

Investment Opportunity

Addington Highlands  
*Nature's Heartland...*

*catch the beat*





## Introduction



*Natural heritage resources second to none yet less land use pressure than other destination areas in Ontario means higher quality experiences for visitors*

Ontario has long been recognized by travellers as an outdoor playground of immense beauty and seasonal variety. Over the years, first Muskoka, then the Kawarthas and Haliburton vacation areas have seen the growth of four-season destination resorts catering to family vacations, outdoor adventurers, and anglers, and more recently to golfers, spa seekers, and business travellers attending conferences and meetings. Now it is Addington Highlands' turn.

If ever there were a resort playground with everything to offer in the "great outdoors," the mature forests, lakes, and rivers of Addington Highlands surely must be it. On this Canadian Shield land, visitors can find room for all the adventure their hearts desire. There are acres of spectacular lakes, rivers, and streams for water-oriented recreation; forest and highland trails to explore on foot, bicycle, and horseback; dark, star-filled skies for night gazing; and miles of professionally groomed snowmobile trails that open up a winter wonderland. For golfers the rural landscape offers a perfect blend of topography, scenery, and vegetation on which to craft spectacular golf courses. Yet, the wide open spaces also provide acres of room to accommodate indoor activities with facilities for dining, entertainment, spa services, and recreation.

Addington Highlands, at the gateway to Eastern Ontario's renowned natural paradise, offers "a *ground floor opportunity*" to supply the growing demand for upscale resort lifestyle development within easy reach of the Greater Toronto Area and Ottawa. As a result, the corporations of the Township of Addington Highlands and the County of Lennox and Addington are seeking private investment to develop and operate one or more four-season destination resorts.

This investor information brochure is being circulated by the Township of Addington Highlands Economics Committee to provide an introduction to the key features, characteristics, and benefits of the resort development potential in the township. Substantial research and analysis has been undertaken to validate the attractiveness of available development opportunities and to compile information and data for interested parties. Please see the information at the end of this brochure for direction on how to inquire further.



## Geographic Location

*Strategic geographic location relative to key Ontario and northern U.S. population centres means easy access for more than 7.5 million potential customers*

As illustrated in the following map, the Township of Addington Highlands is located in the northern portion of Lennox & Addington County, Ontario, Canada, and is *strategically situated* in southeastern Ontario within easy driving distance of major Ontario, Quebec, and US population centres, including Toronto, Ottawa, Montreal, Buffalo, and Syracuse.

Addington Highlands is approximately two hours driving time from a consumer base of 6 million inhabitants in the Greater Toronto Area to the west and the Greater Ottawa consumer base of 1.5 million to the east. It forms part of the western boundary of Ontario Travel Region 9 (Eastern Ontario), which encompasses an area east to the edge of the Regional Municipality of Ottawa-Carleton; north to the southern edge of Algonquin Park, Pembroke, and the Ottawa River; and south almost to Lake Ontario and the St. Lawrence River. Within Region 9 are a number of sub-regional destination areas. Addington Highlands is located within, and occupies the northwest corner of, the Land O'Lakes (LOL) destination area, which encompasses all of Lennox & Addington County and portions of Frontenac County on the east and Hastings County on the west.

## Transportation Infrastructure

The primary means of transportation to and within the LOL destination area is by private automobile, using the main highway corridors including:



- Highway 401. The primary multi-lane east-west transportation corridor through the province of Ontario, Highway 401 traverses the LOL destination area in the southern zone, with interchanges at Highway 41 and Highway 38, as well as other locations between Belleville and Kingston.
- Highway 41. Connecting Napanee in the south to Denbigh in the north, Highway 41 is a two-lane, paved county road south of Highway 7 and a two-lane paved provincial highway north of Highway 7.
- Highway 7. Running east-west through the region while connecting Ottawa with Toronto, Highway 7 is a two-lane, paved provincial highway as it passes through the LOL destination area.
- Highway 28. Running west from Highway 41 at Denbigh, Highway 28 is a two-lane paved provincial highway connecting to Bancroft and Highway 62.
- Highway 38. Running north-south along the eastern boundary of the LOL destination area, Highway 38 is a two-lane paved county road connecting Sharbot Lake with the City of Kingston.

# ADDINGTON HIGHLANDS REGIONAL SETTING





Scheduled passenger rail service is provided by VIA Rail through Napanee as well as to Belleville and Kingston on the edges of the LOL destination area. Greyhound Coach Lines provides scheduled bus service through Napanee and along Highway 7 with stops in Kaladar and in Sharbot Lake. The area is well-served by the Ottawa and Toronto International Airports and there is scheduled and charter air service provided through a public air terminal in nearby Kingston. As well, there are a number of private airfields located throughout the area, including one under construction near Northbrook.



The County of Lennox & Addington is currently engaged in a planning process to select some county roads for widening to accommodate bicycle lanes. The plan is to construct over 300km. of paved bicycle lanes on the road shoulders as roads undergo scheduled major maintenance and upgrading over the next 10 years. County Roads 29 and 30 within Addington Highlands are designated for bicycle lanes. the County is also actively encouraging the Province to install paved shoulders on Highways 41 and 28.

## Physical Characteristics

All of Addington Highlands is part of the pre-Cambrian shield geological formation, which in this area is characterized by hilly

terrain of granite bedrock and frequent rock outcroppings, extensive mixed forests with limited patches of marginal agricultural lands, and more than 100 lakes and rivers. Approximately 70% of *Addington Highlands' land base is Crown Land.*



*Developable, relatively low priced land available means attractive ROI potential*

From a tourism perspective, the most important lakes and rivers in Addington Highlands include Mazinaw Lake (shared with a neighbouring municipality), Skootamata Lake, and Weslemkoon Lake, all of which have significant cottage communities (and cottager associations) and some commercial accommodation.

Addington Highlands experiences a moderate climate typical of much of central Ontario. The average monthly temperature reaches a high of 20.6 Celsius in July and a low of -8.0 Celsius in January. September is the wettest month with an average of 92.7 mm of rain, while significant snowfalls are common in December, January, February, and March.

## ADDINGTON HIGHLANDS

### PHYSICAL ATTRIBUTES



**Legend**

**Layer**

- Water-Lake
- Water-Course
- Water-River
- Brdy-Mun
- EPA
- Pits
- Road-City
- Road-ForestAccess
- Road-Highway
- Road-Mun
- Road-Private
- Road-Seasonal
- Road-Unmaintained
- Urban
- hydro

Prepared by: **Commercial Focus Advisory Services Inc.**  
2010/01/08 10:45 AM Commercial Focus Inc.



Addington Highlands offers abundant opportunities to be in touch with the seasons and to enjoy the great outdoors. The natural settings can be best summarized as *an ideal location for year-round destination resorts* with excellent

proximity to both summer and winter recreation opportunities.

## Existing Tourism Development and Resources

The distribution of tourism businesses and opportunities within the LOL destination area suggests the presence of three identifiable tourism zones. The northern zone, which occupies approximately 65% of LOL and includes all of Addington Highlands, is an area of pre-Cambrian shield lakes and forests, offering primarily outdoor recreation activities that take advantage of natural heritage resources. The central zone, which extends as far south as Highway 401, is rural in character, offering a mix of tourism opportunities based on both natural and cultural heritage. South of Highway 401 is the most heavily populated zone with primarily cultural heritage based tourism opportunities.



*Established tourism demand in the region but underdeveloped within the Township means ground floor investment opportunity with substantial upside growth potential*

### Commercial Accommodation

More than 146 commercial accommodation properties offering in excess of 3,877 accommodation units currently operate in the LOL destination area. This inventory includes a mix of lodges/resort/housekeeping cottages, hotels/motels/inns, bed & breakfast, and campgrounds. *There are no full-service resort hotels.* Lodges/resort/housekeeping cottages and campgrounds are concentrated in LOL's northern zone, while hotels/motels/inns and bed & breakfast operations are located predominantly in the central and southern zones.

### Food Service & Entertainment

There are more than 24 restaurants/taverns listed as members on the LOLTourist Association website, with 10 of these located in the LOL northern zone. The Lennox & Addington County website lists nine full service restaurants and dining lounges located in Addington Highlands.

### Natural Heritage Attractions

Natural heritage based attractions – mostly lakes and rivers -- continue to be the primary tourism attractor in the northern zone of the LOL destination area. In Addington Highlands alone there are over 100 lakes, while the LOL destination area is reported to contain more than 5,000 lakes and rivers.



Certainly the most recognizable natural heritage attraction in the LOL destination area, and arguably one of the premiere attractions in Ontario, is Mazinaw Lake and Bon Echo Rock. In addition to its present-day stature as a preferred vacation destination, Mazinaw Lake has been a *popular tourist destination for nearly 100 years*. Bon Echo Inn, built and opened in 1913, attracted patrons from Ottawa, Toronto, and the northern US -- quite an achievement in the early 1900s! Unfortunately, the highly successful inn was destroyed by fire in 1936 and was never rebuilt. However, the history and story remain and is told by the Friends of Bon Echo Park, an active group dedicated to preserving the park's natural and cultural heritage.



### Water-Based Recreation

Fishing, boating, and other water-based recreational activities are enjoyed by visitors to LOL. The large variety of sport fish species includes lake trout, walleye, northern pike, largemouth bass, smallmouth bass, perch, and muskie. There are also many well-marked, semi-remote canoe and kayak routes including the Skootamata River, Mazinaw loop, Kishkebus, and Madawaska River.



### Parks and Conservation Areas

A total of seven provincial parks and regional conservation areas within the LOL destination area offer a wide variety of outdoor adventure facilities and amenities, including camping, beaches, picnic areas, trails, rock-climbing venues, wildlife viewing areas, and interpretive programs and facilities. The busiest of the provincial parks is Bon Echo (on Mazinaw Lake) in Addington Highlands, which annually attracts more than 175,000 visitors.

### Trails

Throughout the LOL destination area there is an established system of more than 400 km. of multi-use trails and forest access roads, including the Trans Canada Trail. In addition, an established network of snowmobile trails is maintained by active snowmobile clubs such as the Mazinaw Power Line Club and Denbigh Trail Twisters; these connect with and are part of the Trans Ontario Provincial Snowmobile (TOPS) trail network. More recently, ATV trail opportunities are beginning to be developed in the northern zone of the LOL destination area.



### **Golf Facilities**

Within the LOL destination area there are a total of nine golf courses/facilities – five 18-hole courses, three 9-hole courses, and two driving ranges -- most (six) of which are located in the central and southern zones.



### **Cultural Heritage Resources**

The southern zone of the LOL destination area offers the richest inventory of cultural heritage attractions based on the area's settlement history, especially the arrival of United Empire Loyalists. The central and northern zones also offer community museums (including the Pioneer Museum in Cloyne), historic sites, and interpretive centres, albeit fewer in number. There are at least 11 of these types of facilities throughout the area. In addition, the northern zone is home to numerous historic dams and mine sites that hold potential for development as historic sites.

### **Arts Community**

The LOL destination area is home to *a vibrant arts and artist community*. The unspoiled natural landscapes of Addington Highlands inspire the creativity of dozens of artisans who reside in the area. Artists within Addington Highlands and neighbouring North Frontenac Township are especially active and jointly participate in two popular local exhibitions on an annual basis.



## Tourism Demand

### Visits to Eastern Ontario

In 2001, the most recent year for which Ontario visitor and visit statistics are available, the Eastern Ontario Travel Region (Region 9) attracted approximately **3.2 million person visits**, consisting of approximately 1.5 million overnight visits (47%) and 1.7 million day trips (53%). Eastern Ontario's share of total Ontario visits in 2001 was approximately 3.1%, including a 4.3% share of visits by domestic visitors, 1.2% share of visits by US visitors, and 2.6% share of visits by overseas visitors.



### Visits to Lennox & Addington County

In 2001 Lennox & Addington County attracted a total of approximately 274,000 person visits, consisting of approximately 104,000 overnight visits (38%) and 170,000 day trips (62%). Lennox & Addington County's share of Region 9 visits is approximately 8.7%, including 8.8% share of visits by Ontario residents, 8.5% share of visits by US visitors, and a 3.4% share of visits by overseas visitors.



### Golf Tourists

Recent travel research conducted in Canada and the US (Tourism Activities and Motivation Study or TAMS, 1999) revealed that more than 8 million Canadian residents and 56.4 million US residents who travelled during 1999-2000, and/or intended to travel in 2001-2002, were avid or occasional golfers. These golf tourists accounted for 48% of domestic travellers (35.9 million visitors) and 39% of US travellers (11 million visitors) to Ontario in 2001. Assuming that travellers who golf are evenly distributed across Ontario's travel regions, as many as **1.47 million** visitors to Eastern Ontario in 2001 may have been *avid or occasional golfers*.

The demand for golf and recreation properties is best illustrated by its remarkable growth as reported by the National Golf Foundation: 3.9 million Canadian golfers averaged 13.6 rounds of golf totalling 53 million rounds in 1997. Golf is projected to grow an average of 3.3% annually through 2011.

There are 1.4 million golfers in Ontario. There are more core golfers in this province than in any other province in Canada, and they have the highest average number of rounds per golfer. Of these, 73.5% are male, and 48.7% are 18 to 39 years of age. Around 58% have a household income of \$50,000 or more, and 56% are employed in professional/managerial/administrative positions.

### Spa Tourists

The TAMS research revealed that approximately 1.8 million Canadian residents and 25.4 million US residents who travelled during 1999-2000, and/or intended to travel in 2001-2002, either visited or are interested in visiting a health spa. More importantly, spa visitors and those interested in visiting spas accounted for 9% of domestic travellers (6.7 million visitors) and 13% of US travellers (3.7 million visitors) to Ontario in 2001. Assuming that travellers who visit and/or have an interest in visiting spas are evenly distributed across Ontario's travel regions, as many as **295,000** visitors to Eastern Ontario in 2001 may have been *potential spa visitors*.



### Business Event Tourists

The TAMS research revealed that approximately 4.3 million Canadian residents and 48.1 million US residents who travelled during 1999-2000, and/or intended to travel in 2001-2002, attended one or more out-of-town business events. For Ontario, business event tourists accounted for 27% of domestic travellers (20.1 million visitors) and 37% of US travellers (10.5 million visitors) to Ontario in 2001. Assuming that business event tourists are evenly distributed across Ontario's travel regions, as many as **877,000** visitors to Eastern Ontario in 2001 may have been *business event tourists*.



## Tourism Demand Table

Person Visits 2001			
	Total	Overnight	Day Trip
<b>Region 9</b>			
All Origins	3,148,000	1,480,000	1,668,000
from			
Domestic	2,768,000	1,188,000	1,580,000
US	351,000	265,000	86,000
Overseas	29,000	27,000	2,000
<b>Lennox &amp; Addington County</b>			
All Origins	274,000	104,000	170,000
from			
Domestic	243,000	85,000	158,000
US	30,000	18,000	12,000
Overseas	1,000	1,000	0

Source: Statistics Canada



### Supportive Development Climate

There is demonstrated, broad-based support within Addington Highlands for new hotel/resort development. Through the Addington Highlands

Economics Committee, municipal officials

## Supportive Development Climate

and local business representatives identified the need to attract this type of development as one of their **highest priorities** and are pro-actively soliciting interest from potential investors.

*Supportive development climate means a smoother approvals process*

### Momentum for Tourism Development

In December 2001, a Resource Jump Team was formed by the Ontario Ministry of Agriculture and Food (OMAF) to investigate specific barriers to economic growth in the LOL region, which includes the Township of Addington Highlands. A report was prepared in January 2002 to identify strategies to resolve the barriers and was presented at a public meeting in Selby, Ontario, on January 28, 2002.



The Jump Team reported that “there is a demonstrated need for a wider range of year-round accommodation facilities in order to increase overnight visitation and extend the length of stay for visitors to the LOL region.” In particular, no high-end accommodation properties currently exist in the area. The initiation of this hotel/resort investment promotion program, supported by the provincial government through the OSTAR program, has begun to galvanize support and provide direction for tourism development activities.

Through their actions, many potential partners for new tourism development such as the Government of Ontario, Township of Addington Highlands, County of Lennox & Addington, Land O’Lakes Tourist Association, Eastern Ontario Trails Alliance, Land O’Lakes Communication Network, and MNR/Ontario Parks are “on side.”

### Financial Assistance

There are a variety of government programs and incentives to assist in *eliminating specific barriers to economic growth* in the Township of Addington Highlands. For example, the Prince Edward/Lennox & Addington Community Futures Development Corporation represents a potential source of locally based financial assistance for new hotel/resort investment. Up to \$325,000 in financial assistance may be available.



### Tourism Marketing Organizations

Tourism operators in Addington Highlands have *access to marketing support and programs* from four public/not-for-profit tourism marketing organizations. These include the Canadian Tourism Commission at the national level, the Ontario Tourism Marketing Partnership at the provincial level, the Ontario East Tourism Corporation at the regional (Eastern Ontario) level, and the Land O' Lakes Tourist Association at the subregional (LOL destination area) level.

### Land Use Planning

The Township of Addington Highlands is completing its first Official Plan for the amalgamated municipality. When complete, the Official Plan will build on the Township's vision statement with regard to the Provincial Policy Statement while providing guidance for Council, businesses, and permanent and seasonal residents to make recommendations and decisions on land use planning in the municipality. The proposed Official Plan policies are intended to promote economic development, protect significant environmental features, and enhance the sense of community in the Township of Addington Highlands.



In the absence of a comprehensive zoning by-law, and with a limited number of registered plans of subdivision, there are currently *minimal restrictions on private land use and development*. However, the building permit application process is actively used by the township, as required, to control potentially conflicting land uses.





How do you improve on paradise? How do you make one of the world's most magnificent natural havens even more unforgettable? By creating an environment that brings perfect harmony to the relationship between people and nature.

## Potential Resort Development Concepts

The Addington Highlands four-season resort development opportunities are based on the premise that at least one four-season destination resort is needed and that the time for development is now! ***Strong unmet market demand exists for outdoor adventure, golf facilities, spas, and a conference centre***, while suitable lands for development are available at attractive prices.

Based on research and analysis completed for the Township of Addington Highlands Resort Development Feasibility Study (the Tourism Company, September 2003), the two types of resort development considered to be a good "fit" with the market demand, resources, and attributes in the Township of Addington Highlands are a Golf, Conference, and Spa Resort and an Ec lodge

### Golf, Conference, and Spa Resort

A golf, conference, and spa resort located in Addington Highlands would be the only one of this type in the LOL destination area, as well as one of only a handful in the Eastern Ontario travel region.



The development would provide a full range of leisure, recreation, and business event facilities (meetings, conferences, training) for domestic, US, and international pleasure and business travellers. At approximately \$175/room/night (excluding meals), this type of accommodation would be priced substantially higher than any of the existing roofed accommodation properties currently operating in the market area.



The visitor experience could be focused on on-site leisure and recreation, with business event activities and programs, complemented by off-site outdoor adventure activities and visits to cultural heritage attractions. Short stay (two-three nights) pleasure and business event tourists and extended stay (six-seven nights) pleasure travellers could be attracted during all four seasons



The upscale accommodation, golf facilities, spa, and conference centre could "anchor" a development of residential housing. All of this would be located in Ontario's rural vacation land mid-way between Toronto and Ottawa where ownership in the residential units would make sense for anyone looking for a full-time, seasonal, or investment property.

### Ec lodge

An ecolodge would occupy a unique position within the LOL destination area as well as the Eastern Ontario travel region. It should be a four-season, destination-stay vacation resort, providing an environmentally sensitive, non-consumptive, soft outdoor adventure experience for domestic, US, and international pleasure travellers.



Target market guests include many travellers currently visiting Eastern Ontario (some may be visiting Addington Highlands) for overnight or longer stays who are seeking a new and different accommodation experience with an environmental focus, as well as new travellers attracted to the area specifically for the purpose of visiting and staying overnight or longer in a North American ecolodge.



The ecolodge could be priced at approximately \$150/room/night (excluding meals), which would be higher than all of the existing roofed accommodation currently operating within the market area. The visitor experience should be focused on offering on-site and nearby natural heritage, resource-based, non-consumptive, soft adventure activities and programs, attracting short stay (two to three nights) and extended stay (six to seven nights) pleasure travellers during all four seasons.

Both resort development concepts profiled above have the *potential to generate attractive returns on investment*. To illustrate this fact, pro forma

## Return on Investment

financial projections for a typical golf, conference, and spa resort and a typical ecolodge have been

prepared. These financial projections are pro forma estimates based on research undertaken by the Tourism Company and the firm's experience in these matters. Certain assumptions may not materialize and circumstances may change. Accordingly, actual results may vary from the pro forma estimates, and the variations may be material. Nonetheless, with reasonable levels of business demand and industry average operating cost margins as shown, resort development in Addington Highlands could potentially yield annual average return on investment of 12% or more.

# Financial Exhibits

## Golf, Conference and Spa Resort

Potential Financial Performance: Golf, Conference & Spa Resort		
Number of Rooms		150
Annual Occupancy		65%
Average Room Rate	\$	175.00
Number of Golf Holes		27
Annual Rounds of Golf		20,000
Average Green Fee + Cart	\$	60.00
<b>Revenue</b>		
Rooms Revenue	\$	6,228,250 47%
Food & Beverage Revenue	\$	3,659,000 28%
Spa & Indoor Recreation Revenue	\$	1,879,500 14%
Golf Revenue	\$	1,500,000 11%
Total Revenue	\$	13,266,750 100%
<b>Expenses</b>		
Salaries & Wages	\$	4,643,400 35%
Other Operating Expenses	\$	3,980,000 30%
Total Expenses	\$	8,623,400
<b>Return on Investment</b>		
Net Operating Income Before Debt Service, Depreciation, & Income Taxes	\$	4,643,350 35%
Total Project Investment	\$	38,813,950
Annual Return on Investment		12.0%
Source: the Tourism Company, 2003		

## Ecolodge

Potential Financial Performance: Ecolodge		
Number of Rooms		50
Annual Occupancy		65%
Average Room Rate	\$	150.00
<b>Revenue</b>		
Rooms Revenue	\$	1,779,000 50%
Food & Beverage Revenue	\$	1,186,000 33%
Program and Rental Revenues	\$	593,000 17%
Total Revenue	\$	3,558,000 100%
<b>Expenses</b>		
Salaries & Wages	\$	1,601,100 45%
Other Operating Expenses	\$	889,500 25%
Total Expenses	\$	2,490,600
<b>Return on Investment</b>		
Net Operating Income Before Debt Service, Depreciation, & Income Taxes	\$	1,067,400 30%
Total Project Investment	\$	8,320,700
Annual Return on Investment		12.8%
Source: the Tourism Company, 2003		



A preliminary assessment of potential development sites located in the Township of Addington Highlands was undertaken in the summer of 2003. Based on a review of travel patterns, consideration of the land requirements

## Potential Development Areas

for the “ideal” development concepts, and

limited field inspection, a number of potential development areas were identified.

### Northbrook Area

Large parcels of privately owned woodland and marginal agricultural lands are located adjacent to Highway 41 (east and west sides) immediately north of the village of Northbrook. These parcels would be suitable as sites for development of a golf, conference, and spa resort.



*Northbrook landscape*

Electric and telecommunications services are routed along Highway 41 and hence readily available. At the present time, potable water would need to be provided by wells, and sanitary sewage would need to be treated on-site using septic systems or some other acceptable method. If a municipal water system were developed in Northbrook, some parcels may be close enough to benefit.

Parcels on the west side of Highway 41 reach back to the Skootamata River, while some on the east side contain ponds and wetlands. Typical land values, based on the most recent recorded sales for this type of undeveloped woodland/meadow, are in the \$400/acre range.

### Mazinaw Lake

Mazinaw Lake is one of the most well-known recreational destinations in the LOL destination area, with substantial cottage development and Bon Echo, one of the province’s busiest and most developed provincial parks.

Given its popularity, access, available electrical and telecommunication services, water quality, and adjacent natural heritage resources, the lake may be a suitable location for either a golf, conference, and spa resort or an ecolodge.

*Mazinaw Lake*





### **McChesney Lake**

Currently the location for a Ministry of Natural Resources (MNR) Junior Forest Ranger training centre and nine wilderness campsites, McChesney Lake would be an ideal site for the development of an ecolodge.

All of the land around the lake is Crown Land and, with the exception of the training centre, undeveloped. The lake is healthy, stocked annually with splake (a hybrid trout fish species) and approximately 50 acres in size. The location is private, with access via a 4 km. access road from Highway 41.



*McChesney Lake*



*McChesney Lake Area*

Electrical service, telecommunications, potable water system, and septic sewage systems are currently in place at the training centre. MNR has indicated that there currently are no plans to discontinue use of the training centre. However, MNR is continually reviewing these types of operations as assets age and repair/maintenance costs rise and in the past has closed down similar facilities in other locations. If the McChesney Lake training centre were closed and the land declared redundant, MNR could be expected to use a "Request for Proposal" process to solicit interest for other uses from private interests.

### **Denbigh Area**

In the northern part of Addington Highlands around the community of Denbigh there are large privately owned parcels of woodland and marginal agricultural pasture land adjacent to Highway 41, as well as waterfront land on Denbigh Lake that could be suitable for development of a golf, conference, and spa resort.



*Denbigh Lake*

### **Crown Land**

As much as 70% of the land in Addington Highlands is designated Crown Land. Aside from the parcels containing Bon Echo Provincial Park and McChesney Lake Forest Ranger Training Centre, much of this land is undeveloped and unused. There are precedents for the MNR to allow private-sector use of Crown Land for commercial purposes, but typically through a request for proposal process initiated by the Ministry.



## The Project Development Process

Four-season destination resort development in Addington Highlands is at the formative stage, which provides the greatest flexibility in terms of investment definition, design concepts, market segmentations, and technical approaches to constraints and opportunities. In addition to the initial land assembly, there is the need to explore detailed concept definition of the project. The resultant land requirements need to be further examined to determine the potential phasing of the infrastructure that can be supported by the market and ancillary development.

The first step is to prepare a preliminary concept plan which will then be used to assemble all the market, technical, and design information necessary to define and gain support for the proposed development concept. Concurrently, a financial pro forma of the preliminary concept plan needs to be prepared.

The next stage is to refine and finalize the preliminary concept plan and prepare the necessary technical documents (detailed design, engineering studies, market studies, etc.) to support a formal approvals process.

Typically, a project of this magnitude requires upwards of two to three years of technical studies to obtain all the necessary approvals. This timeframe is very elastic, however, in light of the desire by all levels of government to facilitate the realization of four-season resorts in the Addington Highlands.





## Next Steps

The Township of Addington Highlands is encouraging the preparation and submission of brief Expressions of Interests (EOI) for the development of one or more four-season destination resorts by financially proven proponents who are innovative and able to create and develop a project that enhances and complements the pristine environment of the Addington Highlands.

In responding to the EOI, proponents should outline their proposal and vision for this resort investment opportunity, as well as itemizing their experience and expertise in property/resort development.

Upon receipt and review of the EOI by the Township's consultant, Commercial Focus Advisory Services, a detailed feasibility/market analysis completed in September 2003 by the Tourism Company will be released by the Addington Highlands Economics Committee.



Questions regarding this very unique investment opportunity may be directed to Mr. Stephen I. Fagyas, Commercial Focus Advisory Services. Telephone: (416-712-9309); Fax: (416-972-9588); e-mail: [sifagyas@aol.com](mailto:sifagyas@aol.com).

Submissions clearly marked "Expressions of Interest—Addington Highlands Investment Opportunity," will be received at 69 Yorkville Avenue, Suite 400, Toronto, Ontario, Canada, M5R 1B8.

## Acknowledgements

Production of this brochure, including the research and analysis of resort development opportunities in the Township of Addington Highlands, was made possible through the financial support of:

The Ministry of Municipal Affairs and Housing,  
Ontario Small Town and Rural (OSTAR)  
Development Initiative, Rural Economic  
Development (RED) Program

The County of Lennox and Addington

The Township of Addington Highlands