

Tourism Business Development & Financing Guide



Tourism is one of Saskatchewan's fastest growing sectors, contributing \$2.15 billion to the provincial economy in 2015. The tourism sector in Saskatchewan encompasses a variety of industries, including accommodation, food and beverage, recreation and entertainment, transportation and travel services. It is also a major employer in the province, with over 65,000 people working in tourism-related positions.

Tourism Saskatchewan is responsible for in- and out-of-province marketing of Saskatchewan as a destination and for programs and services that promote growth and advancement of the tourism sector. It partners in industry-government marketing programs, provides visitor services, undertakes market research and leads tourism product development. Its Vision is for "a vibrant entrepreneurial tourism industry offering year-round compelling and memorable Saskatchewan experiences."

Increasing visitor expenditures and generating profitable operating results are critical priorities for tourism businesses. Tourism Saskatchewan's Product Development Department has prepared this working guide to assist you as you plan, assess, obtain financing, receive approvals for and develop a successful tourism project in Saskatchewan.

For further information and assistance, please contact our offices in Regina or Saskatoon:

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PART ONE:

THE DEVELOPMENT PROCESS



Cypress Hills Vineyard & Winery, near Maple Creek

Introduction

This guide provides a general overview of the steps and considerations necessary to evaluate and prepare for the operation of a tourism business venture.

Thoughtful planning is a prerequisite in the process. This document will serve as a valuable reference as you consider what steps to take to move from concept to action in realizing your tourism dream.

Some topics covered in the guide are common to all commercial ventures. Others are unique to the nature and requirements of the tourism industry. Regardless of the operation's scope, methodical planning and thorough documentation and research are essential to success in the development process.

Major sections will assist in understanding the regulatory environment in which tourism businesses and attractions operate, and in determining: 1) what aspects of a proposed development should be defined early in the process and modified as more information is obtained; and 2) which steps you may have to follow as the proposed project passes through the development process.

No single source can answer all of the questions or cover all of the issues that developers of tourism projects may encounter. However, this guide attempts to provide a clear framework for what is involved in developing a successful tourism operation.

Key resources for each step in the development process and a comprehensive list of pertinent government departments, agencies and funding contacts have been compiled for you. By using this step-by-step guide and initiating the necessary contacts early in the process, you will be well on your way to establishing or expanding your tourism business.

Successful Tourism Operations

A successful tourism operation is a product of strong leadership and management, dedicated employees and the overall ability to serve a market. This is especially true, given the competitive nature of the tourism industry and the realities of a travelling public that has limitless options and expectations to receive high-quality personal service.

Creating a comfortable, friendly atmosphere should be one of the primary considerations influencing business practices and the selection of employees. It is key to ensuring customer satisfaction, positive word-of-mouth and achieving a high percentage of return business.

Success in tourism is reliant on several common factors:

- Strong hands-on management is essential to running an efficient operation that achieves high customer satisfaction
- Foresight and the willingness to look beyond the peak summer tourist season of mid-June to mid-August to justify large capital investments
- Setting aside funds for reinvestment and upgrading
- Developing clear and realistic plans for attracting specific, target markets
- Securing adequate working capital* to sustain the operation through poor market conditions and to cover unexpected costs
- Engaging in co-operative marketing and actively participating in programs with local tourism and Destination Marketing Organizations and Destination Area Associations

Private lenders, outside investors and government agencies view many proposed tourism developments as high-risk ventures. They require a clear indication of viability and managerial capability. The following chapters will help you understand and deal successfully with their concerns.

*Financial benchmarks for tourism-related businesses can be found by accessing Canadian Industry Statistics (CIS) on Industry Canada's website – ic.gc.ca/eic/site/cis-sic.nsf/eng/home.



Chapter 1

DEFINING THE PROJECT: MARKETS, RESOURCES AND DEVELOPMENT

At the outset, you should define the proposed development and identify intended markets and physical and financial requirements in a clear, comprehensive way. In the case of attractions involving interpretation, briefly outline your interpretive plan at this time. The project and its definition can be modified as more information becomes available.

It is also important to anticipate the types of regulatory approvals required; information required to obtain these approvals; the sequence in which approvals will take place; and a realistic time frame over which the approval process is likely to occur.

A First Look at the Market

Begin the overall project description by identifying the markets that you will seek to attract. Identify any existing or planned competition, in relation to these markets, operating in your projected selling area. Although a more detailed analysis will be required later on, this first look at market demand and supply factors will help to identify the types of facilities and services that your development should offer.

When examining the potential market, you need to determine your “unique selling proposition,” which is what sets you apart from your competitors. It should answer the question, “Why should I choose your destination over others?” A truly unique selling proposition that excites your target market will entice consumers to choose your business over your competitors. Without one, you will be forced to compete on the basis of price.

If preliminary market information is not positive, rethinking the development project is recommended.



Otter Lake, Lac La Ronge Provincial Park

Preliminary Resource Analysis

Tourism developments depend on the use of various resources to attract visitors. These can include natural, heritage, cultural, recreational, paleontological and archaeological resources. For example, unique and/or outstanding natural resources are essential to ecotourism and adventure tourism. Aboriginal cultures offer attractive opportunities to explore and experience historically different ways of life. Recreational fishing and hunting depend on the proven presence of a sustainable resource base.

The availability of human resources must also be considered. Tourism operations are often seasonal, which may result in challenges in recruiting and retaining skilled workers. Adequate, well-trained staff is paramount to launching a successful tourism venture, and strategies to address human resource issues should be considered early in the process. Emphasis should also be put on the fact that tourism is a labour-intensive business.

If the success of a tourism attraction or service depends on resource-based activities, it is essential to evaluate the quality and long-term supply of the resource. This is a crucial first step in defining the project.



Physical Characteristics of a Development Plan

Once the preliminary market and resource analysis has been completed, the next step is to prepare the physical development plan. This involves identifying all of the components needed to accommodate the proposed venture, and relating them to the physical site that has been tentatively selected. This planning process will help to ensure that sufficient land has been identified for the development. The physical development plan is also the basis for cost estimates needed for the feasibility analysis discussed in the next chapter.

Depending on the project, components to be considered will include some, or all, of the following:

- Analysis of the location– community plan policies, zoning regulations, access, soils, slopes, drainage, tree cover, views, shoreline conditions, easements, etc.
- Interpretive programming requirements – functional analysis, displays and exhibits, preliminary schematic design, landscaping, climate control, audio visual requirements, training of staff, etc.
- Building and building-bylaw requirements – type, size, function, cost, accessibility
- Facilities needed – marinas, boat launches, recreation facilities, accommodation, etc.
- Site development – clearing, grading, roads and parking, landscape development
- Land requirements – initial stages of development, as well as future expansion requirements
- Servicing and utilities – water supply, liquid waste disposal, solid waste disposal, power, telephone, fuels



Dakota Dunes Golf Links, Whitecap Dakota First Nation

Both off-site and on-site services should be considered in planning the project. For example, if electricity is not available, the cost of extending power lines can add significantly to the cost of the development.

Many attractions provide interpretive programming, which presents unfamiliar or complex historic, cultural or scientific information in easily understood language. The nature of this interpretive programming has a significant impact on the design and landscaping of the various facilities involved. It also affects the pricing of the activity as this service is subject to surcharges.

Interpretation is the means by which a story is told. With a wildlife viewing location, for instance, you will want to explain to visitors what is special about a place – what plants, birds and animals live there and why, and what are the proper ways of observing these natural features. In three growing market segments – ecological, aboriginal and agricultural tourism – the development of an interpretive plan is of the utmost importance.

As these steps are completed, a clearer concept will emerge of the size, layout and costs of the development being considered. Use the estimate of the size of your target markets, outlined in the next section, when planning the facility. By considering all of the aforementioned components, you will establish whether or not your selected site meets the needs of your targeted market or if you need to pursue alternative locations.

Physical Characteristics

Location

Access

Site Analysis

Buildings

Facilities

Site Development

Land • Current • Future

Services • On-site • Off-site

The Development Plan

Concept Plan
 • Plans/Sketches
 • Written Proposal

Chapter 2

ECONOMIC FEASIBILITY



Milton Lake Lodge

Generally, an economic feasibility study is carried out in three separate steps: 1) market analysis, 2) financial analysis and 3) the business plan. If you are hoping to develop a major facility, now is usually the time to engage an outside consultant to study the economic feasibility of the proposed tourism development. The developer of a smaller project may not require such assistance but should still carry out an analysis using the three steps.

Tourism Saskatchewan's Product Development Department provides potential developers advice about:

- Drafting the terms of reference and other written terms and conditions governing a study
- Selecting a number of consultants to prepare formal written proposals
- Choosing a consultant
- Reviewing the consultant's work throughout the study process to ensure that the developer's objectives are being met
- Determining alternate sources of funding for the study

STEP ONE: MARKET ANALYSIS

The market analysis looks in detail at the present and anticipated competition for the proposed development. It considers any complementary developments, such as new attractions and nearby recreational opportunities (e.g. golfing, snowmobiling, skiing, fishing). In rural Saskatchewan, consideration must be given to the impact of possible future conversion of surrounding landscapes due to forest harvesting, mineral developments or agricultural diversification. In urban locations, the potential impact of nearby commercial and industrial developments should be kept in mind. A market analysis will also help you to determine if the proposed scale of your project is appropriate, based on the market demand and consumer preferences uncovered in your research.

The following points should be stressed when the market analysis is carried out:

- Examine the segments of the market that have special potential because of your project's proposed location, facilities and activities. These segments will include independent travellers, motorcoach, seniors, corporate retreats, recreational vehicle travel, paleontological tours, etc.
- Identify opportunities to package your facilities and services with those of complementary businesses and attractions, such as golf courses, exhibitions and fairs, cultural events, museums, etc.
- Explore in-market partners who could help market and sell your product, such as tour operators, tour wholesalers, receptive tour operators, etc.
- Break down the market by geographic origin, type of facilities and activities sought, such as groups seeking ecological and cultural experiences, snowmobiling clubs, reunions, young families on vacation, etc.
- Investigate the performance of similar businesses in the area.
- Consider all types of revenues from all information sources available.
- Price your product competitively to attract business and generate sufficient income, while keeping in mind that you will need to build the cost of commission into your retail price if you plan to use tour operator services to sell your tourism product. Do not try to compete on the basis of price. In tourism, the cost of labour accounts for as much as 35-40 per cent of the cost of the product.
Given costs and availability of labour in Saskatchewan, you are unlikely to compete successfully with other lower-cost jurisdictions vying for the same market.
- Prepare a marketing plan that includes a detailed strategy to optimize revenues on a sustainable basis, and co-operatively participate in the marketing and promotion plans developed and implemented by tourism sector associations and Tourism Saskatchewan.

Consider the following questions when identifying your target market:

- Where do they come from?
- What is the size of the market?
- What motivates them to travel?
- When do they travel?
- What do they want to do when they arrive?
- What is their level of price sensitivity?
- What are their socio-economic characteristics?
- How do they research and book travel?

Remember that marketing and promotion are essential and dynamic functions of a successful tourism operation at all times.



Tourism Market Information:

- For more information about tourism industry activity in the province, visit Tourism Saskatchewan's consumer website – TourismSaskatchewan.com
Tourism Saskatchewan's travel literature series can be downloaded or ordered online, free of charge.
- Marketing research and information is available on Tourism Saskatchewan's Industry Matters website – IndustryMatters.com/Marketing-and-Research
- Destination Canada (DC) provides market information and resources for Canada's tourism industry – <http://en.destinationcanada.com/research>
- Statistics Canada surveys and interprets data on domestic and international travellers, and on Canada's tourism sector. Findings are presented in the Travel Survey of Residents of Canada (TSRC), the International Travel Survey (ITS) and the National Tourism Indicators (NTI) quarterly publication – statcan.gc.ca
- You may register for a free membership to the Canadian Tourism Research Institute (CTRI) to access information, including the bi-monthly Travel Exclusive newsletter. Research documents are accessible for a fee – conferenceboard.ca/topics/economics/CTRI/default.aspx

STEP TWO: FINANCIAL ANALYSIS

The financial analysis will generally proceed as follows:

Capital Costs

Based on the information obtained about your market and from your earlier work in defining the project's physical characteristics, estimate the total capital costs of the development. This can include land acquisition, site preparation, servicing, landscaping, construction, furnishings, fixtures and equipment, possible interpretive displays and programming, leasehold improvements, vehicles, related engineering, architectural and community planning costs and other services. This information should, wherever possible, be supported by written quotations. It is advisable to add at least 10 per cent to guard against cost overruns.

Soft Costs

Based on your operations plan, estimate your soft costs:

- Hiring and training staff
- Legal and professional services required for start-up (other than those previously attributed to capital)
- Working capital* required, marketing and start-up costs
- Operational support to sustain operations until break even is achieved

More tourism start-ups fail because of underestimating soft costs than for any other reason.

*Working capital refers to the liquid assets available to a company – current assets minus current liabilities.

It is much easier to use excess capital if you reach break even early in the process than it is to finance an operation that is not yet making money. (Remember to include the Provincial Sales and the Goods & Services taxes in your estimates.)

Financing

Determine how the venture will be financed. This will include your cash equity, cash investments from other shareholders or partners, loans from banks, credit unions and other conventional lenders, and assistance that is sometimes available through economic development organizations. Financing must cover all of the identified capital and soft costs.

Cash Flow

Schedule the flow of cash required to bring the project into commercial operation. This is vital because your own cash investment will probably be spent first, followed by disbursement of borrowed funds. As accurately as possible, estimate the monthly expenses that will be incurred over the first 12 months of operation. This will enable you to determine the working capital required to sustain the business during the critical first year of operation. If your operation is seasonal and dependent on favourable weather conditions, your initial working capital requirements could amount to more than six months of operating expenses, including funds for debt servicing and cash needs in the off-season.

Project Financial Statements

Prepare projected financial statements. These will include balance sheets, income statements and cash flow statements.

- Balance sheets will reflect the capital structure of your business – its assets, liabilities and owner's equity. They will show the projected liquidity of the venture, which is the current assets that can quickly be converted to cash in order to pay current liabilities, including loan payments. They also show the extent of debt being carried in relation to the equity that the owners have contributed or accumulated.
- Income statements – projections of revenues and expenses – should be prepared on a monthly basis for the first three to five years of operation. Income estimates will be determined based on reasonable expectations considering the information that you have obtained about your market. The revenue and expense projections will allow you to ascertain whether the business operation will generate sufficient revenues to cover expenses. If break even is not evident, some adjustments to the project may have to be made, which will result in increased revenues and/or decreased expenses to make a profit. Remember to take interest charges and a range of income scenarios into account when preparing your income statements.
- A projected cash flow statement (Statement of Changes in Financial Position) reveals cash inflow and outflow, and clearly identifies debt-servicing requirements. Remember, you do not spend profits that can be tied up in inventories and accounts receivable or noncash contributions of goods and services, and which may come from shareholders, sponsors and volunteers.

Competitive Analysis

Compare the projected and/or actual financial performance of your venture with actual results of similar operations and the industry in general. This information is sometimes available from provincial and/or national industry associations, and will help you to determine whether your projections are realistic or not. You should go back and review your assumptions and rework the projections accordingly.

Similar to the private sector, non-profit and community organizations need to source funding to support the development of tourism projects.

It is important to be aware that funding for non-profits is most often in the form of capital grants, with very few operational grants available. Non-profits must be able to show how they will operate self-sufficiently and how they will generate revenues from fundraising and other means.

In all cases, avoid the mistake of retroactively adjusting revenues to justify costs. This path leads to hardship and regret. If your projections do not indicate a feasible investment, go back to the start and re-examine all of your assumptions.

STEP THREE: BUSINESS PLAN

A business plan is a “road map” to guide you through the actual commercial operation of your venture. Business plans include several components:

Executive Summary

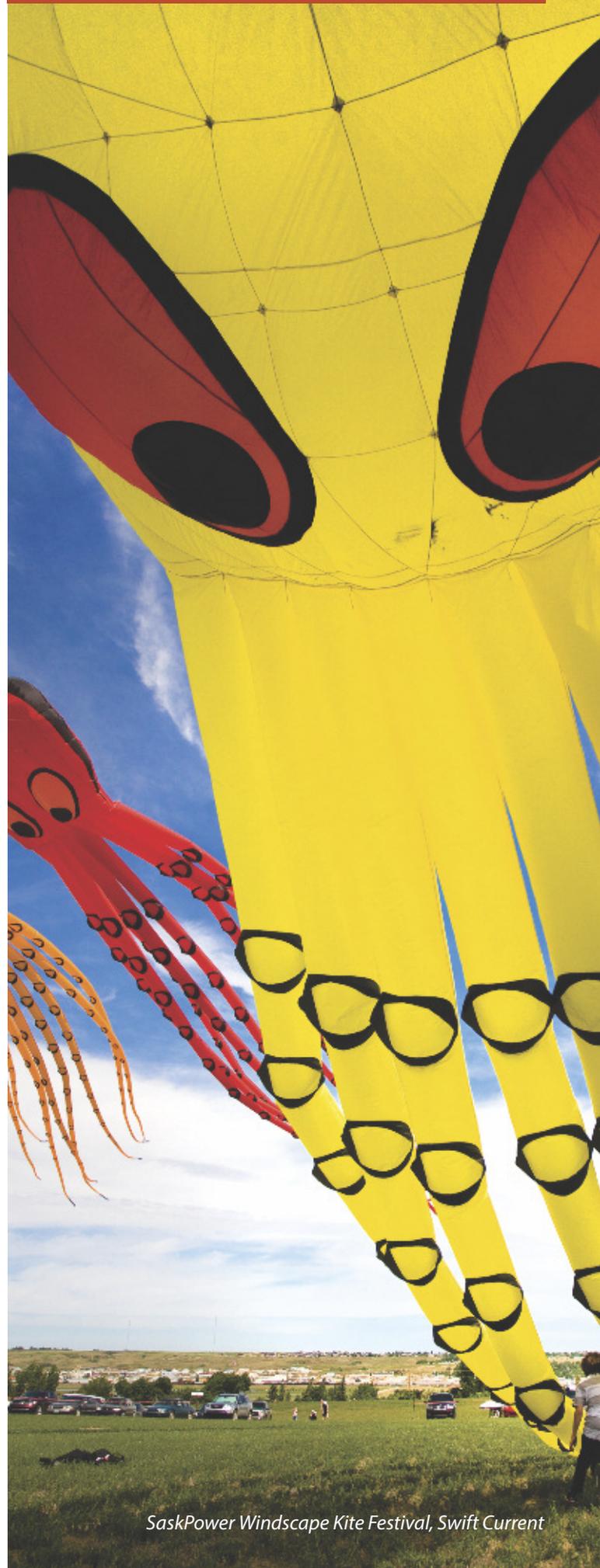
An executive summary encapsulates the highlights of your business plan. Strive for clarity and precision in your summary to engage your targeted readers.

Financial Information

Projected financial statements (pro forma) and a financing plan should be included to estimate how much profit your business will earn over a given period of time. Pro forma financial statements forecast future levels of balance sheet accounts, in addition to your projected profits and your anticipated borrowing.

Management Plan

A management plan shows the organizational/corporate structure of your business, including background information about you and your partners, your abilities, business goals, vision and the inspiration for your new business venture. Identify any shortfalls and explain how you will address these.



Marketing Plan

Develop a detailed marketing plan and budget. Consider the following points:

- Solid marketing plans are based on the goals identified in your business plan and the results of your previous market research, and should include budget estimates for each marketing tactic you are planning.
- Marketing plans should be developed for multiple years and clearly state the timeline and roll-out of advertising and promotional plans. Identify how you envision your presence growing in the marketplace over time.
- Marketing is far more than placing ads here and there. You need to build a consistent plan that takes several marketing channels into consideration, including public relations, advertising, print materials, promotions, online presence and social media.
- Public relations are an important and cost-effective way to communicate information about your business to media. Develop contacts with media in your local area and target markets, and consistently communicate new developments and business activities, as well as special events. Third-party articles will lend credibility to your venture, and local press will build community awareness. Well-written and strategically-timed press releases, along with professional looking media kits are essential. Consult Tourism Saskatchewan's Travel Media Department for more information on getting your story out to travel writers and participating in media familiarization (FAM) tours.
- Advertising is an expensive but effective means of marketing if ads are appropriately placed in your target markets and have frequent exposure. You should strive toward ads that feature compelling visuals. Establish goals or benchmarks to measure the effectiveness of your advertising. Include the development of a high-quality logo, professional photography and graphic design services into your plan.
- Develop an online presence for your business, including a website and social media components. Print advertising, radio, television, billboards and direct-mail pieces will drive visitors to your website. Make sure it is functional and up-to-date. Social media applications, such as Facebook, Twitter, Instagram, YouTube, Tumblr and Flickr have become important marketing tools. They are relatively inexpensive, allow you to tap into new markets and encourage interaction between your business and potential customers.
- Investigate the possibility of joining your local tourism organization, Destination Area or Destination Marketing Organization for membership benefits, which may include listings on websites and in literature, discounted workshop fees and eligibility to participate in wider-reaching cooperative advertising campaigns. Additionally, partnership opportunities may be available to attend consumer and trade marketplaces.
- Include an estimate of the cost of developing and maintaining your marketing materials and participating in marketing activities on top of the costs of buying media. Logo development, photography, website design, brochure costs, promotional collateral, tradeshow exhibit design and construction, tradeshow registration, membership fees, travel and staffing costs will all need to be considered and included in your operational costs.



Over the Hill Orchards, near Lumsden

Human Resources/Staffing Plan

There are several aspects to consider when developing a human resources plan:

- Develop a comprehensive staff training plan for management, non-management, partners, shareholders and anyone else who will be involved in the venture. Tourism Saskatchewan's education department, the Saskatchewan Tourism Education Council (STEC), is nationally and internationally recognized for its delivery of programs in support of human resource development in the tourism sector. This training includes National Occupational Standards in 31 tourism occupations and 26 certification options in both professional and specialist categories. Contact with STEC is advised – stec.com.
- Build a plan to recruit and retain staff. Tourism ventures are often seasonal and, as a result, experience high staff turnover. You will need to take this into account and build a plan to meet these challenges.
- Account for the costs of compensation, salaries, insurance and benefits in your staffing plan. Recruitment and retention costs can be extensive and, therefore, should be calculated here.
- Research labour and employment standards and costs. The Labour Standards Branch of the Ministry of Labour Relations and Workplace Safety is responsible for enforcing the standards under *The Labour Standards Act*.
- Develop a succession plan to protect your business and ensure its continuity in the event that you sell, retire or leave due to unforeseen circumstances.

Operations Plan

Prepare an operations plan detailing the physical requirements and the identified considerations, priorities and strategies for managing a successful business.

Project Schedule

Include a schedule that will help you proceed in an organized manner. Show the gradual advancement of the project through regulatory agencies, financial institutions, suppliers and contractors. Identify pre-opening training and marketing activities.

A Business Plan can be an effective tool only if it is based on cautious economic analysis and realistic use of information, and if it is followed and updated regularly. For example, the business plan should allow for higher than prevailing interest rates, so that the impact of changes in the cost of debt servicing will have been anticipated in advance. Including assumptions in terms of costs and revenues allows lenders and funding agencies to see that you have put thoughtful consideration into the numbers that you are presenting.

The importance of analyzing the financial feasibility of a tourism development is as relevant to smaller projects, such as seasonal attractions and retail businesses, as it is for large-scale projects such as four-season resorts and major interpretive centres.

Business Planning Information:

- The Canada Business Network with the Government of Canada provides valuable resources for entrepreneurs, including information on marketing, business and marketing plan templates and funding sources – canadabusiness.ca/eng
- Industry Canada offers an online Small and Medium-sized Enterprises (SME) Benchmarking Tool that affords access to income statements and balance sheet data for small- and medium-sized enterprises specific to your industry – ic.gc.ca/eic/site/pp-pp.nsf/eng/home
- The Saskatchewan Tourism Education Council (STEC) delivers education and training programs in support of human resource development in Saskatchewan's tourism sector – stec.com
- The Ministry of Labour Relations and Workplace Safety's Labour Standards Branch can provide information on labour and employment standards – <https://www.saskatchewan.ca/business/employment-standards>

Economic Feasibility

The Market Analysis

Identify

- Who?
- How many?
- From where?
- Wants/Needs?
- Competition?

Plan

- Advertising
- Promotion
- Co-operative Programs

Financial Analysis

- Capital Costs
- Working Capital
- Financing
- Cash Flow Projections
- Comparisons with similar operations and other investments

Business Plan

- Executive Summary
- Pro Formas
- Management Plan
- Marketing Plan
- Human Resources/ Staffing Plan
- Operations Plan
- Project Schedule

Chapter 3

DEVELOPMENT APPROVALS



Ness Creek Music Festival, near Big River

A number and variety of government policies, guidelines and regulatory procedures affect nearly all tourism projects, no matter what their size. There are good reasons why this is the case.

Tourism developments, like resorts or lodges, are often based on the recreational use of natural resources, such as scenery, fisheries and wildlife. The use of fisheries and wildlife is managed through a number of regulations and programs that, in turn, may affect the viability of the tourist operation.

Many tourism businesses, large or small, desire a location near water. Lakeshore or riverbank areas are often affected by land-use and environmental policies and regulations. These are designed to protect water quality and fish habitat or avoid environmental problems like erosion, slumping or flooding as a result of shoreline development. Consequently, environmental impacts must be considered.

Because tourism businesses may affect the use of land, as well as the character of existing communities, the developer may have to satisfy municipal, provincial or federal land-use policies or zoning bylaws.

Tourism operations that provide food and accommodation must meet public health and liquor licensing regulations.

Tourism businesses developing outside of serviced urban areas will probably find it necessary to provide their own water supply and waste disposal systems. This can have a major impact on capital and operating costs. Also, the business or attraction will have to deal with an additional set of processes and regulations designed to ensure a safe and adequate water supply and environmentally suitable waste disposal.

Some tourism developments find it desirable to be located in relatively undeveloped areas. This may require entering into formal servicing or development agreements with the appropriate level of government to ensure that roads, telephone, hydroelectric power, natural gas or other services are extended and maintained.

It is evident that tourism operates in a regulatory context that is more varied and diversified than many other businesses. Bringing a successful proposal through to implementation demands a thorough understanding of the requirements and timing of each procedure, as well as early identification of all regulations and processes that affect a particular project.

There is considerable assistance to guide the developer through what may seem to be an overwhelming or confusing situation. Government officials can be very helpful in providing information and advice.

Often, several procedures can occur parallel to each other, thus avoiding undue delays. It is important to understand that going through the necessary steps may reveal some critical aspects of the proposed development that might otherwise be ignored.

Failure to anticipate regulatory requirements could result in critical delays and premature cash outlays by the developer. Either of these situations could lead to the failure of the project before it really has the opportunity to get started. The important thing is to anticipate and fully prepare for all regulatory procedures and allow sufficient time for completion.

The next chapter introduces the more common procedures that a developer is likely to encounter within the overall development process, and provides some principles for successfully dealing with these steps. Chapters five through nine provide greater step-by-step detail for each identified element of the process.

Chapter 4

STEPS IN THE DEVELOPMENT PROCESS



T. rex Discovery Centre, Eastend

Having defined and planned all aspects of the tourism project, the next steps are to take the proposal through the required stages of the development process.

Two major principles for consideration:

1. Obtain local support
2. Put your project in writing

The advantages of following these two principles will far outweigh any additional costs or time incurred.

The Importance of Local Support and Good Public Relations

Too many sound tourism business proposals have failed to move past the planning or approvals stage because of factors other than financial viability or local impact.

They may have ground to a halt because of strong local opposition arising from perceived negative impacts, such as the disruption of cottages or outdoor recreation activities. Alternately, initial public announcements may have included unrealistic promises and expectations of benefits, or may have disregarded issues considered to be important locally.

Local support and “good neighbour” relations may not be absolutely essential for profitability and success of tourism operations. However, a proposed development that has local support and maintains open, honest communication with local governments, businesses and residents is more likely to receive approvals and operate successfully in the future.

Tourism Saskatchewan’s Product Development Department professionals can share examples of successful projects that employed good communications and fostered relations with the local public.

Put it in Writing

The chances of proceeding successfully and reasonably quickly through the development process will improve substantially with thorough documentation.

Decision-makers are more likely to respond positively when all of the information is supplied, problems are anticipated and intentions are clearly stated.

The preparation of a sound, well-documented proposal, outlining the development concept, as described in chapters one and two, will be invaluable in bringing the project through to implementation. The proposal should include economic issues such as jobs, taxes and other government and societal concerns.

The Development Process

This section describes the various types of development approvals that are common in Saskatchewan, along with circumstances that would require each approval process. Because Tourism Saskatchewan's Product Development Department is familiar with these procedures, it is advisable to establish contact at the start and utilize this expertise throughout.

Generally, the process involves a number of separate, but interrelated areas, which may be encountered with most types of development. Once again, it may be advantageous to use the services of private consultants, especially if it is a complex major project. In all cases, it is advisable to consult all agencies as early as possible to determine which procedures must be followed and the time required for each.

The following steps outline the Development Process:

1. Municipal Planning Considerations

- Official Community Plans (OCP)
- Zoning bylaws and development permits
- Building permits

The local municipality should be contacted initially to determine how the proposal fits with municipal plans, policies and bylaws.

2. Subdivision and Servicing Considerations

- Land subdivision approval
- Servicing agreements

An early meeting with the municipal administrator and with representatives of the Community Planning, Land Use and Subdivision Branch of the Ministry of Government Relations will identify the requirements of this part of the development process. The economic development officer, if the municipality has one, will also provide advice and assistance.

3. Environmental and Resource Considerations

- Environmental impact
- Fisheries and wildlife habitat
- Flood risk and slope stability
- Reservoir development areas
- Heritage considerations

For further information, contact the local Ministry of Environment field office and the regional office of the Water Security Agency. If environmental concerns are evident, contact the Environmental Assessment Branch of the Ministry of Environment. The Saskatchewan Heritage Foundation can assist if your development might have an impact on heritage resources.



Saskatoon Farmers' Market

4. Public Health, Servicing and Liquor Licensing

- Water supply and distribution
- Liquid and solid waste disposal
- Food, liquor and accommodation regulations and guidelines
- Liquor licensing

The Ministry of Health, the appropriate regional health authority and the regional offices of the Water Security Agency should be contacted at the outset with respect to public health and servicing considerations. The Saskatchewan Liquor and Gaming Authority will provide information regarding liquor licence requirements.

5. Access

The Saskatchewan Human Rights Commission and the Building Standards Branch of the Ministry of Corrections, Public Safety and Policing can provide guidance to ensure your development complies with accessibility regulations.

If highway access is required, the Ministry of Highways and Infrastructure should be contacted.

6. Special Cases

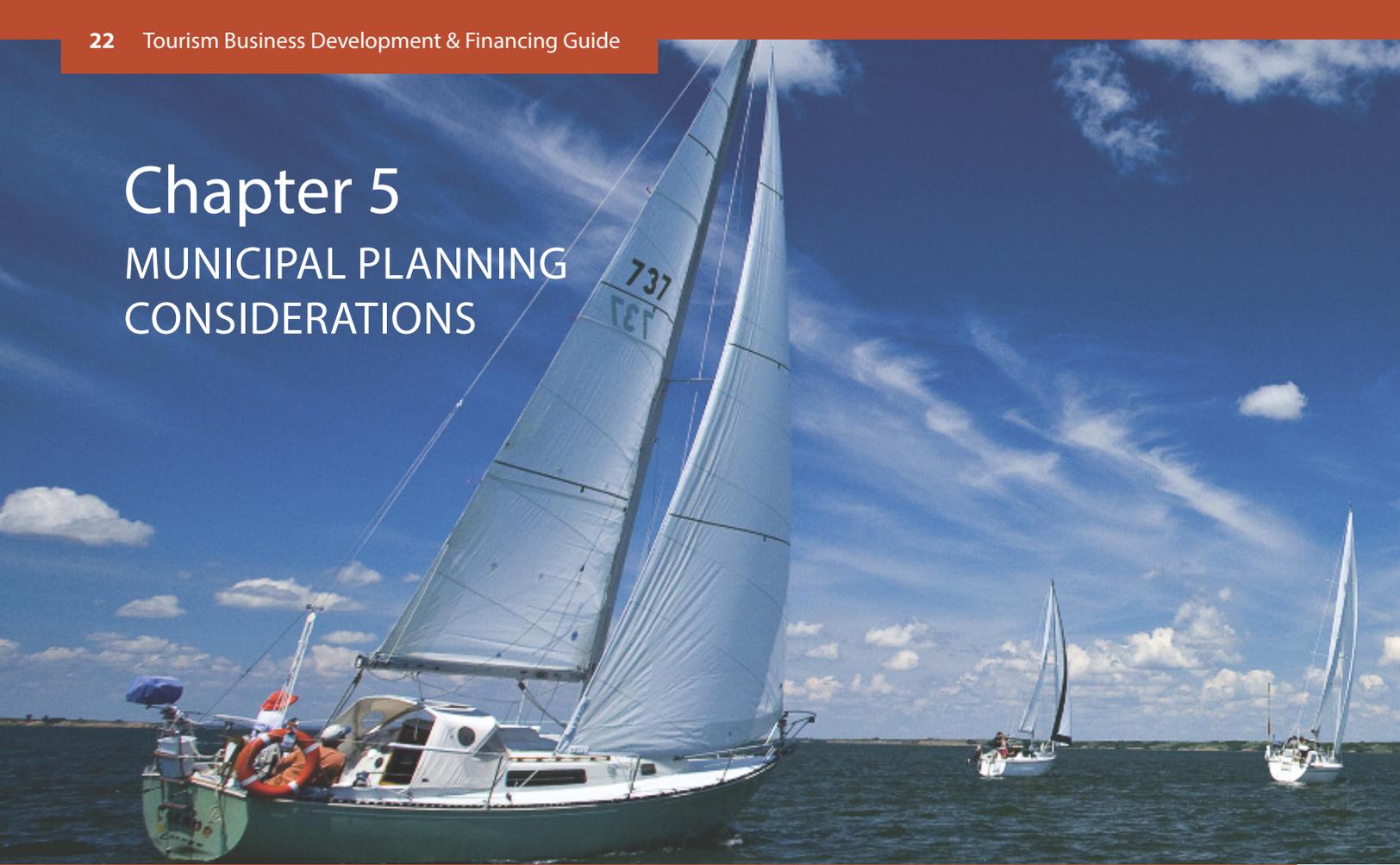
- Crown Land
- Provincial and national parks

Situations proposing Crown Land or land within provincial or national parks to be leased or acquired are special cases. These situations require contact with the appropriate authority, which may include: Ministry of Environment, Ministry of Parks, Culture and Sport, Ministry of Agriculture, Parks Canada (Environment Canada) and Water Security Agency.

For a preliminary understanding of the permits and licences that may be required from all levels of government to operate your proposed venture, consult Saskatchewan's BizPal service – www.bizpal.gov.sk.ca. Through a series of short questions, this online service provides you with a customized list based on the type of operation that you are planning and its proposed location.

Chapter 5

MUNICIPAL PLANNING CONSIDERATIONS



This element of the development process is one of the most critical. Under *The Planning and Development Act, 2007*, municipalities have the authority to adopt an Official Community Plan (OCP). An essential component of a municipality's planning process, the OCP is designed to guide future growth and development of the municipality. The parameters of an OCP extend beyond the physical development of a municipality, providing a policy framework to manage its environmental, economic, social and cultural development, as well.

An OCP is legally implemented by a zoning bylaw. Consequently, an early meeting with local municipal officials is essential. It will help determine the general municipal attitude toward the proposal and identify local requirements. Generally, the municipal administrator will advise on the procedures, timing and approvals of the municipal

council. Contact with the community's economic development officer will also be useful.

All municipal development plans or basic planning statements established prior to May 21, 2007 (the day on which *The Planning and Development Act, 2007* came into effect) are deemed to be an OCP pursuant to section 248 of the Act. These OCPs are continued in force as long as they are consistent with the Act, provincial land-use policies and statement of provincial interest.



Lake Diefenbaker

Important questions:

- Does the municipality have an Official Community Plan? If so, does the proposal conform to the OCP? If not, what information will be required for the municipality to consider an amendment?
- Does the proposal conform to the municipal zoning bylaw? If not, what are the criteria and requirements for amendment?
- If the proposal conforms to zoning, what are the requirements for obtaining a development permit and a building permit?
- Is subdivision approval required, and if so, what regulations would apply? A servicing agreement may be required prior to subdivision approval. There may also be requirements for the provision of dedicated lands, which includes municipal reserve, environmental reserve buffer strips and walkways.
- What are other concerns or requirements of the municipality?

The discussion in this chapter and the next addresses the various municipal and provincial land-use planning procedures in greater detail.

Municipal Statutory Plans

An increasing number of municipalities, both urban and rural, have adopted statutory plans containing broad policies or guidelines for the use of land. These are known as Official Community Plans (OCP).

The first step of the development process at the municipal level is to determine whether the municipality has an OCP in place and whether the proposed development is compatible with its policies and guidelines.

If the municipality has an OCP, the proposal must conform to its land-use policies. If this is the case, the next step is to check the proposal for conformity with current zoning regulations, as discussed in the upcoming section.

If the proposal does not fit the OCP, the next question is whether or not the municipality is prepared to make the necessary amendments. As the plans are based on considerable information and analysis by the municipality, the responsibility rests with the developer to provide information on the rationale, justification and benefits of the development.



Aurora Houseboats, Tobin Lake

At this point, a great deal of patience, diplomacy and willingness to address specific municipal concerns may be needed.

As suggested on page 20, it is advisable to prepare clear, written documentation of the physical, environmental, economic and financial implications of the proposal. The process of amending an OCP is summarized in the flow chart at the end of this chapter. This process, particularly the public meeting, is the point at which the proposal is most visible to public scrutiny. Thorough documentation of all issues and good public relations will facilitate the timely and successful completion of this phase of the development process.

Zoning Bylaws/Development and Building Permits

Zoning Bylaws are detailed municipal land-use controls that specify land-use zones or zoning districts, permitted and discretionary uses, regulations and development standards. Development permits are issued by municipalities to signify conformity to the zoning bylaw before any construction proceeds. A building permit is usually required to signify conformity with the building code where a municipality has adopted a building bylaw pursuant to *The Uniform Building and Accessibility Standards Act*.

Development and building permits are required for virtually all types of tourism development. Often, they are issued at the same time, although procedures vary from municipality to municipality. Generally, this is a straightforward procedure involving submission of an application form, a site plan and building plans to the municipality. Approval is likely to be a matter of weeks rather than months.

If the proposal does not conform to the zoning bylaw, the municipality may be prepared to consider a zoning amendment. The process of amending a zoning bylaw is summarized in the flow chart on page 26. In general, the following apply:

- Process is similar to an OCP amendment
- Approximately two months minimum time required
- Advertising and public meeting required
- Developer usually pays advertising cost
- No formal appeal to council decision
- OCP/zoning bylaw amendment and/or subdivision review processes may be done jointly

Again, while municipalities usually support sound development proposals, the responsibility remains with the developer to demonstrate the social, environmental and economic benefits to the community.

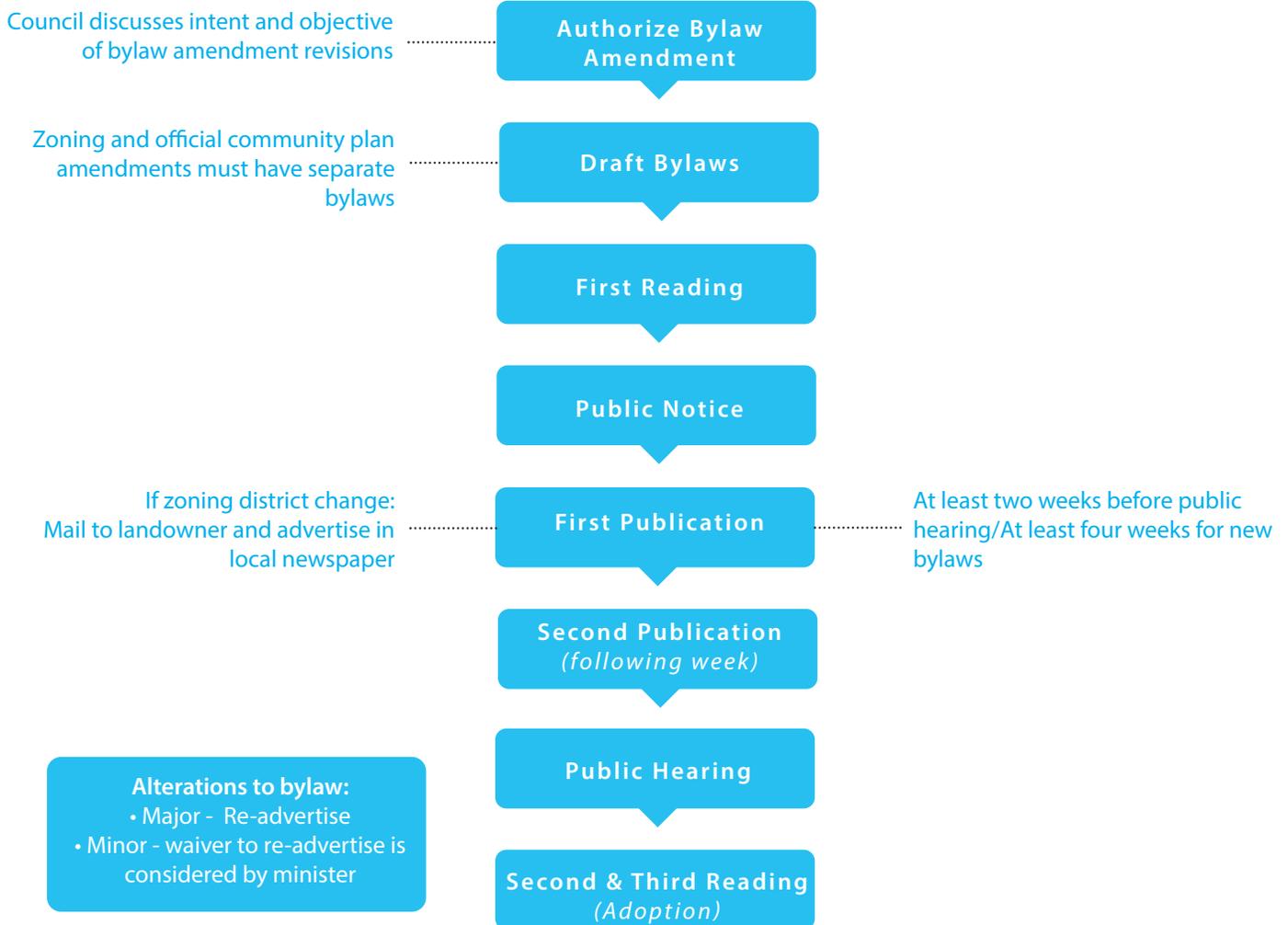
To summarize, the significance of the municipality's role in the development process cannot be over-emphasized.

Municipal Planning Information:

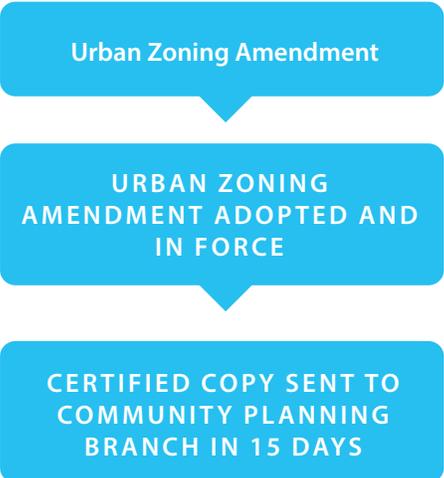
- To access information on *The Planning and Development Act, 2007*, community planning process and zoning, consult the Community Planning, Land Use and Subdivision Branch of the Ministry of Government Relations – <http://www.qp.gov.sk.ca/documents/English/Statutes/Statutes/P13-2.pdf>



Official Community Plan and/or Zoning Amendment Process



BYLAW APPROVALS REQUIRED



If zoning depends on official community plan, third reading for zoning bylaw must await ministerial approval

**Ministry of Government Relations
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Chapter 6

SUBDIVISION APPROVAL AND SERVICING AGREEMENTS



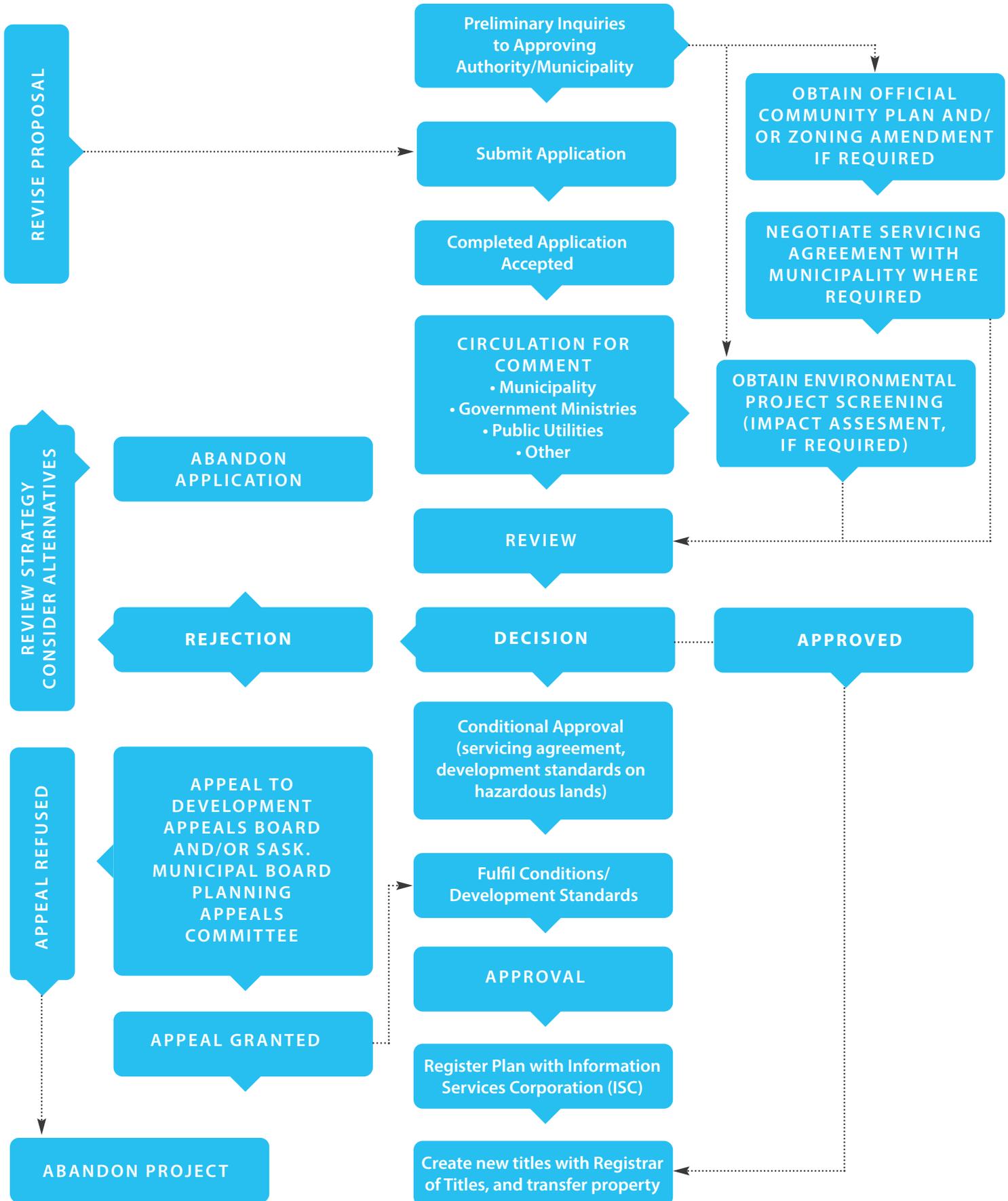
Waskesiu

Land subdivision involves the creation of legal parcels of land. This is one of the more common procedures within the development process when new titles are to be created.

There are several major considerations with regard to subdivision approval:

- The proposed subdivision plan must be prepared by a professional planner or licensed surveyor.
- An application is made to the approving authority for subdivision. The Community Planning, Land Use and Subdivision Branch of the Ministry of Government Relations is an approving authority, and a number of cities have been given the authority to approve subdivisions.
- Proposals must comply with *The Planning and Development Act, 2007*, and any OCP or zoning bylaw.
- A completed subdivision application form and a plan of proposed subdivision are required.
- The suitability of land for development is considered.
- The provision of services, dedicated lands, etc. is considered.
- Servicing agreements may be required by the municipality prior to subdivision approval.
- An application for subdivision can be made with a request for an amendment to an OCP and zoning bylaw.
- Subdivision appeals may be made to the municipality's Development Appeals Board (DAB) or the Saskatchewan Municipal Board Planning Appeals Committee (SMB). The SMB can hear appeals made from the DAB.
- If a municipality is an approving authority (most cities), the appeal is first made to the local DAB, and can be further appealed to the SMB. During the process, the application is circulated to other government departments that would have an interest in or be affected by the proposal. In this way, the requirements for an Environmental Impact Statement, for example, would be determined, as discussed in chapter seven.

Subdivision Approval



Servicing Agreement

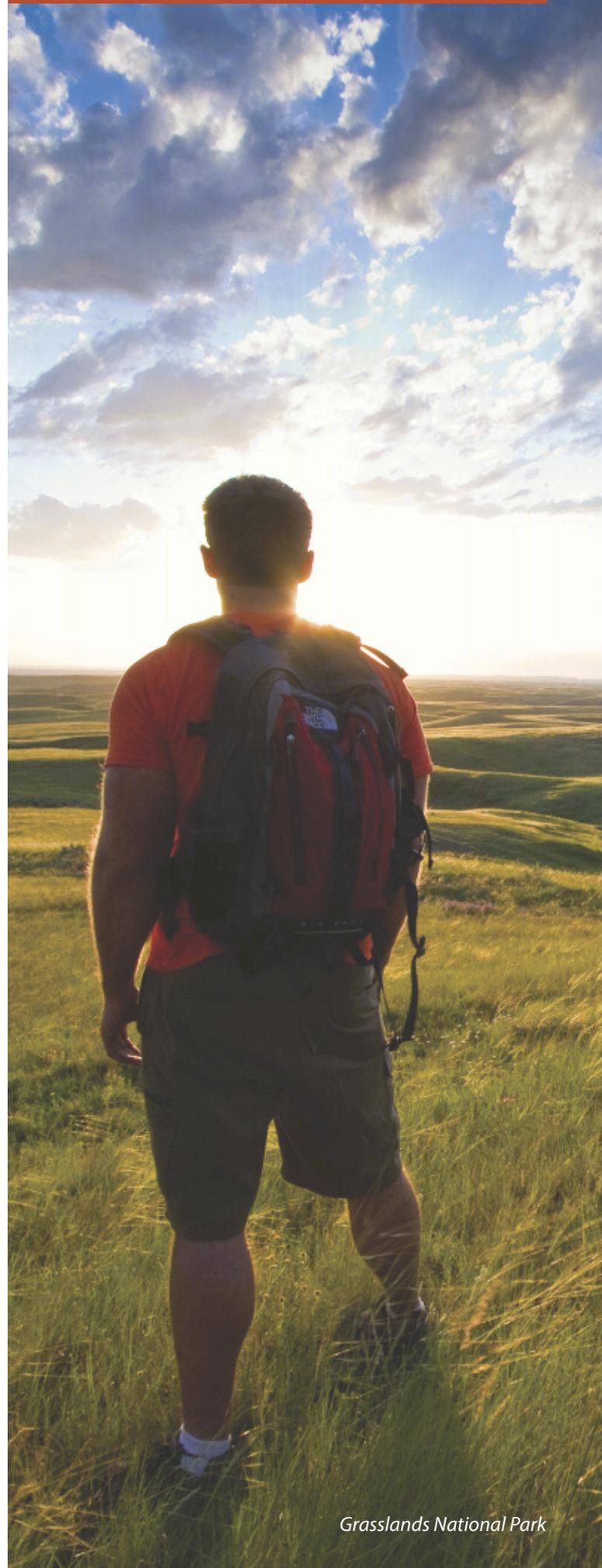
As a condition of subdivision approval, a signed servicing agreement with the local municipality may be required. Such an agreement is a legal contract between the developer and the municipality to establish responsibility for both on- and off-site development costs. Where an agreement is required by the municipality, pursuant to Section 172 of *The Planning and Development Act, 2007*, it must be signed prior to subdivision approval by the approving authority. Because of its financial implications, the servicing agreement is one of the most important steps of the development process and should be anticipated in the initial phases of the development program, as discussed in chapter one.

The developer should consider the following factors in anticipation of signing a servicing agreement:

- The provision of on-site services in a subdivision should include roads, utilities, water lines, sewer lines, drainage, street lighting, park development and other authorized services.
- Charges may be levied for on- or off-site services, which may relate to roads, utility lines, water lines, sewage lines and other authorized services provided to the subdivision.
- The servicing agreement usually specifies the development standards for all improvements.
- The developer usually maintains all services for an interim period before municipal takeover. If this is the case, these costs should be considered in preparing the projected cash flow statements as part of the business plan.

Subdivision and Servicing Agreement Information:

- To learn more about subdivision and servicing agreements, and to access agreement samples, visit the Community Planning, Land Use and Subdivision Branch of the Ministry of Government Relations – <https://www.saskatchewan.ca/government/municipal-administration/community-planning-land-use-and-development>



Chapter 7

ENVIRONMENTAL AND RESOURCE CONSIDERATIONS

Tourism developments often require access to and the use of natural resources. In some instances, tourism activities may have an impact on other natural resource users. Heritage and archaeological resources may also be affected in the development process. Taking these into consideration involves working with the officials and/or area residents responsible for several processes.

Environmental Impact

An Environmental Impact Assessment (EIA) program has been established to protect and conserve Saskatchewan's environmental resources. The program involves the review and evaluation of all development proposals for potential environmental concerns. Where such concerns are present, you may be required to conduct an EIA by preparing an Environmental Impact Statement (EIS).

In order to determine whether or not an EIA is required, you should submit certain basic information to the Environmental Assessment Branch of the Ministry of Environment for an Initial Environmental

Evaluation (IEE). Such evaluations are reviewed by the Saskatchewan Environmental Assessment Review Panel (SEARP) and the Canadian Environmental Assessment Agency. The project information could well be in the same document used to support applications to other agencies and should be submitted early in the process. Generally, it takes between 30-45 days to review an IEE if all of the required information is in order.

Following a review of the project proposal, you will be advised whether or not to prepare an EIS. If an EIS is requested, guidelines for its preparation will be provided.

An environmental assessment is more likely to be required if your project will:

- Adversely affect rare species or landforms
- Cause public concern because of environmental changes
- Substantially use a provincial resource
- Cause significant environmental impacts



Snow Geese

The time frame for the preparation and approval of the EIS can vary depending on the amount of additional information required. It may take as little as four months, if the proposal is well-prepared. A longer period may be required if significant issues must be resolved.

The final decision, made by the Ministry of Environment, determines whether the proposal is environmentally acceptable, conditionally acceptable or not acceptable at all.

As with many other aspects of the development process, the prospects of successfully dealing with this step will be increased if you supply as much information possible at the outset. Early contact with the Environmental Assessment Branch of the Ministry of Environment is recommended.

Fisheries Resources

Managers of Saskatchewan's fisheries are responsible for the conservation and maintenance of our fish populations. For tourism operations that rely on fishing, an assessment of the productivity of a particular lake can be made by the Fisheries Branch of the Ministry of Environment. This assessment includes both the natural productivity of the lake and the needs of other users. The Fisheries Branch will

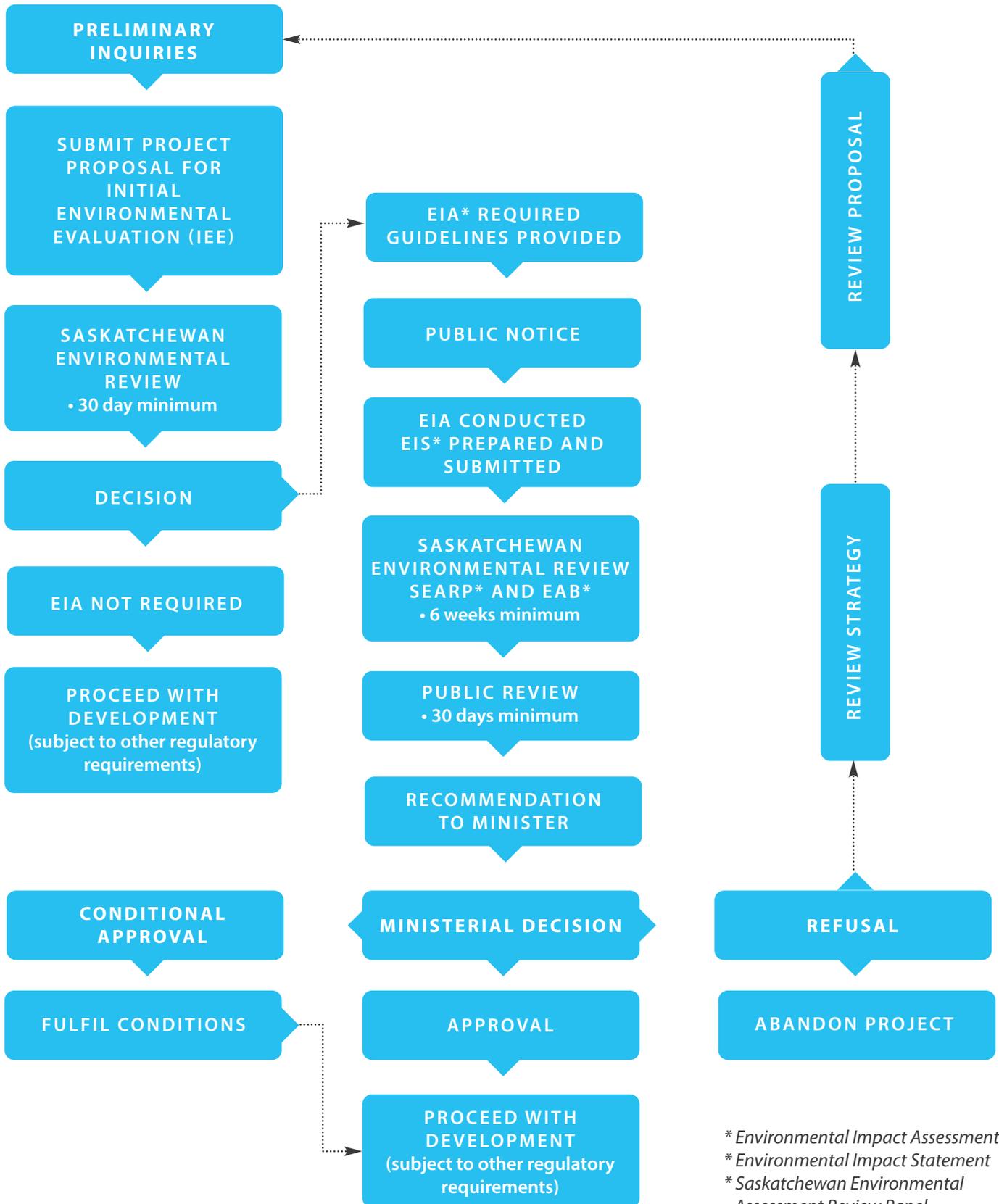
advise on the appropriate size of lodge or camp that can be accommodated on the lake. This will protect the interests of all users of the resource.

Canada's *Fisheries Act* has a mandate to protect fish habitat. Under this Act, a Shoreline Alteration Permit is required for developments such as beaches, docks or marinas. This permit is available from the local Ministry of Environment field office. It may involve some conditions regarding the location, type or level of development, should the proposal potentially affect fish habitat. Approval is required from the Ministry of Environment and Fisheries and Oceans Canada. The processing time will be a minimum of one week.

Flood Hazard

Developments proposed in high flood-risk areas may have difficulty in receiving approvals, due to the risk of property damage and the threat to public safety. Developments proposed in areas of lower flood risk could require flood-proofing by diking or landfill, which would increase development costs. If there is any question about being located in a flood-hazard area, the Water Security Agency should be contacted at an early stage.

Environmental Impact Assessment (EIA)



* Environmental Impact Assessment
 * Environmental Impact Statement
 * Saskatchewan Environmental Assessment Review Panel
 * Environmental Assessment Branch

Reservoir Development Areas

These areas have been established to manage shore land use and development around a number of Saskatchewan's reservoirs. Land-use zones have been created around these reservoirs. If rezoning is required, cabinet approval must be sought. The process may take up to six months.

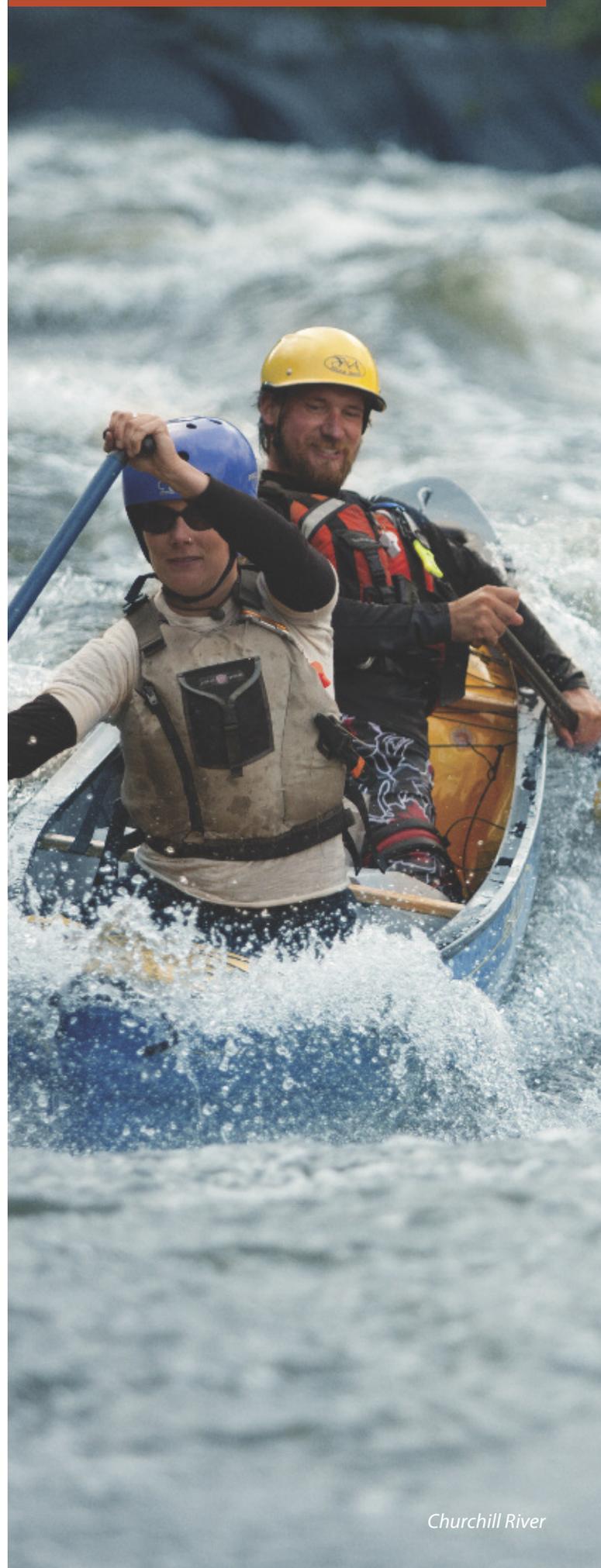
Once satisfactory zoning is in place, a Development Permit must be obtained. This may take a minimum of six weeks and will be granted if the municipality and other government departments and agencies are in agreement with the proposal. This permit is in addition to any permits required under municipal zoning bylaws. The Water Security Agency administers the Reservoir Development Areas (RDA).

Heritage Resource Impact Assessment (HRIA)

If your development could potentially affect heritage resources, you will need to submit to an initial Heritage Resource Review (HRR) by the Heritage Conservation Branch of the Ministry of Parks, Culture and Sport. The results of the HRR will be used to determine if a broader Heritage Resource Impact Assessment is required. A Developers' Online Screening Tool is available, which has compiled heritage sensitive quarter-sections into a searchable database.

Environmental Assessment and Resource Links:

- The Ministry of Environment can provide information on the environmental assessment process, lakeshore development and fisheries – <http://www.environment.gov.sk.ca/EnvironmentalAssessment>
- Consult the Water Security Agency for information on water management issues and regulations – wsask.ca
- Learn more about Heritage Resource Reviews and Heritage Resource Impact Assessments – pcs.gov.sk.ca/HeritageReviewForms
- Access the Developers' Online Screening Tool – pcs.gov.sk.ca/SensitiveLocations



Chapter 8

PUBLIC HEALTH, SERVICING, LIQUOR LICENSING, FIRE PROTECTION AND ACCESS



If restaurants, accommodations, swimming pools or water and sewer systems are part of the planned tourism facility, you should be aware of a variety of public health regulations and approvals. Generally, these are administered by the Ministry of Health, Water Security Agency and Ministry of Environment.

Public Health

The province of Saskatchewan is divided into 12 Regional Health Authorities (RHA), often referred to as health regions. Each has its own medical health officer to administer *The Public Health Act, 1994* and regulations and bylaws of that district. Through the medical health officer and public health inspectors, each RHA administers a variety of regulations affecting:

- Hotels and motels;
- Tourist accommodations, including rental cabins, campgrounds, resort facilities, bed and breakfasts and farm vacations;
- Swimming pools, whirlpools and spa facilities;
- Public eating establishments (restaurants); and
- Plumbing systems and sewage disposal.

These regulations specify minimal development standards. Approvals are issued following submission of the appropriate site and building plans. The various licences and approvals may not be required until just prior to construction. In some cases, the general contractor for a project will obtain the necessary approvals as part of the construction package.

Early contact with the local RHA medical health officer is advised.

Shoreland Pollution Control Regulations

These regulations were adopted by the Ministry of Health in 1976. They continue to be regulated by the health regions to protect lakes and watercourses from pollution and to ensure safe drinking water in recreational areas. The regulations apply to the disposal of liquid waste for any development within 457 metres (1,500 feet) of a lake or watercourse. Information on the effect of these regulations is available from your local public health office.

*Jan Lake*

Water Security Agency (WSA)

The WSA is responsible for approving the construction of water supply up to the treatment facility. The Ministry of Environment is responsible for approval of subsequent water treatment and liquid waste treatment facilities. This applies to private or public/municipal systems. The WSA also licenses the withdrawal of water from any lake or body of water to ensure that there is an adequate supply and that prior water rights are respected.

Contact with the nearest regional office of the Ministry of Environment and the Water Security Agency will clarify the approvals required for public and private sewer and water systems. It is prudent to plan ahead to anticipate these approvals and associated requirements, as well as any costs that may be involved.

Saskatchewan Liquor and Gaming Authority (SLGA)

This authority issues licences for the serving of alcoholic beverages and gambling activities. Early direct contact with the SLGA is recommended if your immediate or future plans include these services. Applications for a commercial liquor licence may take six to eight weeks for processing.

Fire Protection

Fire regulations and protection are administered by the Office of the Fire Commissioner and fire departments in urban and rural municipalities across most of Saskatchewan. Fire insurance coverage is required by most commercial lenders as part of the security for their loans. You will need to investigate the availability of fire protection services and the costs involved. These may include specific charges by the municipality for fighting a fire, in addition to their municipal tax levy. In remote areas, which are not organized municipalities, fire protection from a government agency cannot always be provided. Contact the Ministry of Environment for clarification of fire-fighting priorities and policies that may affect your business (particularly if you are in the commercial forest).

Access

The Saskatchewan Human Rights Commission and the Building Standards Unit of the Ministry of Corrections, Public Safety and Policing can provide guidelines that will help you design your facilities and any interpretive programming requirements. These guidelines enable you to serve markets that might otherwise be inadvertently restricted.



Standing Buffalo First Nation Powwow

Ministry of Highways and Infrastructure

If road access is required from a provincial highway or if the development is near a highway, the Ministry of Highways and Infrastructure can address any particular concerns and provide criteria regarding the location of access points, sight lines, setbacks, signage and other matters.

Public Health, Servicing, Liquor Licensing, Fire Protection and Access Links:

- The Ministry of Health can provide information on public health regulations, water quality and pollution control – <https://www.saskatchewan.ca/government/government-structure/ministries/health>
- Find the Regional Health Authority near you – <https://www.saskatchewan.ca/residents/health/understanding-the-health-care-system/saskatchewan-health-regions/health-region-contact-information-and-websites>
- The SaskH2O website compiles all of the Government of Saskatchewan's information and services related to water under one web address, including resources from the Ministry of Environment, Ministry of Health, Water Security Agency, Ministry of Government Relations and Ministry of Agriculture – saskh2o.ca
- The Saskatchewan Liquor and Gaming Authority's regulatory site provides information and application forms for liquor licensing and video lottery terminal gaming – slga.gov.sk.ca
- The National Building Code and National Fire Code Information can provide information on fire regulations and legislation – <https://www.saskatchewan.ca/business/housing-development-construction-and-property-management/building-standards-and-licensing/national-building-and-fire-code-information>
- Consult the Saskatchewan Human Rights Commission and the Building Standards Unit to ensure accessibility of your facilities and programs – saskatchewanhumanrights.ca/learn/policies and gr.gov.sk.ca/building-standards
- Contact the Ministry of Highways and Infrastructure regarding road access, sight lines, signage, etc. – highways.gov.sk.ca

Chapter 9

SPECIAL CASES: CROWN LAND, NATIONAL AND PROVINCIAL PARKS



Elk Ridge Resort

Crown Land within national and provincial parks (and lands designated under *The Parks Act*) cannot be sold. However, leases and development agreements can sometimes be obtained for projects meeting criteria established by the Ministries of Environment and Parks, Culture and Sport for commercial operations in provincial parks, and Parks Canada (Environment Canada) for commercial operations in national parks.

Other Crown Lands are administered by a variety of municipal bodies, non-profit organizations and government agencies and departments. These include Urban and Regional Park Authorities, as well as the Ministry of Environment and Ministry of Agriculture.

The Ministry of Parks, Culture and Sport is responsible for conservation and providing basic visitor services within the provincial

park system. Private lessees provide non-essential services and recreational amenities to visitors within Saskatchewan's provincial parks that enhance the visitor experience. Information about provincial parks and current business opportunities within park boundaries is posted on the ministry's website.

Smaller businesses located on provincially-owned Crown Land usually lease their land base from the department involved. Larger, more complex projects usually purchase the land base when the requirements of their development agreement have been met.

Typical concerns that may need to be addressed, with respect to leasing and purchasing provincial Crown Land for tourism projects, include some (or all) of the following:

- Compatibility with permitted land uses prescribed in Integrated Land Use Plans governing portions of the Northern Provincial Forest and certain agricultural lands
- Impacts of existing land dispositions, such as Forest Management Agreements, grazing leases, trap lines, allocated outfitting areas, recreational leases, etc.
- Possible Treaty Land Entitlement processes – land caveats, if any
- Municipal planning environment (Official Community Plan, zoning bylaws, subdivision processes, servicing agreements, etc.)
- Timing of municipal decision-making processes (may be seasonal in resort areas)
- Public reserve requirements along water bodies, shoreline alteration requirements
- Professional surveys and land appraisals required to ascertain property values
- Timber removal – if clearing is required, an Operating Plan and Scaling Plan must be approved and a Forest Product Permit issued by the Ministry of Environment (the developer may also have to pay for an appraisal of the value of timber to be removed)
- Potable water and adequate sewage capacities – if existing services are inadequate, professionally prepared plans to construct/operate a public water/sewage system must be submitted and approved
- Water allocation requirements of the Water Security Agency
- Environmental Impact Assessment requirements
- Heritage assessment requirements
- Easement requirements for SaskTel, SaskEnergy/TransGas, and SaskPower, and the costs of obtaining these services

- Road construction and maintenance, fire protection, policing, insurability
- Process and timing required by government officials and solicitors to negotiate, process and approve lease and sale agreements

The length of time for these concerns to be adequately addressed and the sequencing required in doing so will have to be carefully investigated at the outset. Depending on the scale and complexity of the project, the process can take six to 18 months.

If acquisition of Crown Land for a tourism project is being considered, early contact with the Product Development Department of Tourism Saskatchewan is advisable.

Crown Land, National and Provincial Park Information:

- The Ministry of Environment's Land Branch manages over 37 million hectares of Crown resource land and can provide information on the disposition and sale of Crown Land – environment.gov.sk.ca/crownland
- Consult the Ministry of Parks, Culture and Sport for information on provincial parks and business opportunities, leasing and business licence regulations within parks – pcs.gov.sk.ca/doing-business
- The Ministry of Agriculture can provide information on Crown agricultural lands – agriculture.gov.sk.ca/Crown_Lands
- Consult the applicable Parks Canada office for information on operating a business within a National Park. Information for sites managed under Parks Canada – pc.gc.ca

Chapter 10

SUMMARY



Wascana Centre, Regina

The information provided on various sources of financing is current. However, programs do change. Business operators are advised to maintain contact with Tourism Saskatchewan's Product Development Department throughout the development process.

Developing a tourism business or attraction involves a logical series of steps over varying lengths of time. The chances of success for the business are improved substantially if the broad planning framework presented in this guide is followed.

The steps in this development process are:

- Take a preliminary look at the market;
- Analyze the resource base;
- Define the extent of the project: land, buildings, facilities, staffing;
- Evaluate the market, analyze the financial aspects and prepare a business plan; and
- Take the project through the approvals process.



Throughout this guide, a number of fundamental principles have been emphasized as the keys to developing a successful tourism project:

- Identify all regulatory requirements at the outset and allow sufficient time for completion of all processes.
- Document, in writing, all aspects of the proposed development.
- Make the best possible use of available assistance and advice wherever possible. Government officials will do their best to be cooperative and helpful.
- Recognize that the responsibility for providing all required information rests with the developer.
- Realize that the development process, from the initial idea through to business start-up, may take a considerable length of time. (Smaller projects (under \$500,000) may take six months to a year. Medium-sized projects (\$500,000 to \$3,000,000) may take up to 18 months. Large projects (over \$3,000,000) may require up to two-and-a-half years.
- Maintain contact with Tourism Saskatchewan throughout the development process.
- Recognize the importance of good public relations and maintaining positive contact at both the provincial and municipal levels.
- Give some thought to a succession plan to ensure the smooth transition of your business in the event you decide to entrust, sell or relinquish your assets to family, employees or another entrepreneur.

Attention to these principles will make the development process easier, more enjoyable and more likely to succeed.

PART TWO:

SOURCES OF FINANCING FOR BUSINESSES IN THE TOURISM SECTOR



Sundogs Excursions, Anglin Lake

INTRODUCTION

Tourism Saskatchewan is committed to developing an environment and infrastructure that will encourage profitable investment in viable tourism businesses in Saskatchewan.

The *Tourism Business Development & Financing Guide* has been prepared to assist individuals and groups in carefully planning and implementing tourism development projects.

Part Two of the guide deals with sources of financing. Some of the lenders and agencies listed are not always in a position to fund tourism projects, but should not be overlooked in the process of securing the best possible financial services for your business venture.

Tourism is an industry characterized by individual creativity and innovative solutions to a wide range of challenges. Finding the right combination of equity and debt is critical. The information provided in Part One of the guide, combined with the financial pathfinding provided in Part Two, will assist in meeting this challenge.

Once you have prepared detailed concept and business plans, including projected financial statements and a complete market analysis, you will be well-equipped to solicit funding for your proposed development.

Never underestimate the importance of a neat, organized package. For larger projects, your proposal may benefit from schematic diagrams of buildings and facilities, models and/or artist renderings. Be prepared to provide business and credit-related references, the type of security to be offered for loans, a repayment plan, background information on the development area, and information on you, the developer, and key people involved in the project.

Chapter 11

INTERNAL SOURCES OF FINANCING



Flip Eatery & Drink, Regina

Businesses applying for loans often overlook internal sources of financing.

Owners – Proprietors, Partners, Shareholders

The four basic forms of business organizations are sole proprietorships, partnerships, corporations and co-operatives. Regardless of the structure under which the business will operate, it is the owners who traditionally provide the initial financing from their own resources. The funds may come from savings or from borrowing against personal assets, such as one's home or other real estate. The Financial Analysis on page 11 outlines the importance of identifying the cash requirements of the business and the flow of funds as the business is established or expanded.

Each form of organization has legal and tax implications. The advice of a solicitor and/or an accountant should be sought in the creation of the most appropriate capital structure for your business venture.

Inventory

Some businesses carry an excessive amount of inventory for resale. Carrying a lower level of inventory could free up cash for use elsewhere in the business.

Accounts Receivable

Many businesses extend credit to their customers. The cash generated from credit sales will not be available to the business until the accounts receivables are collected. If the collection takes longer than planned, operating loans (or an additional injection of equity from the owners) may be required.

Accounts Payable

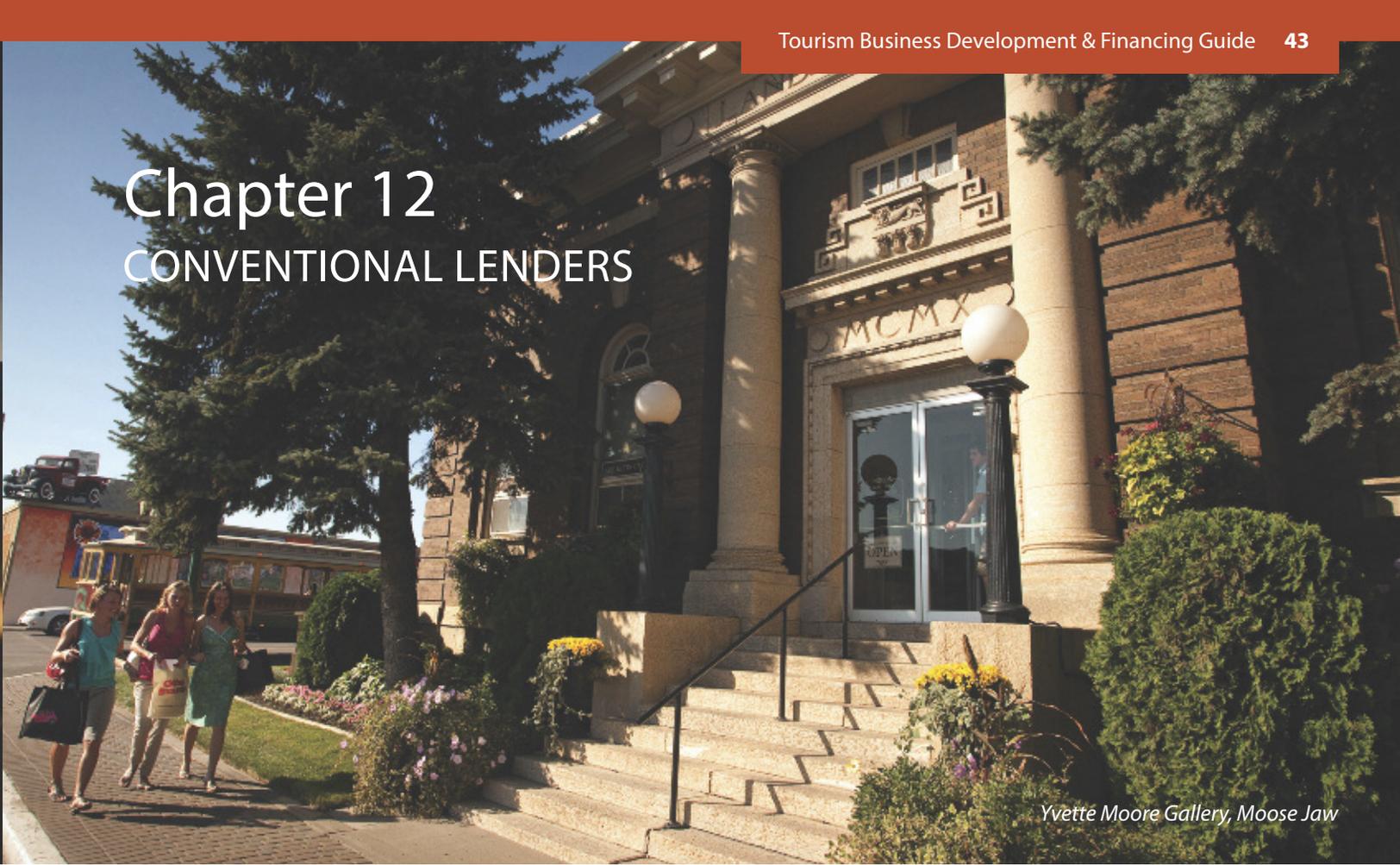
Many businesses purchase supplies and services on credit. Payment of these accounts when they are due rather than when they were incurred can retain more cash within the business for a longer period of time. This can reduce operating loan requirements.

Sale of Assets

One other internal source of funds is the sale of fixed assets that are no longer necessary in the operation or are unlikely to be required in future. This can include everything from office equipment and vehicles to real estate. Disposing of some assets may reduce or eliminate the need to borrow money.

Chapter 12

CONVENTIONAL LENDERS



Yvette Moore Gallery, Moose Jaw

Chartered Banks

These federally chartered financial institutions regularly provide medium- and long-term operating financing to virtually every kind of business venture. They have learned a great deal about different businesses through the experience of granting, monitoring and collecting these loans. Bankers who have dealt with your kind of business venture can be a valuable source of information, as well as a source of financing.

Canada Small Business Financing Program –
ic.gc.ca/csbfa

Credit Unions

Credit Unions also provide a wide range of financial services to the business community. They are owned by their members and credit decisions are made or ratified by a local board, elected from the membership. For internal financial reasons, larger loans are sometimes handled by Credit Union Central, but they still require local support.

Other Conventional Lenders

Long- and medium-term loans are also provided by trust companies, insurance companies, commercial mortgage lenders and acceptance corporations.

Appendix A

Economic Development Organizations

Starting a Business in Saskatchewan – <http://economy.gov.sk.ca/startingabusiness>

Community Futures Development Corporations – cfsask.ca/

Government Lenders

Business Development Bank of Canada – bdc.ca

Young Entrepreneur Financing Program – bdc.ca/EN/i_am/young_entrepreneur/Pages/default.aspx

Canada Small Business Financing Program – www.ic.gc.ca/csbfa

Farm Credit Canada – fcc-fac.ca/

Labour Sponsored Funds

Tourism small businesses are eligible for labour-sponsored funds and can take an equity or debt position. Historically, they have almost entirely confined their investments to other sectors, but a few major tourism projects have accessed these funds. Saskatchewan's two leading labour-sponsored funds are:

Golden Opportunities Fund Inc. – <https://goldenopportunities.ca/>

SaskWorks Venture Fund Inc. – saskworks.ca

Other Agencies and Programs

Saskatchewan Entrepreneurial Fund – pfm.ca/funds/saskatchewan-entrepreneurial-fund.htm

Saskatchewan Heritage Foundation – pcs.gov.sk.ca/SHF

Northern Enterprise Fund Inc. – nefi.ca

Canada-Saskatchewan Labour Market Services Offices – <http://www.economy.gov.sk.ca/LabourMarketServices>

Ducks Unlimited Canada – ducks.ca

Saskatchewan Indian Equity Foundation Inc. – sief.sk.ca

Aboriginal Affairs and Northern Development Canada – aadnc-aandc.gc.ca/eng/1100100032796/1100100032800

SaskMetis Economic Development Corporation – smedco.ca

Women Entrepreneurs of Saskatchewan Inc. – womenentrepreneurs.sk.ca

Clarence Campeau Development Fund – <http://www.clarencecampeau.com/>

Community First Development Fund of Saskatoon Inc. – <https://www.canadahelps.org/en/charities/community-first-development-fund-of-saskatoon-inc/>

Conseil de la Coopération de la Saskatchewan – ccs-sk.ca

Appendix B

This publication does not specifically deal with sources of funding for attractions. Many attractions do incorporate business components, providing food services, guided tours and operating gift shops. These commercial services, however, benefit from broader support provided by senior governments and agencies.

The following is a brief list of sources of funding for attractions in Saskatchewan:

Canada Cultural Spaces Fund (Department of Canadian Heritage) – <http://canada.pch.gc.ca/eng/1455203896312/1455204007503>

Museums Assistance Program (Department of Canadian Heritage) – <http://canada.pch.gc.ca/eng/1456325095980>

Museum Grant Program (SaskCulture) – <http://www.saskculture.ca/programs/funding-programs/grants/museum-grant-program>

Saskatchewan Arts Board – artsboard.sk.ca

Ministry of Parks, Culture and Sport – pcs.gov.sk.ca

Canada Council for the Arts – canadacouncil.ca

Canadian Council of Archives – cdncouncilarchives.ca

Saskatchewan Heritage Foundation – <http://www.pcs.gov.sk.ca/SHF>

Community Development Corporations – <https://www.saskatchewan.ca/business/first-nations-metis-and-northern-community-businesses/gaming-trusts-and-grants>

Western Economic Diversification (Western Economic Partnership Agreements) – wd.gc.ca

For additional information on these and any other programs, contact the Canada-Saskatchewan Business Service Centre (CSBSC) – canadabusiness.ca/sask

SUMMARY

The information provided on various sources of financing is current as of April 2017. However, programs do change. Business operators are advised to maintain contact with the Tourism Saskatchewan's Product Development Department throughout the development process.



Scott Lake Lodge

Important Contacts

Tourism Saskatchewan – Regina
 #189 - 1621 Albert Street
 Regina, SK S4P 2S5
 P: 306-787-9600
 F: 306-787-6293
 TF: 877-237-2273
 W: IndustryMatters.com

Tourism Saskatchewan – Saskatoon
 102-202 4th Avenue North
 Saskatoon, SK S7K 0K1
 P: 306-933-5900
 F: 306-933-6250
 TF: 877-237-2273
 W: IndustryMatters.com

Architectural Heritage Society of Saskatchewan
 3042 Angus Street
 Regina, SK S4S 1P3
 P: 306-359-0933
 F: 306-585-1765
 TF: 877-903-0933
 W: ahsk.ca
 E: sahs@sasktel.net

Ministry of Agriculture
 #101 - 3085 Albert Street
 Regina, SK S4S 0B1
 P: 866-787-4031
 W: <https://www.saskatchewan.ca/government/government-structure/ministries/agriculture>
 E: aginfo@gov.sk.ca

Canadian Heritage – Regina
 Suite 400 - 1975 Scarth Street
 Regina, SK S4P 2H1
 P: 306-780-7287
 F: 306-780-6630
 TF: 866-811-0055
 W: pch.gc.ca
 E: pnr-rpn@pch.gc.ca

Ministry of Environment
 3211 Albert Street
 Regina, SK S4S 5W6
 P: 306-787-2584
 W: environment.gov.sk.ca
 E: centre.inquiry@gov.sk.ca

Square One Saskatchewan's Business Resource Centre
 #250 - 3rd Avenue South
 Saskatoon, SK S7K 1L9
 P: 306-242-4101
 F: 888-417-0442
 TF: 888-576-4444
 W: squareonesask.ca
 E: manager@squareonesask.ca

Ministry of Parks, Culture & Sport
 3211 Albert Street
 Regina, SK S4S 5W6
 P: 306-787-0619
 W: pcs.gov.sk.ca
 E: centre.inquiry@gov.sk.ca

Federation of Saskatchewan Indian Nations
 #100-103A Packham Avenue
 Saskatoon, SK S7N 4K4
 P: 306-665-1215
 W: fsin.com

Golf Saskatchewan
 510 Cynthia Street
 Saskatoon, SK S7L 7K7
 P: 306-975-0850
 F: 306-945-0840
 W: golf Saskatchewan.org

Heritage Saskatchewan
#200 - 2020 11th Avenue
Regina, SK S4P 0J3
P: 306-780-9191
F: 306-780-9190
W: heritagesask.ca
E: info@heritagesask.ca

Sask Sport Inc. – Regina
1870 Lorne Street
Regina, SK S4P 2L7
P: 306-780-9300
F: 306-781-6021
W: sasksport.sk.ca
E: sasksport@sasksport.sk.ca

Sask Sport Inc. – Saskatoon
510 Cynthia Street
Saskatoon, SK S7L 7K7
P: 306-975-0800
F: 306-212-8007
W: sasksport.sk.ca
E: sasksport@sasksport.sk.ca

Metis Nation – Saskatchewan
231 Robin Crescent
Saskatoon, SK S7L 6M8
P: 306-343-8285
F: 306-343-0171
TF: 888-343-6667
W: mn-s.ca
E: reception@mn-s.ca

Museums Association of
Saskatchewan
424 McDonald Street
Regina, SK S4N 6E1
P: 306-780-9279
F: 306-780-9463
TF: 866-568-7386
W: saskmuseums.org
E: mas@saskmuseums.org

Saskatchewan Parks and Recreation
Association
#100 – 1445 Park Street
Regina, SK S4N 4C5
P: 306-780-9231
TF: 800-563-2555
W: spra.sk.ca
E: office@spra.sk.ca

Nature Saskatchewan
#206 - 1860 Lorne Street
Regina, SK S4P 2L7
P: 306-780-9273
F: 306-780-9263
TF: 800-667-4668
W: naturesask.ca
E: info@naturesask.ca

SaskCulture
#404 – 2125 11th Avenue
Regina, SK S4P 3X3
P: 306-780-9282 (General Manager)
W: saskculture.sk.ca
E: saskculture.info@saskculture.sk.ca

Provincial Association of Resort
Communities of Saskatchewan
PO Box 52
Elbow, SK S0H 1J0
P: 306-854-4658
F: 306-854-4412
W: skparcs.com
E: parks@sasktel.net

Saskatchewan Arts Board – Regina
1355 Broad Street
Regina, SK S4R 7V1
P: 306-787-4056
F: 306-787-4199
TF: 800-667-7526
W: artsboard.sk.ca
E: info@artsboard.sk.ca

Saskatchewan Arts Board – Saskatoon
417 – 24th Street East
Saskatoon, SK S7K 0K7
P: 306-964-1155
F: 306-964-1167
TF: 800-667-7526
W: artsboard.sk.ca
E: info@artsboard.sk.ca

Saskatchewan Bed & Breakfast
Association
172 Cambridge Avenue
Regina, SK S4N 0L2
P: 306-789-3259
F: 306-789-3250
W: bbsask.ca
E: bbsask@gmail.com

Saskatchewan Outfitters Association
PO Box 572, Stn Main
Saskatoon, SK S7K 3L6
P: 306-668-1388
F: 306-668-1353
W: soa.ca
E: soa@sasktel.net

Saskatchewan Parks
Ministry of Parks, Culture and Sport
1st Floor – 3211 Albert Street
Regina, SK S4S 5W6
P: 306-787-8676
F: 306-787-7000
TF: 800-205-7070
W: saskparks.net

Saskatchewan History &
Folklore Society
1860 Lorne Street
Regina, SK S4P 2L7
P: 306-780-9204
TF: 800-919-9437
W: shfs.ca
E: shfs.fa@sasktel.net

Saskatchewan Regional Parks
#211 – 2750 Faithfull Avenue
Saskatoon, SK S7K 6M6
P: 306-975-0857
F: 306-975-0858
W: saskregionalparks.ca
E: info@saskregionalparks.ca

Saskatchewan Hotel & Hospitality
Association – Regina
#302 – 2080 Broad Street
Regina, SK S4P 1Y3
P: 306-522-1664
F: 306-525-1944
TF: 800-667-1118
W: skhha.com
E: shha@sasktel.net

Saskatchewan Hotel & Hospitality
Association – Saskatoon
202 – 2121 Airport Drive
Saskatoon, SK S4P 1Y3
P: 306-291-3031
F: 306-525-1944
TF: 800-667-1118
W: skhha.com
E: shha@sasktel.net





La Reata Ranch, near Kyle



189 - 1621 Albert Street
Regina, SK S4P 2S5
Phone: 306-787-9600

102 - 202 4th Avenue N
Saskatoon, SK S7K 0K1
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