

Management Plan

Please describe the details of your project to the extent known. Consult the guidance document for further information on regulatory requirements, rational for why the information is required, and how to find required information.

The scope and the timing for response will be provided. If information is requested and not received, it may result in the disallowance of the application.

Information on these topics may be required as part of the application processing and if further detail is necessary that is not part of the application and management plan received, you will be contacted and requested to provide additional information. In some circumstances, the use of a qualified professional to complete the plan may be required.

1.0 Background

1.1 Project Overview

Describe project for which authorization is requested, including construction and/or phased development details:

- Description:
 - 4.5 Acres of Upland Property (owned)
 - 2.3 Acres of Foreshore Property (leased)
 - Fish processing building sits on 90% upland and only 10% foreshore land
- Project:
 - Conversion of fish processing building into wellness centre with
 - Kitchen
 - Dining room
 - Spa Treatment rooms
 - Classroom
 - The only addition required for this will be to move out a post and beam to cover the picnic area in front of the building (near the dock)
 - Dock will remain the same
 - Remaining foreshore land will be used for parking

1.2 Investigative Work

If any preliminary investigative work has been carried out, with or without an investigative authorization, provide details on work completed, incomplete or on-going from previous term.



| Activity | Brief Description of Activity | Status (e.g. Complete, incomplete, ongoing) | Comments / Milestones |
|----------|--|---|-----------------------|
| Cleaning | Garbage left from previous tenants removed | Complete | N/A |
| Checking | Pressure mesh & safety check of dock | Ongoing | N/A |

Add Row

1.3 Confirmation of Safety Plan

Your Project must meet the [Occupational Health and Safety \(OHS\) criteria](#) set out by WorkSafe BC. Does your Project meet these criteria?

(X) Yes () No

5.2.3 First Nations Consultation

Describe any contact you may have had, including the name of the First Nation(s) and representatives contacted.

N/A

2.0 Location

2.1 Description

Provide a general description of the location of the project:

- Located in the Village of Egmont, near the Skookumchuck (a growing tourist attraction)
- Historically waterfront lease has been used as parking lot, and dock used as an unloading centre for the fish processing plant

2.2 Location Justification

Provide your reasons/justification of the need for this type of project at this location:

- Property has been vacant for four years without anyone finding a reason to buy and use property
- WCWL has become increasingly popular and successful, and needs to expand – bought the upland section
- The foreshore lease would significantly benefit ecotourism, and allow Egmont to continue to grow and benefit

2.3 Seasonal Expectations of Use

When will the Project require use of the land? Include information on key works during construction phases as well as operations phase. Please reference reduced risk fish windows as required by DFO:

| Project Phase (Construction / Operations) | Brief Description of Activity / Works | Season |
|---|---------------------------------------|----------|
| Construction of hotel facilities (Jan 2017) | Renovation of existing building | All year |
| Operation (2018) | Begin hotel operations | All year |
| Add Row | | |

3.0 Infrastructure and Improvements

3.1 New Facilities and Infrastructure

Detail any new facilities, infrastructure or processes proposed and any ancillary uses. Provide details of planned construction methods and materials, and construction scheduling.

| Facility/Infrastructure/Process | Construction Methods/Materials | Construction Schedule |
|---------------------------------|--------------------------------|-----------------------|
| Picnic area | Post & Beam | Feb – Mar 2017 |
| Add Field | | |

3.2 Access

Identify existing and proposed roads used for access and their use by season. Include any proposed connections to public or Forest Service Roads; traffic information including volume of traffic during construction/operation and phase or season that the traffic is expected:

| Roadway/Proposed Connection | Existing/Proposed | Existing Road Classification | Road Permittee Information and Road Use Agreements | Traffic Volume | | Mitigation of Traffic Effects |
|-----------------------------|---------------------|------------------------------|--|--------------------|------------------|-------------------------------|
| | | | | Construction Phase | Operations Phase | |
| N/A existing | Maple Rd (existing) | Highway | N/A | N/A | N/A | N/A |
| Add Field | | | | | | |

3.3 Utility Requirements and Sources

Describe utility requirements and sources, include agreements in place or underway allowing access to utilities.

| |
|--|
| <ul style="list-style-type: none">Existing power supplied by upland owners |
|--|

3.4 Water Supply

Identify water requirements for construction and operation phases (e.g. surface water and/or groundwater), including sources, location, volume and a general description of infrastructure planned to meet water supply requirements, include any agreements outside of Water Act Authorizations identified above (Section 1, Authorizations, Permits or Approvals), such as Municipal water supply.

| Project Phase (Construction/Operation) | Water Requirement (e.g. Surface water or ground water, etc) | Source/location | Volume | Infrastructure Description | Agreements |
|--|---|-----------------|--------|----------------------------|------------|
| N/A (existing) | Ground water | Upland water | 1500L | Piping | N/A |
| Add Field | | | | | |

3.5 Waste Collection Treatment and Disposal

Identify water requirements for construction and operation phases (e.g. surface water and/or groundwater), including:

| Project Phase (Construction/Operation) | Water Requirement (e.g. Surface water or ground water, etc) | Source/location | Volume | Infrastructure Description | Agreements |
|--|---|-------------------------------|---------------------------------|----------------------------|------------|
| N/A (existing) | Upland Septic | Upland owner supplying septic | Anything on foreshore pumped up | Piping | N/A |
| Add Field | | | | | |

4.0 Environmental

Describe any significant impacts and proposed mitigation for the following environmental classes:

4.1 Land Impacts

4.1.1 Vegetation Removal

Is any timber removal required?

☐ Yes ☒ No

Are any areas of vegetation to be cleared, outside of timber removal?

☐ Yes ☒ No

4.1.2 Soil Disturbance

Will there be any areas of soil disturbance, including clearing, grubbing, excavation and levelling?

☐ Yes ☒ No

Is the area to be excavated a Brownfield site or has the potential to be contaminated?

☐ Yes ☒ No

Is there potential for disturbance of archaeological, paleontological fossils or historical artifacts?

☐ Yes ☒ No

4.1.3 Riparian Encroachment

Will any works be completed within or adjacent to the riparian zone of any water body?

☐ Yes ☒ No

4.1.4 Pesticides and Herbicides

Will there be any use of pesticides or herbicides during construction, operations and/or maintenance?

☐ Yes ☒ No

4.1.5 Visual Impacts

Will there be any adverse effects of the projects, and any potential adverse effects on sight lines to the project area from surrounding areas likely to be used for scenic viewing by residents or other users?

☐ Yes ☒ No

4.1.6 Archaeological Sites

Are there any known or high potential (Arch Procedure) archaeological sites within the project area?

☐ Yes ☒ No

Have you conducted an AIA or engaged an archaeologist to assist with your investigations?

☐ Yes ☒ No

4.1.7 Construction Methods and Materials

Identify the types of construction materials, the methods used, their impacts, and any mitigations:

| Construction Material/Method | Impacts | Mitigations |
|---|---------|-------------|
| Post / beam construction – general construction | None | N/A |
| Add Field | | |

4.2 Atmospheric Impacts

4.2.1 Sound, Odor, Gas or Fuel Emissions

Will the project construction or operation cause any of the following to disturb wildlife or nearby residents:

(Best management practices for sound)

Sound? ☐ Yes ☒ No

Odor? ☐ Yes ☒ No

Gas? ☐ Yes ☒ No

Fuel Emissions? ☐ Yes ☒ No

4.3 Water or Land Covered by Water Impacts

4.3.1 Drainage Effects

Will the project result in changes to land drainage?

☐ Yes ☒ No

4.3.2 Public Access

Will the project result in changes to public access?

☐ Yes ☒ No

4.3.3 Flood Potential

Will the project result in a potential for flooding?

☐ Yes ☒ No

4.4 Fish and Wildlife Habitat Impacts

4.4.1 Disturbance to Wildlife and Wildlife Habitat

Will the project result in adverse effects to wildlife or wildlife habitat?

(BC Wildlife Act)

☐ Yes ☒ No

Will the project (construction or operations phase) occur in and around streams, lakes, estuarine or marine environments?

☐ Yes ☒ No

Is the project (construction or operations phase) likely to increase erosion or sedimentation?

☐ Yes ☒ No

Will the project (construction or operations phase) require water diversion?

☐ Yes ☒ No

Will the project threaten or endanger species at risk in the area?

Species At Risk Act

☐ Yes ☒ No

5.0 Socio-Community

5.1 Land Use

Describe the current community setting on or near the project area, including the location of non-aboriginal and aboriginal communities or known use areas.

- Land currently private so no community use

5.1.1 Land Management Plans and Regional Growth Strategies

Are there any land and resource management plans, coastal plans, provincial, regional growth strategies or local government plans with zoning, or management policies or use restrictions in place that could limit or preclude your proposed use of the land? *(Please refer to the [Union of BC Municipalities \(UBCM\)](#), and check the websites of the municipality, regional district or other organization with jurisdiction including your project area.)*

☐ Yes ☒ No

5.2 Socio-Community Conditions

5.2.1 Adjacent Users or Communities

Is the project likely to restrict public access, or the ability, or the ability of adjacent land owners or tenure holder to access their property or tenures?

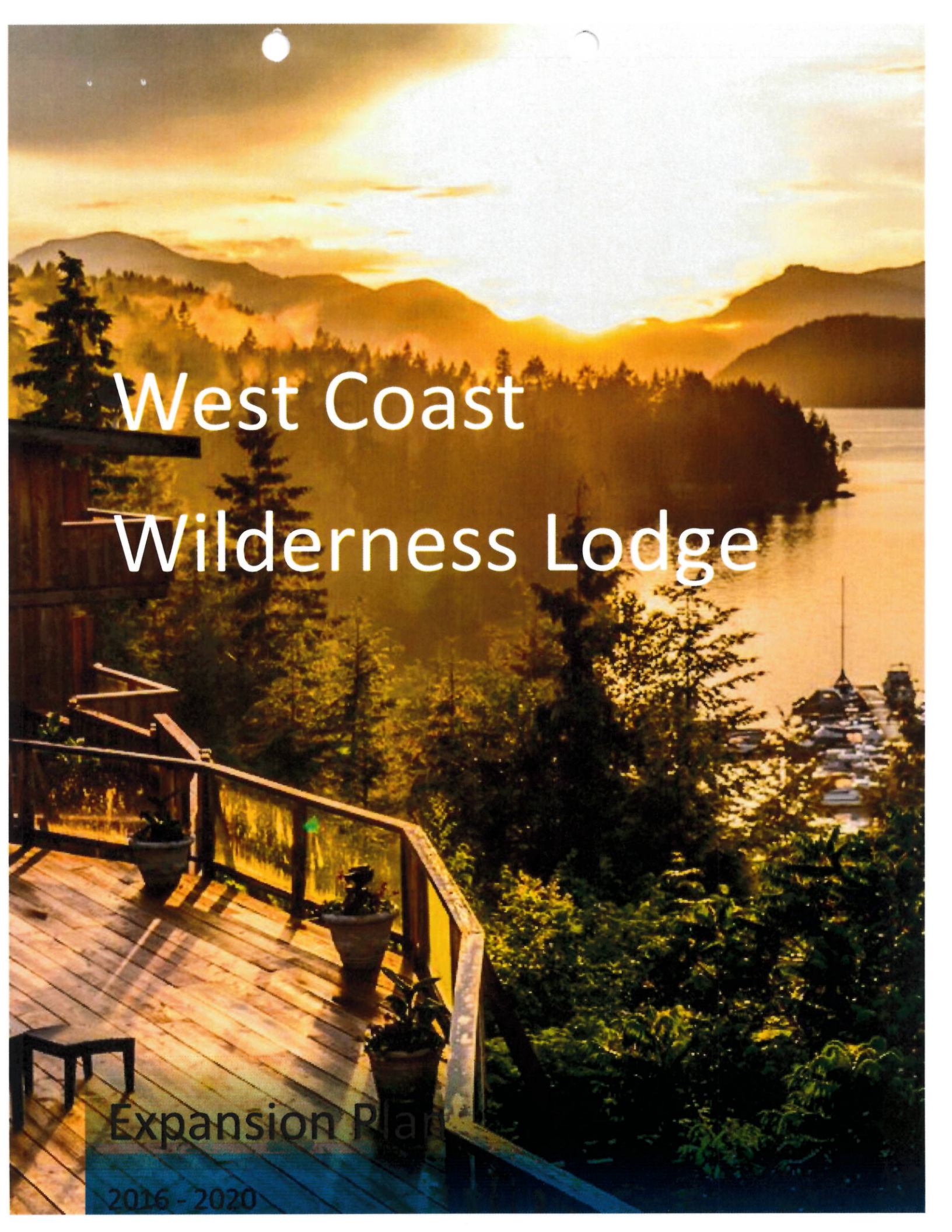
☐ Yes ☒ No

5.2.2 Existing Services

Provide a description any increased demand on fire protection and other health facilities and emergency services arising from your Project, including proposed management or mitigation measures.

- Decreased requirements, as less risk with hotel than fish plant

END OF FORM



West Coast Wilderness Lodge

Expansion Plan

2016 - 2020

LOOKING INTO THE FUTURE

HISTORY OF THE LODGE

DISCOVERY - 1997

Patti and Paul Hansen first discovered Egmont in March 1997. They were visiting the Sunshine Coast to find a location for a lodge that could accommodate their growing business. There was very little outside interest in Egmont at this stage; the find was a surprising end to a five year hunt.

Egmont was everything we wanted: proximate to Vancouver, but with a strong wilderness flavor.

THE ORIGINAL LODGE - 1998

Initially, the lodge was an education center for children learning environmental science. With schools being the only source of income and increasing operating costs, the need for additional revenue streams became evident.

REDESIGN - 2002

The summer tourism industry seemed to be an obvious direction. Consequently, they redesigned and upgraded with an eye towards a more sophisticated market.

Within two years of making the essential changes to the physical aspects of the lodge they realized that their primary tourism market was international. With that in mind, they continued to blend the wilderness attributes that the lodge had with all the amenities that guests expect from a high level resort.

EXPANSION - 2012

In 2012 it was evident that the demand was growing and the lodge had to expand. This led to building a sixth mini-lodge, which contains six upper end units. This brought total accommodation to twenty-six rooms.

Initially we expected that our occupancy would fall with the additional capacity but that was not the case.

In 2014 there was an increase in occupancy and revenue growth of \$250,000. In 2015 they continued to see occupancy rise and experienced a further revenue increase of \$350,000.

SUCCESS AND POTENTIAL GROWTH

RECOGNITION: WCWL MAJOR TOURISM PLAYER IN BRITISH COLUMBIA

The growth seen in 2014 and 2015 can be attributed to an increase in both international and domestic travelers. In particular, the Vancouver market has started to discover the Sunshine Coast, and the West Coast Wilderness Lodge. The marketing plan that had been focused primarily on international guests was expanded over the last four years and is now also focused on the domestic market.

This success is demonstrable: clients have recognized the West Coast Wilderness Lodge as the best Lodge in BC for the last six years through the Georgia Straight newspaper's annual "**the Best of Georgia Straight**" awards.

The Lodge has been recognized by both the **Ministry of Tourism for B.C.** and the **Coast and Mountains' Tourism DMO** as one of the major reasons behind the growth and increasing awareness of tourism on the Sunshine Coast.

WEDDINGS: DEMAND CONTINUES TO GROW

In addition to individual tourists, the wedding market has been a major success. It was this revenue that enabled expansion of the number rooms and the quality of the lodge. However, the limited room capacity of the lodge has a negative impact on both current revenue and future growth.

A large portion of our wedding revenues are lost to our local competitors due to the fact that we cannot house all of the guests in attendance.

This has been happening for the last eight years and is projected to be a loss of potential revenue of over \$200,000 in 2016. The lodge has also lost several major weddings due to the fact that they could not accommodate all the guests on-site and the guests did not want to use alternative lodgings that they found inferior.

EGMONT: TOURISM MARKET CONTINUES TO GROW

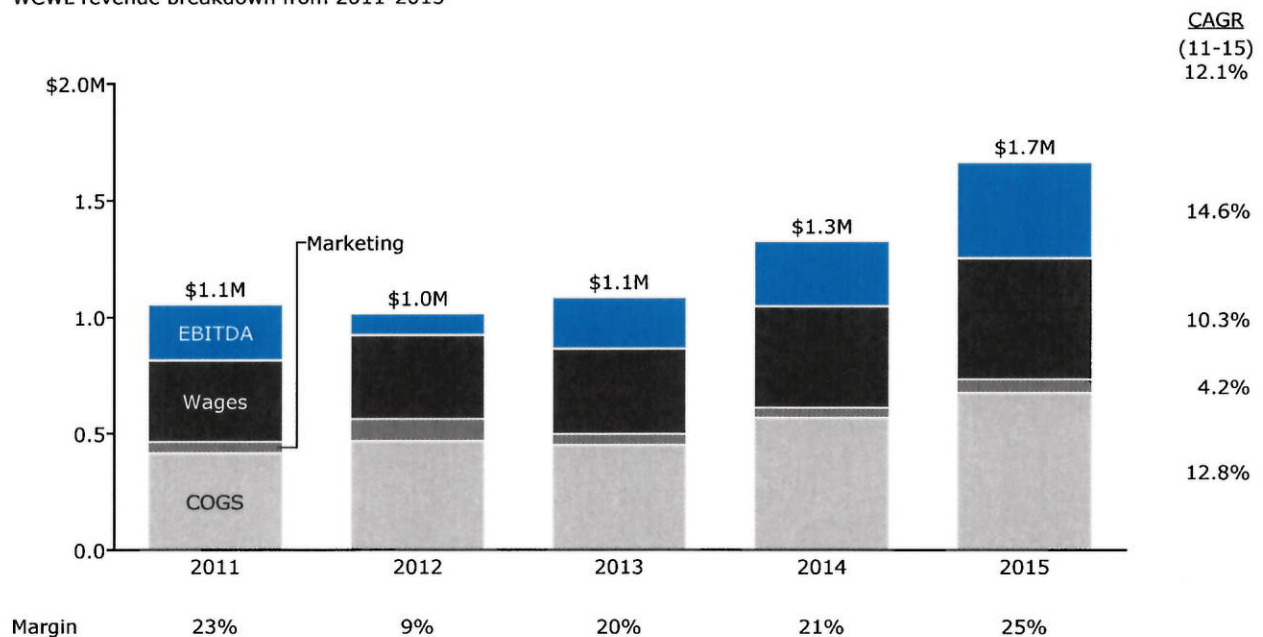
Egmont has always been a major economic engine for the Sunshine Coast due to the fact that 40,000 to 60,000 people hike that Skookumchuck trail during the summer season. This trail, located only 800 meters away, is allowing the lodge to increase day sales in the restaurant. In the last two years these sales have doubled. Adventure services have also doubled in the last two years, and there is significance potential to continue this growth.

We feel that we have only just begun to pursue this day market. Given a stronger marketing focus, we can further expand into this market.

CURRENT FINANCIAL PERFORMANCE

The lodge has experienced strong growth over the last five years, with annual revenue growth of 12.1% largely due to the sixth mini-lodge expansion. On top of this, increased occupancy has driven up revenues. The financial performance can be seen below.

WCWL revenue breakdown from 2011-2015



Notes: Higher costs in 2012 due to purchase of Zodiac, included as a one-off cost, and \$45,000 marketing campaign. Margin calculated on EBITDA.

The lodge saw exceptionally high growth from 2014 to 2015 with a year-on-year growth of 25.7%. This was due to three key areas: accommodation grew due to increased occupancy (26.5%); the focus on restaurant sales led to extremely high growth (33.9%); and activities (including boat tours) grew significantly (26.3%). Costs also grew significantly, but with growth of only 19.6%, **EBITDA grew by a staggering 48.4%**.

THE FUTURE OF THE LODGE

GROWING ACCOMMODATION ISSUE

In 2015 it became evident that for continued success of the Lodge, increased accommodation capacity is needed for additional guests and also staff.

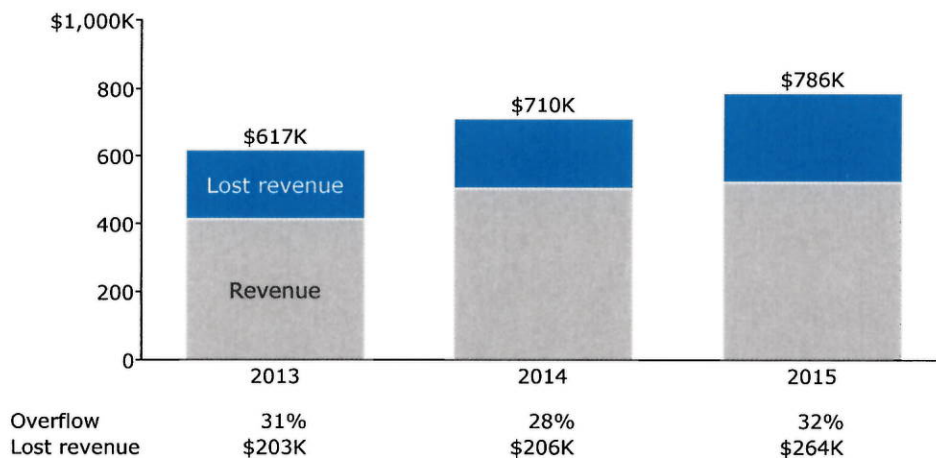
We believe that Egmont is quickly becoming the Tofino of the Sunshine Coast, as we predicted years ago, and the lodge needs to expand to continue to benefit from this growth.

The lodge turns away six to eight hundred tourists each year. International travel wholesalers have asked for additional capacity. It is estimated that in four years, the lodge will miss out on individual tourists and travelers (excluding wedding guests) that could add revenue of over \$800,000 if it does not expand.

INCREASING WEDDING LOSSES

The lodge's existing weddings average fifty-five couples (110 clients). Out of that number the lodge can only house or accommodate twenty-six couples (fifty-two guests), so turns away a minimum of twenty-four couples (and typically thirty or more). From these weddings alone, the lodge loses tens of thousands of dollars each month.

Full potential of weddings in 2013-2015



On top of this, four or five large corporate groups are turned away each year because of size, not to mention several extra weddings.

For the lodge to continue down the path of ecotourism, wellness and tourism in general, we need to increase the bed count.

PROPOSAL FOR GROWTH: THE FISH PLANT

A piece of property (the **Fish Plant**) is just 200 meters away from the existing lodge and is available on the market for the first time in thirty years.

The Fish Plant was initially appraised at \$1.4 million and the appraiser's description of the area included the fact the Egmont was known as a famous resort area (the lodge is the only resort in the area). The current selling price is \$975,000.

With the purchase of this property and the development of this property three goals will be achieved:

1. **Capacity:** Building of thirty new units will increase day-to-day capacity as well as increasing attractiveness to growing wedding and corporate clients. Revenues are expected to increase by over \$1M with this capacity increase.
2. **Staff accommodation:** Egmont has few potential employees, so staff need to be sourced from outside. Being able to provide accommodation makes hiring much easier.
3. **Expanded facilities:** A health and wellness center will be created that will facilitate year round operation and provide an increased number of activities.

The planned improvements will occur over three years in five phases.

HEALTH AND WELLNESS: THE WEST COAST WELLNESS CENTER

The new site will achieve more than just growth of the lodge: the property will be developed as a health and wellness center. This is a growing aspect of tourism that will expand offerings at the lodge and make visiting even more attractive. Furthermore, this expansion will allow the lodge to begin running in winter by packaging skiing and wellness stays with overseas tourism and whistler skiing partners.

Our aim is to attract guests to the center and help them make a healthy transformation by providing programs that can be tailored to meet individual needs.

As part of its wellness programs, the resort will offer:

- **Fitness classes**, such as Zumba and yoga, as well as scuba diving and scenic activities like Boot Camp, kayaking, bike adventures and nature walks.
- **Culinary classes**, including cooking classes and diet seminars to teach guests to feed themselves better.
- **The Water's Edge Spa**, a spa facility which will feature more than 30 treatments.

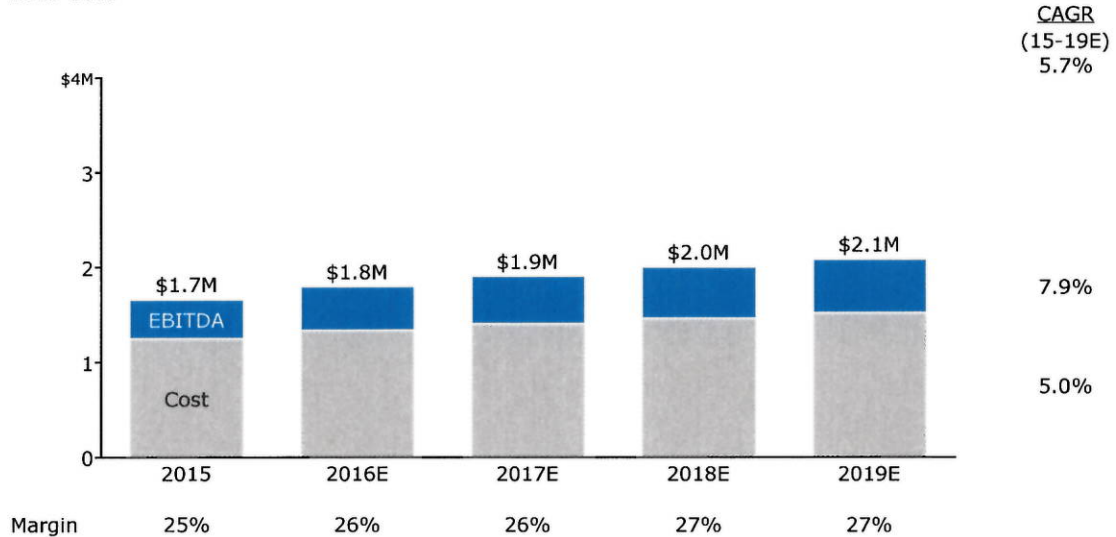
The West Coast Wellness Center will also host classes in life management, personal growth, weight loss, dance, meditation and a host of other modalities — all designed to foster good habits and nurture wellbeing.

No matter what our future guests choose to do, each activity promises to leave them feeling refreshed, revived and ready to return to the real world.

FINANCIAL FORECASTS

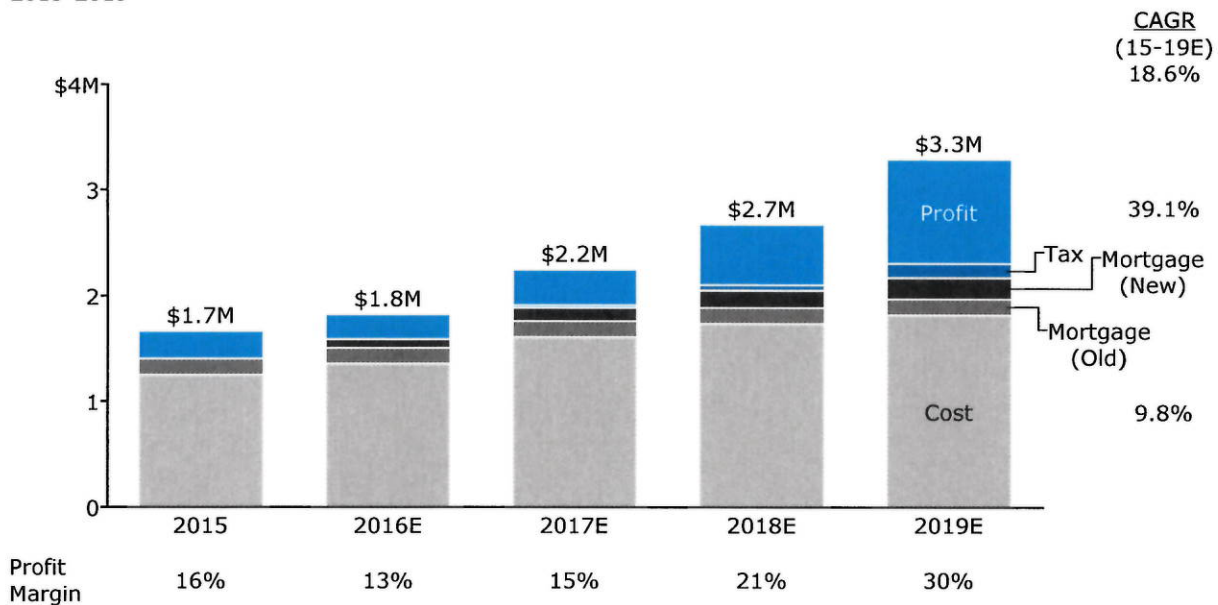
The total revenue in 2019 is forecast at **\$2.1M** if the fish plant expansion does not go ahead. The reduction in revenue growth is due to a lack of supply, not demand. Occupancy rates are already near the maximum achievable and consumers are sensitive to prices, so price increases must be kept gradual.

WCWL revenue forecast without Fish Plant from 2015-2019



The total revenue in 2019 is forecast at **\$3.3M** if the fish plant expansion goes ahead. This growth is due to keeping

WCWL revenue forecast with Fish Plant from 2015-2019



up with demand, and sharing overhead costs with the existing lodge.

THE PLAN

The development at the fish plant will be carried out in five phases. The initial goal is to complete lodging to quickly generate cash returns. By 2019, annual EBITDA is expected to increase by over \$900,000.

With the expansion, **total lodge profits** (after mortgage and tax) **will exceed \$1M in 2019.**

PHASE ONE – EARLY 2016

Acquire the property.

Cost: \$975,000

PHASE TWO – LATE 2016

Construction will commence in December 2016. The new facilities will include ten ocean-front suites which will begin operating in time for the 2017 Season. The new units will follow the style of existing units at the main lodge. Phase two will include septic installing and minimal landscaping.

Cost: \$550,000

Additional Expected Revenue (Operating Cost) 2017: \$350,000 (\$130,000)

PHASE THREE – LATE 2017

A second ten ocean-front unites will be constructed starting in October 2017 for completion by May 2018.

Cost: \$300,000

Additional Expected Revenue (Operating Cost) 2018: \$330,000 (\$150,000)

PHASE FOUR - EARLY 2018

The conversion of existing fish plant into ocean-front dining room, spa and meeting space.

Cost: \$150,000

PHASES FIVE – LATE 2018

The final ten ocean front suites and rerouting of power lines, to be completed May 2019.

Cost: \$350,000

Additional Expected Revenue (Operating Cost) 2019: \$540,000 (\$25,000)