

Limited Service Hotel

Concept

An opportunity exists in the Town of Mayerthorpe to construct a new 40 room, chain-affiliated, limited service hotel, with added potential to cater to long-term/extended stay guests by offering suites. Amenities could include an exercise room, hot tub, and an optional continental-style breakfast option, which would be included in the room rate. Suites would include a kitchenette, living area and separate bedroom space. A meeting room for up to 50 guests would also be a popular feature as there are limited options in Mayerthorpe for meeting space.

Site Status

The site is located within a new 60-acre development next to the intersection of Highways 22 and 43. The lot identified for hotel development is approximately 1.5 acres and has an option to purchase another 1.5 acres on an adjacent lot. The site is currently zoned as Direct Control with the potential to be zoned as highway commercial/light industrial to permit a hotel. Environmental Site Assessments 1 and 2, plus topography and geotechnical reports, have been completed.

Numerous development opportunities exist on the 60-acre site, including a service station, car and truck wash, retail and fast food outlets, restaurant, and other light industrial development.

Market Analysis

The Town of Mayerthorpe (population of 1,398 in 2012) is located at the junction of Highways 43 and 22, northwest of Edmonton and approximately 300 km from Jasper National Park. Highway 43, part of the Alaska and Mackenzie Highway, is also called the Canamex Trade Corridor, a major travel route linking Canada, the US and Mexico. From Edmonton to the British Columbia border, Highway 43 passes through several centres in Alberta including Mayerthorpe, Whitecourt and Grande Prairie. Highway 43 is mostly twinned and ensures a steady stream of passenger, recreational vehicle and commercial traffic. A bypass is planned for Whitecourt on Highway 43, which will positively affect traffic flow through Mayerthorpe by providing greater access to services. Highway 22 is the scenic alternative to Highway 2.

Mayerthorpe is a service centre for surrounding communities. The demand for hotel rooms will come from numerous agricultural, recreational and sporting events hosted in Mayerthorpe and the surrounding area. The hotel could also expect to host workers and business travellers from agricultural, forestry, and oil and gas sectors, as well as other commercial or industrial service professions. Service providers such as doctors and nurses who travel in the area to deliver care for the community may be interested in long-term stays. The hotel would also be in a position to attract weddings, anniversary parties and family reunions.

The "Fallen Four Memorial Park Museum" is a memorial honouring the four R.C.M.P officers who were shot and killed near Mayerthorpe in March 2005. The memorial was built in 2008 and attracts an average of 9,000 visitors each year.

In 2011, the community opened a new exhibition centre, In 2012 the water treatment plant expansion and upgrade, lift station replacement, and a force main and lagoon upgrade were completed and in 2013 the new Aquatic Centre opened.

Mayerthorpe is close to several attractive recreation areas, including the Paddle River Dam, Lessard Lake, Rangeton Park, and Dolberg Lake, all of which offer excellent outdoor activities such as fishing, boating, water skiing, swimming, sail boarding and sailing.

Financial Information

Estimated capital costs are based on the 2010 Grande Alberta Economic Region (GAER) Tourism Investment Opportunity Assessment. The assessment is not intended to be a feasibility study.

Capital requirements include:

- Hotel building costs are based on construction of 40 units at \$70,000-\$90,000 per room for traditional construction, including furniture, fixtures and equipment. This yields a sub-total of \$2,800,000-\$3,600,000.
- Additional estimated costs include: soft costs of 7.5%; contingency of 10.0%; pre-opening marketing at 2.5%. The sub-total of these costs is \$560,000- \$720,000.

Estimated Capital Requirements: \$3,360,000 - \$4,320,000			
Projected Operating Results Summary (2012 – 2016) <i>*based on 40 rooms</i>			
Occupancy	Average Rate	Annual Revenues	Annual Operating Income
60% to 68%	\$85 to \$94	\$796,722 to \$996,690	\$302,754 to \$408,643

Source: Grande Alberta Economic Region (GAER) Tourism Investment Opportunity Assessment, March 2010