is right in the heart of the "Western Tiger", the Calgary/Edmonton Corridor. It is 45 minutes north of the Calgary International Airport and two hours south of the Edmonton International Airport. It has a 3,600 foot paved airstrip at the Olds/Didsbury Airport just five minutes south of town.

Population

The 2006 Federal census lists Olds as having a population of 7,248. In addition, there are 2,850 Mountain View County residents in the immediate vicinity of the town, plus an additional 1,300 full-time students at Olds College.

Technology & Communication

Olds has a desire to create a wired community, one that goes beyond e-mail and simple e-commerce. The physical expression of this vision is a fibre-to-the-premises program, which would provide a fibre optic network to every home and business in the immediate area. The ability for businesses and organizations to leverage broadband services will be unlimited. The access to the global network for a small rural community will be unprecedented.

With technology, Olds will be able to offer convention services on an expanded basis because of the video conferencing available within the Bell e-Learning Centre located at the Community Learning Campus (CLC). The CLC is also home to an Internet TV provider, which complements our local radio stations and newspaper publishers.

Economic Base

The Olds Institute for Community and Regional Development is a community association. Included amongst its members are four major institutions: Olds College, Olds Agricultural Society, Olds & District Chamber of Commerce, and the Town of Olds. In addition, the Institute acknowledges the support of our Associate Members: Mountain View County and Chinook's Edge School Division.

The Institute is the recognized leader in sustainable community and regional development. The Institute is led by the Town's brightest thinkers and entrepreneurs, progressive-thinking community leaders who work together to identify trends, bring new ideas to the marketplace, and readying members for a changing future.

The Olds economic trading area includes 40,000 citizens plus an additional 57,000 driving the Queen Elizabeth II (Hwy 2) each day. (Source: 2007 AADT Alberta Transportation Highway Count.)

Olds is a major agribusiness hub as well as a base for oilfield service and light industrial manufacturers. Main economic drivers are Olds College, Olds Agricultural Society, Cornerstone Development (which includes Wal-Mart, Staples, and Canadian Tire), and the Community Learning Campus. Olds ranks in the top twenty of best communities to do business. (Alberta Venture magazine, June 2008.)



The community is also looking forward to Netook Crossing, the exciting commercial and light industrial development underway at the intersection of the Queen Elizabeth II Highway and Highway 27. The number of development permits issued has increased exponentially in the past three years. In 2007, 242 permits were issued for a value of \$117 million. In June 2008, the Town of Olds received approval of its annexation request of 389 hectares (960 acres).

B. Hospitality

Number and Type of existing accommodation

Currently, the hotel and motels in Olds are at 100% capacity, with a high turn-away rate. Average occupancy rates are 75-100%.

There are 150 rooms in Olds: two bed & breakfasts, four motels and one hotel. Three motels primarily cater to work crews, with leisure clientele secondary. One 40-room hotel caters to corporate and college clients with leisure clientele on weekends. This hotel is attached to a major chain restaurant and lounge, but has no conference or board room facilities.

Number of local restaurants

There are currently 25 restaurants and/or coffee shops in Olds.

C. Existing Attractions

Olds has over 100 acres of parks, playgrounds and green spaces. The “Hay City Trail” system consists of both paved and unpaved trail routes. The Mountain View Museum is located in Uptowne Olds.

The community is a National Winner and an International competitor in the Communities in Bloom program and features the Botanic Gardens at Olds College. Olds Fashioned Christmas is a series of community, cultural, and recreational events held throughout November and December.



The Town of Olds, in partnership with Uptowne Olds, is currently conducting a survey on historic buildings, with the final result to be a Heritage Management Plan.

Major Tourism Attractions in the area

Within 20 minutes of Olds are eight golf courses, seven annual rodeos (two of which are sanctioned by the Canadian Professional Rodeo Association), corn and sunflower mazes, and three specialty attraction museums. The largest indoor paintball facility in Alberta is just five miles south of Olds.

D. Tourism statistics

Visitation figures

The Olds Agricultural Society facilities hosted over 45,000 participants in 2007. In the summer months alone, Olds College has 3,000 visitors registered at their Conference Services centre. The Olds Grizzlys Junior A Hockey team and Olds Minor Hockey camps and tournaments can account for an additional 5,600 attendants, including players, coaches and parents.

Annual events

Agriculture & Agribusiness: Olds Fair & Rodeo; International Team Roping Championships; Cattlemen’s Classic Bull Congress; Spring Classic Steer & Heifer Show

Arts & Culture: Olds & District Kiwanis Music Festival; Olds College Fibre Week; Canada Day celebrations; Olds College Hort Week; Olds Tyme Music & Dance Jamboree; Olds Christmas Potpourri Craft Sale; Olds Fashioned Christmas events; Wellspring Visual ArtNetwork Association’s ArtWalk

Sports & Recreation: Provincial boys and girls curling championships; Olds College Fall Golf Classic; Olds Grizzlys Bantam Midget Hockey Tournament; Olds Grizzlys Hockey School; curling bonspiels; figure skating competitions; ball tournaments

Special Events: Alberta Ride for Sight; Mountain View Pistons Show & Shine; Olds College Growing the Legacy Gala; Olds College Open House & Discovery Days; Olds Marketplace Trade Show; RONA MS Bike Tour; Rick Hansen Wheels in Motion

Section 2. Tourism Investment Opportunity

A. Description of opportunity

The Calgary/Edmonton corridor is the most urbanized region in the province and one of the densest in Canada. According to the 2006 Canadian census, the population of the Calgary-Edmonton Corridor was 2,412,736 (73.3% of Alberta's population). It is also one of the fastest growing regions in the country, with annual growth tipping the scales at a sizzling rate of 5%.

In July 2007, TD Bank Financial Group senior economist Derek Burleton, who famously branded the Calgary/Edmonton corridor Canada's "Western tiger" in 2003, stated: "We're seeing a region that continues to grow leaps and bounds above average markets in both Canada and the United States."



The community has recently adopted a Strategic Sustainability Plan. While the traditional anchors for regional economy in the area have been agriculture and oil & gas, business owners and developers are helping the community diversify its economy. With the leadership provided by the Prairies to Peaks Tourism destination marketing organization, the Town of Olds is embarking on a new appreciation for the tourism industry and is embracing the economic impact this presents.

Everything is about timing. The beauty of this particular time in the development of Olds is that local and regional government organizations, as well as the business community are especially interested in adding and enhancing meeting facilities for trade and consumer shows.



Olds has adopted innovative and aggressive direction with respect to economic growth. It is the dominant regional centre between Red Deer and Airdrie.

With the recent annexation of 960 acres, there are actually several parcels of land that would provide excellent opportunities for significant hotel development. Of the many sites available, four have been identified as development ready, three of which are highway commercial, and one located in Uptowne Olds. Two sites have potential for a Hotel Convention Centre, while two would be more appropriate for a hotel with or without a restaurant. All are detailed later in this document.

B. Market analysis (all potential sites)

Growth in the volume of business seen at the Olds Agricultural Society fairgrounds from 1997 to 2008 has doubled. The number of events such as the Olds Fair, Bull Congress, Team Roping Canada Championships, Provincial 4-H events, horse clinics and bull sales hosted at the fairgrounds has doubled. The number of attendees has increased by more than 40%. However, the Olds Agricultural Society turns away three or four inquiries every week, simply because there is no tourism appropriate lodging for delegates. Furthermore, a survey conducted by Manecon Business Strategies Inc in 2006 of almost 30 existing tenants and current non-users, proved that they would like to hold combined meetings and shows, but simply cannot with current accommodations.



Olds College will be celebrating its Centennial Anniversary in 2013. Alumni, former staff, and faculty from around the world will be coming to Olds for these major celebrations. Olds College has been invited to host the 2013 World Ploughing Championships as one part of these celebrations,. The College itself only has single beds, which are inadequate to house participants, attendees and their families.

Potential opportunities abound. Olds is home to all major service organizations, over a dozen churches, seniors and cultural organizations, as well as minor sport organizations. The Olds Grizzlys Junior A Hockey team hosts 32 home games throughout the winter, and there is potential for visiting teams, NCAA and professional scouts and recruiters to be accommodated in a new hotel. Family reunions, weddings, celebrations, guest speakers, and special events would also benefit from additional accommodations being available in the community.

Industry leaders in the oil and gas sector, agriculture and forestry – as well as volunteers and business leaders in Olds and the nearby towns – are anxious for the opportunity to legitimately bid on provincial and national conferences and conventions. Because of the central location, easy access to International air travel and phenomenal volunteer base, winning these bids increases considerably with the additional of a Hotel/Convention Centre.

The East Balzac Development is within a 30-minute drive of Olds and promises to draw millions of national and international visitors to the area annually. The Olds Agricultural Society and Olds College have already established relationships related to off-site boarding of horses at OAS stables, and a possible satellite campus of the Olds College Canadian Equine Center of Innovation at the Balzac racetrack.

This is, quite simply, a case of supply and demand. Modern exhibitors and event planners expect larger and better-appointed space than what is currently available in Olds. They are looking for facilities that are more suited to commercial needs, meetings and conventions. Olds is primed and waiting for enhanced, modern facilities that will maintain the status of Olds as the largest regional centre between Red Deer and Airdrie.

Average Annual Daily Traffic (AADT) Highway Traffic Counts

Hwy 2 East of Olds, N. of Hwy. 27 – 18,840 (1998) to 28,840 (2007)

Hwy 2A through Olds, S. of Hwy. 27 – 4,220 (1998) to 6,140 (2007)

Hwy 27 through Olds, W. of Hwy. 2A – 8,630 (1998) to 11,510 (2007)

Source: Alberta Transportation/Ministry of Transportation & Infrastructure, May 2008, CornerStone Solutions, Inc.



Regulatory Status, Development Costs, Financial Projections

All four development sites in this proposal are fully serviced. Each property requires Town of Olds Development Permits. Each is restricted to a maximum of four stories. For each site, development costs and investment required is to be determined upon negotiation with the owners. For key financial projections and visitation estimates, please review the Market Analysis provided above.

Please note: Hotels/Motels in Olds are currently at 100% occupancy with high turn away rates. With the exception of the Olds Agricultural Society property, there are no zoning issues. Rezoning is required for the OAS property, however a letter from the Town of Olds is on file, acknowledging support for the planned development.

Site 1: Olds Agricultural Society Property – Hotel/Convention Centre

Size: 4 to 15 acres

Location: 50 Avenue and 54 Street on the Agricultural Society Grounds, Olds downtown. Part of the proposed Gateway Centre

Ownership: Olds Agricultural Society

Nearby Amenities: Uptowne Olds, Centennial Park, Olds College and the Community Learning Campus, O.R. Hedges Campground, Olds Auction Mart, Sports Complex, Curling Rink, Aquatic Centre

Access: Main Street (50 Avenue) or 57 Avenue, and 54 Street

Permitted Uses: Gateway Centre approved in principle by Olds Town Council

Zoning Issues: Rezoning required

Site 2: Discovery Site – Hotel/Convention Centre

Size: 3 to 12 acres

Location: 70 Avenue & 46 Street (Hwy 27) - Block A, Plan 8610563

Ownership: Private – Agent: Discovery Realty

Nearby Amenities: Highway exposure with facilities for the traveling public. Near Cornerstone shopping centre containing Wal-Mart, Canadian Tire, Staples, Sobeys. Near No Frills (Loblaws) food store

Access: Hwy 27 service road, 70 Avenue via Cornerstone

Permitted Uses: Highway Commercial

Site 3: Milner Site – Hotel/Restaurant

Size: 5.22 acres

Location: 57 Avenue & 46 Street (Hwy 27)

Ownership: Private – Irv Milner

Nearby Amenities: Highway exposure with facilities for the traveling public. Near Cornerstone shopping centre containing Wal-Mart, Canadian Tire, Staples, Sobeys. Near No Frills (Loblaws) food store

Access: Hwy 27, 57 Avenue and 61 Avenue

Permitted Uses: Highway Commercial

Site 4: Capital Commercial Realty Site – Hotel or Hotel/Restaurant

Size: 2.36 acres

Location: 65 Avenue and 46 Street (Hwy 27) - Lots 1, 2 & 3 Block C Plan 00511238

Ownership: Private – Agent: Capital Commercial Realty

Nearby Amenities: Highway exposure with facilities for the traveling public. Near Cornerstone shopping centre containing Wal-Mart, Canadian Tire, Staples, Sobeys. Near No Frills (Loblaws) food store

Access: Hwy 27 Service Road and 65 Avenue

Permitted Uses: Highway Commercial

Please visit these websites for further information.

Olds Institute for Community & Regional Development - www.oldsinstitute.ca

Town of Olds - www.olds.ca

Olds College - www.oldscollege.ca

Olds Agricultural Society - www.oldsagsociety.com

Chinook's Edge School Division - www.chinooksedge.ab.ca

Mountain View County - www.mountainviewcounty.com