

Bridal Veil Mountain Resort Ltd.

All-Season Market Assessment



Prepared by:
RRC Associates
Boulder, CO
www.rrcassociates.com

Prepared for:
Bridal Veil Mountain Resort Ltd.
Chilliwack, BC

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Territorial Acknowledgement

RRC Associates acknowledges that the proposed Bridal Veil Mountain Resort project is located in S'ólh Téméxw, the traditional and unceded lands of the Stó:lō people since time immemorial.

Introduction

This report summarizes research conducted by RRC Associates, a market research and consulting firm that works extensively in the North American ski industry, with assistance from Brent Harley and Associates Inc. (BHA), on behalf of Bridal Veil Mountain Resort Ltd (BVMR).

BVMR, located in S'ólh Téméxw near Chilliwack, BC, would be an all-season destination mountain resort focused on downhill skiing and snowboarding in the winter and a wide variety of activities in the summer, likely including sightseeing, downhill and cross-country mountain biking, hiking, zip lines and challenge course, bird watching, star gazing, and other activities. The base area of the resort will have lodging and other services for visitors. The resort is also anticipated to include a small alpine village on a ridgetop bench.

RRC Associates understands that Bridal Veil Mountain Resort Ltd., the proponent of Bridal Veil Mountain Resort, has enshrined a series of core principles to guide their planning efforts on the proposed project. These include:

- Meaningful engagement, joint management, and equity ownership with the participating Stó:lō Communities.
- Develop the BVMR Project to the highest environmental and sustainability standards, applying Stó:lō cultural, traditional, and land stewardship principles.
- Build mutually respectful relationships and complete extensive Stó:lō consultation and engagement.

RRC Associates stresses that this Market Assessment Report does not and could not account for the benefits and influence of meaningful Stó:lō participation and joint equity partnership in the final, approved concept for the Bridal Veil Mountain Resort project. If the project is given the opportunity to proceed, the Market Assessment Report will be updated with meaningful Stó:lō participation and joint equity ownership in the ongoing process of jointly developing the final, approved concept for Bridal Veil Mountain Resort.

This market assessment presents visitor trends, local and regional market demographic profiles, and a broad analysis of existing regional amenities, market trends, and attractions in the greater Fraser Valley area. This report is intended to serve as a framework for discussions to assist BVMR in making strategic decisions around the opportunities for future planning and development scenarios. Results can be used to inform what types of competition, market opportunities, and gaps exist in the British Columbia ski and summer resort industry.

Research and findings rely on a combination of professional experience and secondary research. Secondary research sources include reports and data gathered by The Outdoor Foundation, Visit BC, Canadian Ski Council, Tourism Chilliwack, Statistics Canada, the U.S. National Ski Areas Association, RRC in-house data, and other sources.

Executive Summary

This section provides overall highlights from the Market Assessment Report for BVMR. Please see the main body of the report for more detail on these and other topics.

- Trends in the North American Ski Resort Industry. Participation in downhill skiing and snowboarding, as measured by both the number of individual participants and the number of skier visits, shows a general flattening of the ski industry in both Canada and the U.S. The number of skiers/snowboarders in Canada is generally about 2 to 2.5 million, while in the U.S. the number of participants is about 9.5 to 10 million annually. The lack of growth in the skiing/snowboarding population certainly presents challenges for a new mountain resort like BVMR, though regional population growth is anticipated to increase the number of skiers and snowboarders in the local FVRD market (see below). Additionally, the resort is likely to provide an alternative to other ski mountains and evolve a strong competitive position within the BC and North American ski market. At buildout, the resort is anticipated to host approximately 630,000 winter skier visits.
- Summer Tourism. BVMR would be built with summer activities and operations in mind from the start, allowing summer activities to be optimized for guest experiences, rather than as an afterthought as is the case at many ski resorts (which were built with skiing in mind first, and then summer activities were added later). The opportunity for summer customers is quite high, especially coming out of the COVID-19 pandemic when interest in outdoor recreation is at an all-time high. It is anticipated that the demand for summer activities (downhill and cross-country mountain biking, zip lines, challenge courses, mountain coasters, disc golf, sightseeing, hiking, bird watching, star gazing, and a variety of other activities), weddings, group business, meetings, family reunions, and other mountain recreation will be high at BVMR. Summer tourism in BC is already growing strongly, and BVMR would be well-positioned to leverage its location and access to draw in a high volume of summer business.
- Fraser Valley Population Growth. BVMR is well-positioned to take advantage of the growing population of the Fraser Valley Regional District (FVRD). BC Stats offers insights into the changes in the FVRD and across the Vancouver Metro. As of 2020, the population of the FVRD was 334,664, up from 282,590 in 2010, an increase of 18.4%. Metro Vancouver, which has grown at nearly the same rate as the FVRD, is home to over 2.5 million residents. The FVRD is expected to see a more dramatic increase by 2030 and 2040. Population for the District is expected to increase to 376,670 in 2030 (up 12.6% from 2020). Further, continued growth is expected by 2040 with an estimated population of 417,143 (up 10.7% from 2030).

- Skier Participation Rates. Over the 2014-2020 period, BC residents generated an annual average of 0.622 skier days per capita in Canada. Over the same period, residents in the Mainland / Southwest Development Region took an annual average of 1.94 million skier days, or 0.643 skier days per capita, similar to the overall BC average. Looking elsewhere in BC, the Thompson/ Okanagan area, with multiple quality destination ski areas, exhibits 75% higher skier visits per capita (1.123 visits/capita) than the Mainland/Southwest (0.643 ski days / capita). Conversely, Vancouver Island/Coast, with more limited nearby skiing options, has significantly lower resident ski activity (0.374 visits / capita, or 42% less than the Mainland/Southwest). These variances suggest that the availability and quality of proximate skiing options can have a substantial influence on resident skiing behavior. Such variances are widely seen in other resident ski markets in North America.
- Traffic Patterns near BVMR. An analysis of traffic counts on the Trans-Canada Highway near BVMR show strong and growing number of vehicles traveling past. At both traffic counters analyzed for this study, there is substantial net eastbound flow on Thursdays, Fridays, and Saturdays (particularly in May – August), and substantial net westbound flow on Sundays and Mondays. These patterns are strongly indicative of outbound weekend trips from the Lower Mainland area to points east. The patterns indicate the presence of a large flow of leisure travelers passing right by BVMR, particularly in summer and on weekends. Weekend tourism traffic flows are also present but more muted in the winter months than the summer months (with the exception of Family Day, Good Friday and Christmas holidays) – an indication that Route 1 may be relatively less developed as a winter tourist travel corridor.
- Local Lodging Statistics. Looking at lodging statistics shows that room revenues subject to MRDT more than doubled from 2012 to 2019 (+115%), before taking a sharp downturn as a result of the Covid-19 pandemic. Room revenues are highest in the summer months and lowest in the winter months, consistent with occupancy and ADR patterns. All months have exhibited significant growth in room revenues. The strong gains, along with the summer peaking, suggest that the region is gaining increasing strength as an overnight leisure travel destination. As a new tourism offering in the region, BVMR would thus likely be building upon an established and growing local tourism sector.
- Competition. British Columbia is home to 10 mountain ranges and boasts 13 major mountain resorts, many of which have global brand recognition and have been recognized with industry awards and honors. These major mountain resorts, much like the vision for BVMR, offer all-season outdoor recreational

opportunities, supported by an array of facilities, amenities, and tourism infrastructure catering to local, regional and destination visitors alike. To be successful, BVMR will have to find its niche within this competitive landscape, particularly against the regional south coast BC ski areas. As envisioned, BVMR has unique propositions and competitive advantages that would distinguish it from the regional group of ski resorts.

- Opportunities. Given a variety of factors, including population growth, high interest in outdoor activities in both winter and summer, growing tourism levels in BC, and other trends, it appears that BVMR has many opportunities to succeed as a year-round mountain resort. Some competitive pressures exist and will potentially present challenges to BVMR, but the market potential of both local population and regional/destination visitors for BVMR remains high.

Trends in Mountain Resort Destinations

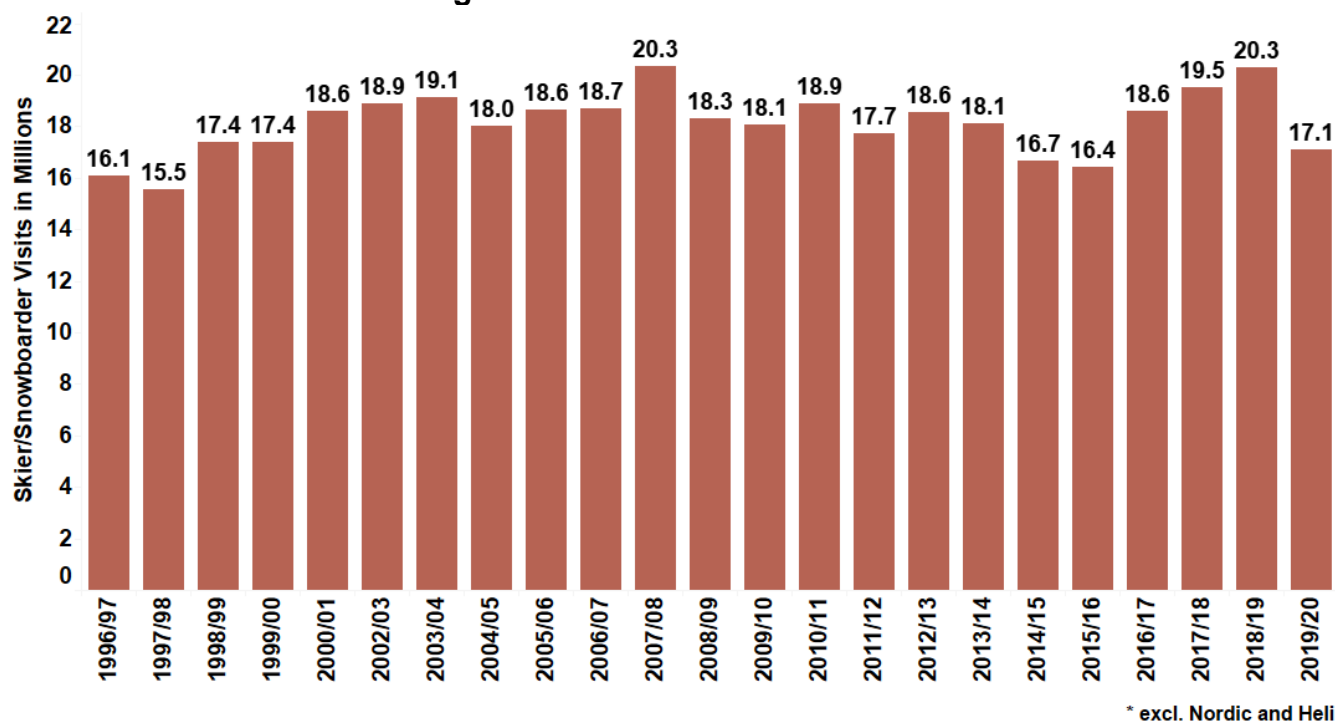
Mountain resort destinations have changed considerably during the past 20 years due to shifting demographics, changes in resort ownership, and the rise of new expectations in the marketplace. Winter continues to be the primary season for most mountain resorts; however, summer has become much more important for attracting guests and generating revenue. Additionally, the resort landscape in the U.S. and Canada has shifted, with ongoing resort consolidation, partnerships forming across the industry, and new competitive challenges rising for many destinations.

A review of industry trends and data is a necessary first step in identifying BVMR's market feasibility. The following section outlines data from the Canadian Ski Council, U.S. National Ski Areas Association, and Outdoor Foundation. The analysis uses insights from these industry resources to establish a long-term view of the North American mountain resort industry.

Canadian Ski Industry Trends

RRC Associates (RRC) has assisted the Canadian Ski Council (CSC) in collecting data about skiers and snowboarders throughout the country for years. RRC has maintained various databases used by the CSC to track the Canadian ski industry over time. Over the past 24 winters, total skier visits in Canada (not including Nordic or Heli visits) have fluctuated from a low of 15.5 million in 1997/98 to highs of 20.3 million in both 2007/08 and 2018/19. However, little directional variation has occurred over time. The results suggest that resorts are competing for largely the same participants with long-term growth relatively stagnant.

Figure 1: Canadian Skier Visits

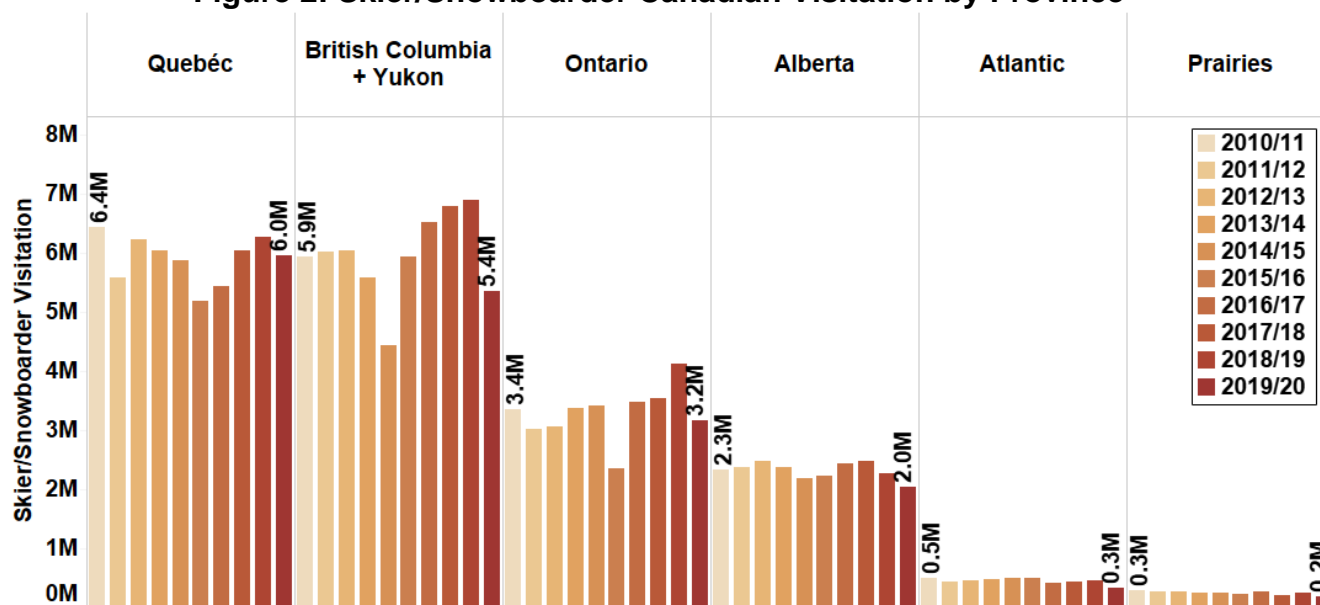


Source: Canadian Ski Council, RRC Associates

The 2019/20 ski season was greatly impacted by COVID-19 on a global scale. The Canadian ski industry was on pace to have a very strong season once again in 2019/20 prior to the pandemic forcing the premature shutdown of ski areas across the country. Canadian snowsports visits had been trending up year-over-year since 2016/17 and hit a 20-year high of 20.3 million in 2018/19. In the abruptly shortened 2019/20 season, visits dropped to 17.1 million. Data for the 2020/21 season is not currently available. While anecdotal reports indicate variability, projections for the 2020/21 season are not yet available at time of publication of this report.

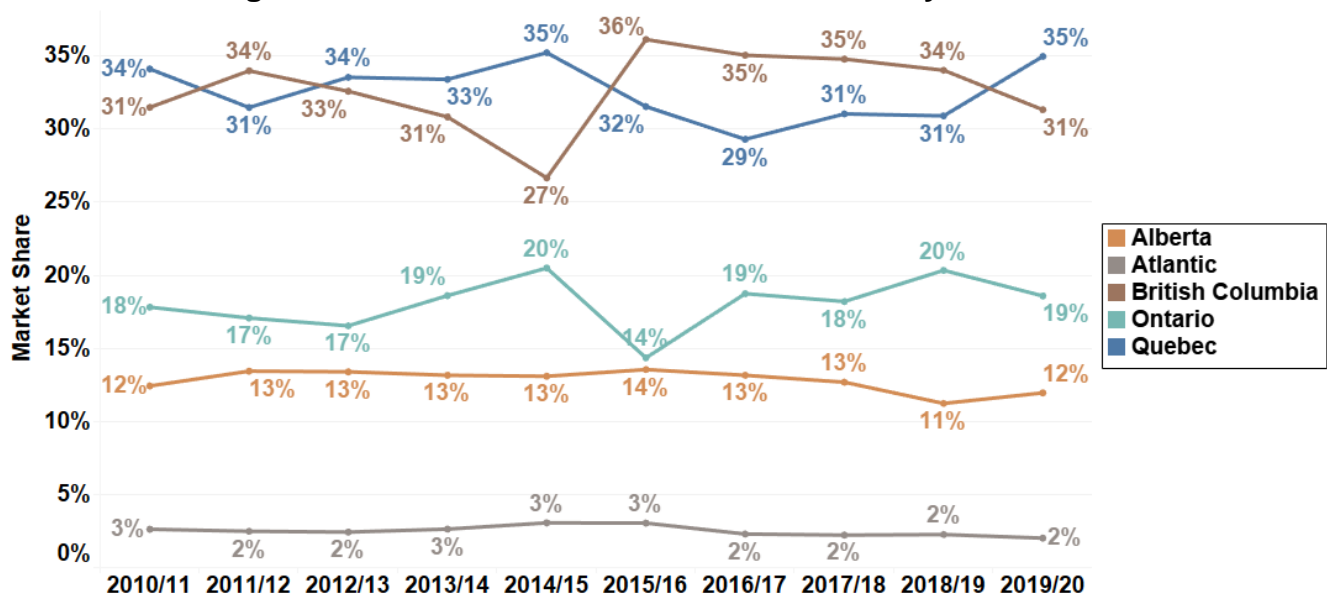
Canadian skier visits were trending up in the seasons prior to the COVID-19 pandemic but remained within the historic range of ~17-20 million visits. Post-COVID visits numbers will help indicate whether such growth trends are part of longer-lasting industry movement or just due to natural variation and/or weather conditions. Monitoring whether the positive trend in skier visit growth continues is important in moving back to normal once COVID-19 subsides.

Figure 2: Skier/Snowboarder Canadian Visitation by Province



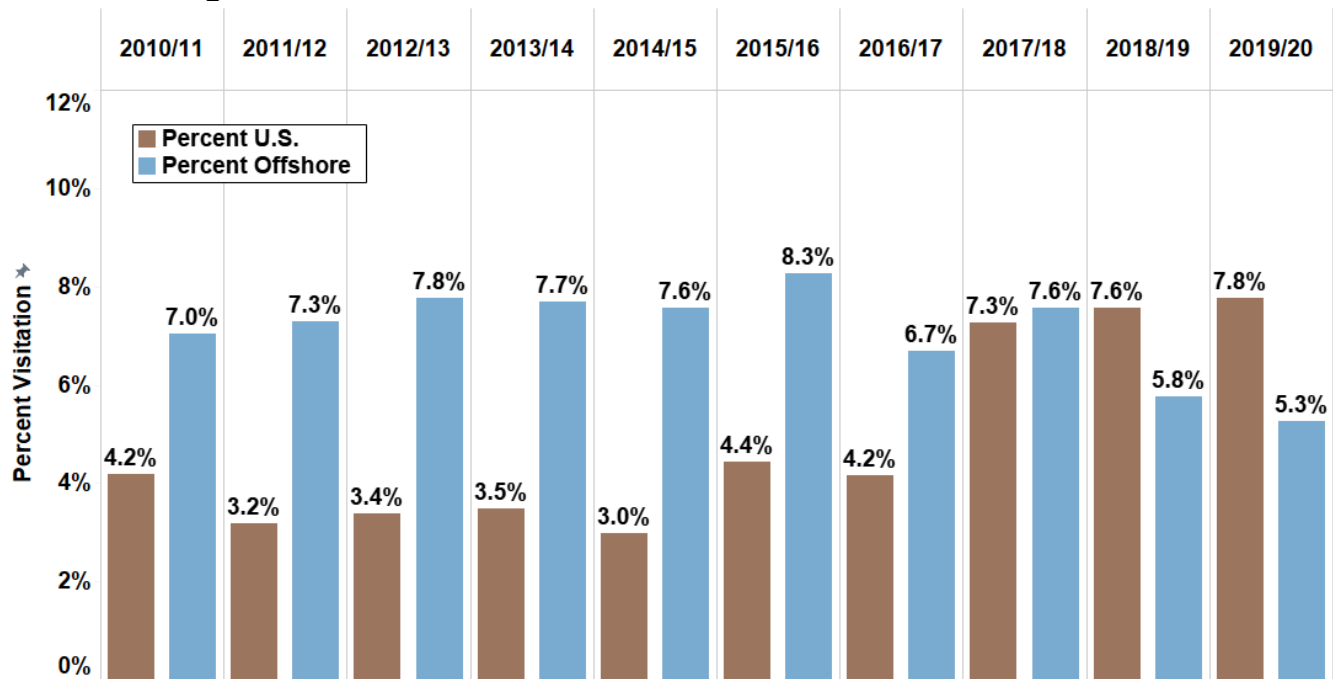
Source: Canadian Ski Council, RRC Associates

Despite decades of relative stability at a national level, skier visit numbers show much more variation when analyzed at the regional scale. Quebec led visitation in the 2019/20 season with approximately 6 million visits. British Columbia and the Yukon (combined) go back and forth with Quebec for the top spot. Last season, BC recorded 5.4 million visits, down significantly from 2018/19's high in the 6.5+ million range. COVID-19's impact on border crossings likely caused much of that decline; similar results were observed in Ontario.

Figure 3: Canadian Skier Visits Market Share by Province

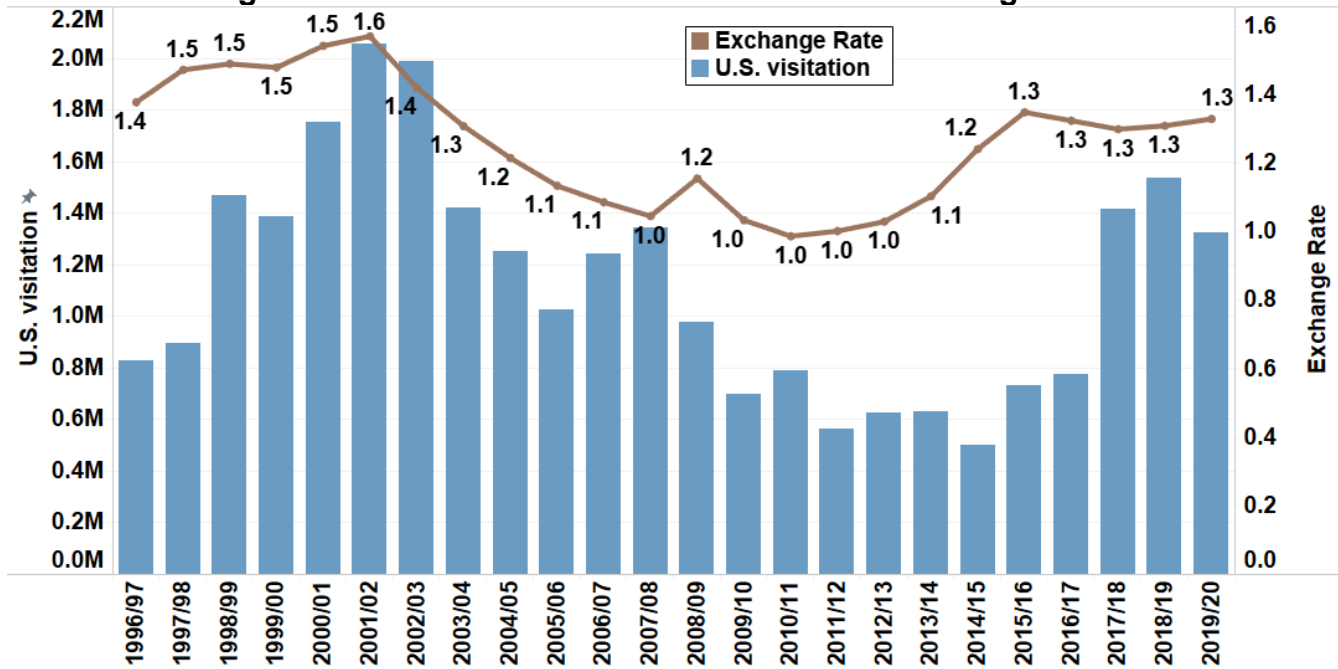
Source: Canadian Ski Council, RRC Associates

The importance of the BC market to the overall Canadian ski industry cannot be overstated. British Columbia's share of total Canadian skier visits has hovered between ~30 to 35% (minus outliers) since 2010. Together, Québec and BC account for two-thirds of all skier visits in Canada. When either province has a seasonal decline, the impacts are felt on a larger scale.

Figure 4: Percent of Visits from the U.S. and Other International

Source: Canadian Ski Council, RRC Associates

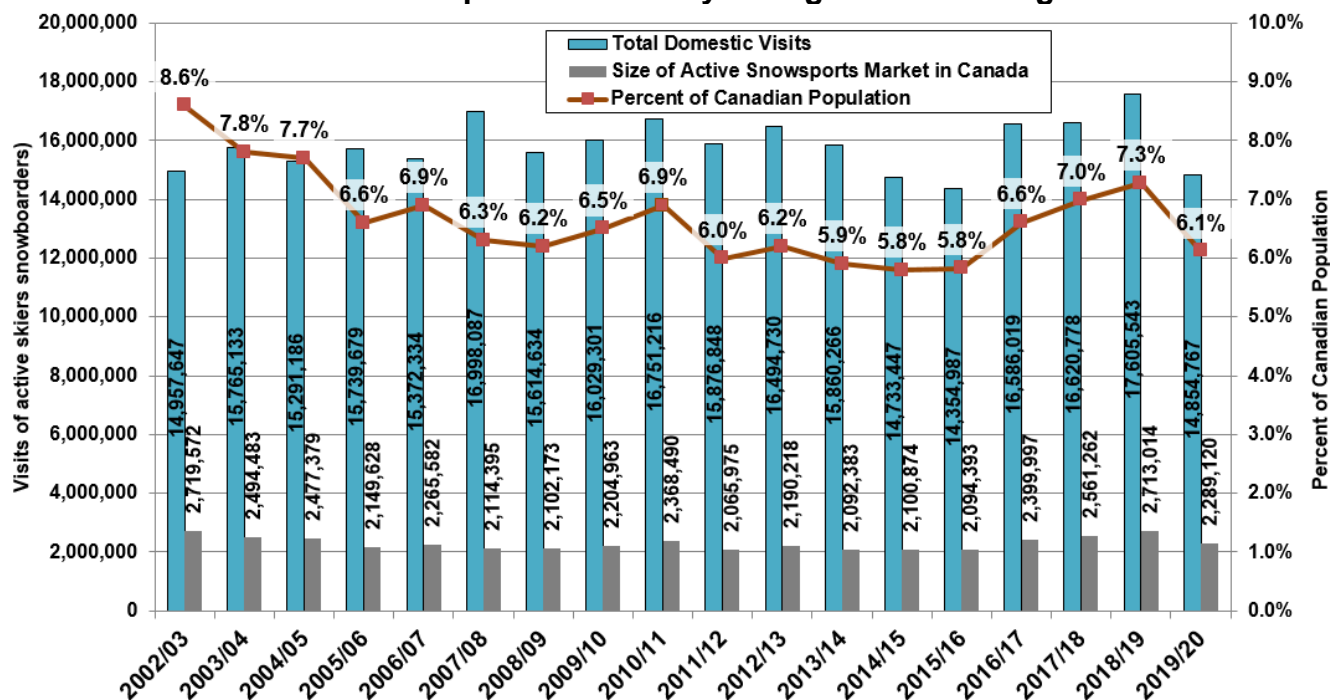
U.S. and offshore visitation account for a share of the Canadian ski industry. Until 2017/18, offshore visitation (between 7-8%) exceeded the U.S. share (3-4.5%). However, U.S. visitation overtook offshore in 2018/19, accounting for 7.6% of Canadian visitation with offshore at 5-6%. Multi-season mountain passes are likely the cause of this change, enticing more U.S. skiers to travel to new mountains.

Figure 5: U.S. Skier/Snowboarder Visits. Vs. Exchange Rate

Source: Canadian Ski Council, RRC Associates

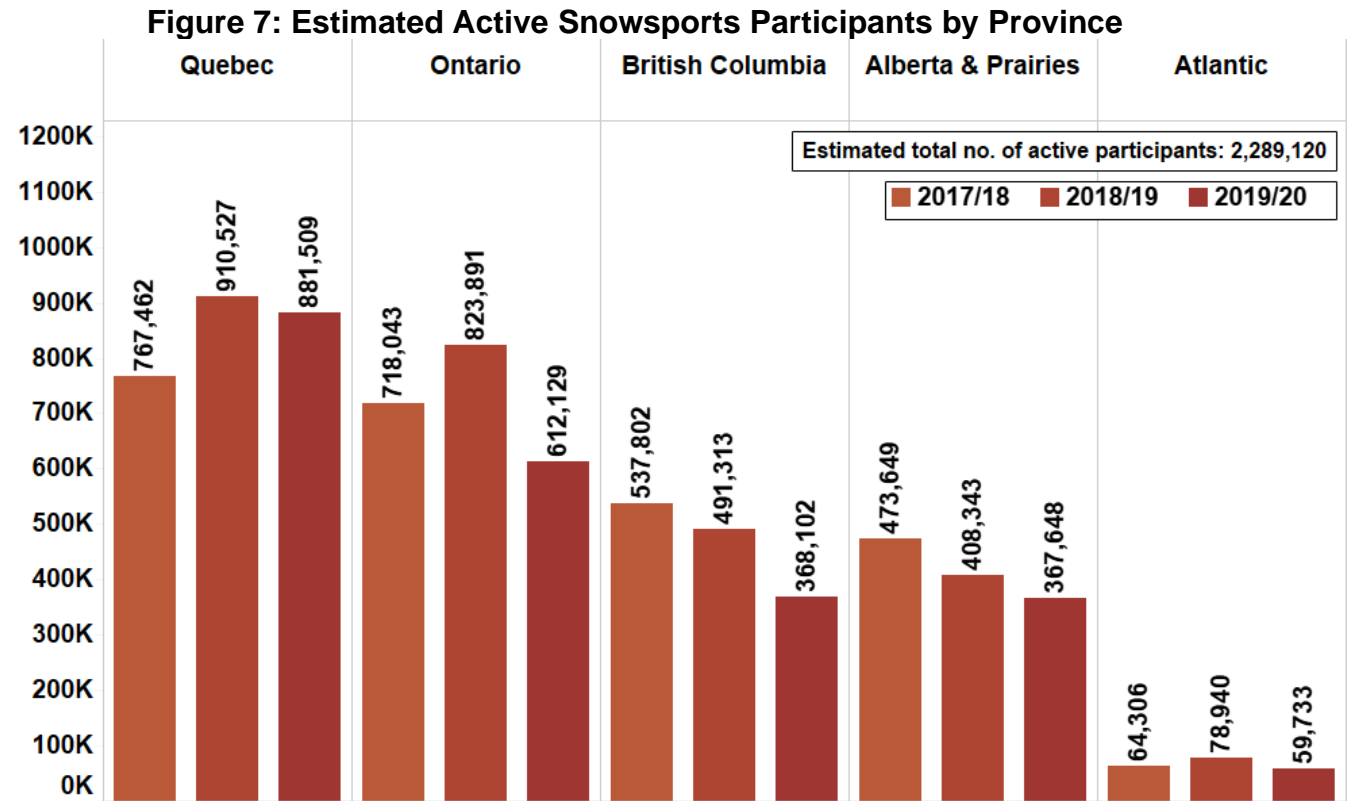
For many tourism businesses, the exchange rate between the U.S. and Canada has a notable impact on visitation. As displayed, when the exchange rate starts to dip, so do U.S. skier/snowboarder visits to Canada. In the early 2000s, a strong exchange rate contributed to the highest number of visits from the U.S. in the past 20+ years (1.8-1.9 million). However, when the exchange rate neared equal, the figure dropped by half or more. The early 2010s experienced a prominent decline in U.S. visitation with under 600,000 U.S. visits in 2014/15. Recently, those figures have turned around, with the 2018/19 season back up to over 1.4 million.

Figure 6: Domestic Visits and Number of Active Participants vs. Percent of Canadian Population Actively Skiing/Snowboarding



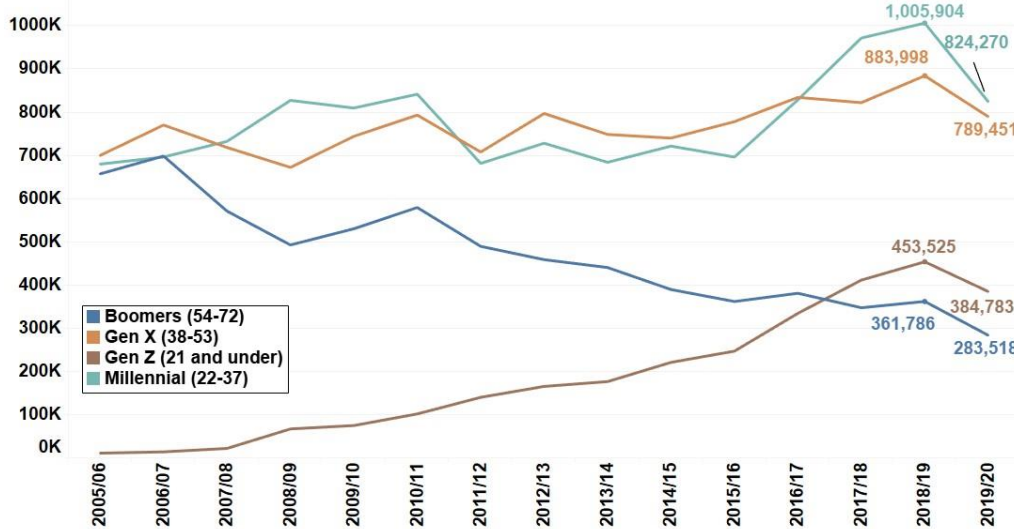
Source: Canadian Ski Council, RRC Associates

The total number of Canadian skiing and snowboarding participants has remained very steady over the past 20 years, with a dip in 2019/20 because of the Covid-19 pandemic, which reduced the number of individual skiers that season. In 2002/03, the number of active snowsports participants in Canada was 2,719,572 or 8.6% of the total population. In 2018/19, pre-COVID, the total number of active participants had dropped to 2,713,014 or 7.3% of the total population. However, the percent of the total population who ski/snowboard in Canada saw a long period of decline and stagnation from 2005/06 (6.6%) to 2015/16 (5.8%). Among residents of British Columbia, this percentage is higher, likely in the 12% to 15% range depending on the year.



Source: Canadian Ski Council, RRC Associates

The number of active skiers/snowboarders declined in 2019/20 due to the Covid-19 pandemic, particularly residents of British Columbia. By area of residence, Québec (881,000) and Ontario (612,129) lead the way in total participants as of 2019/20. British Columbia has seen a steady decrease from 2017/18's 537,802 down to 368,102 in 2019/20, although likely seeing impacts from the pandemic. Although British Columbia has some of the most visits, the number of unique participants is significantly lower than the top two provinces. For BVMR, a low number of unique participants is not a major cause for concern, as the total number of visits is still significant; however, fewer participants mean the same customers do need to visit more frequently to keep pace. For BVMR in particular, the growing local population and the differentiation from other regional resorts means that the resort has a greater chance to increase the number of unique customers who visit BVMR.

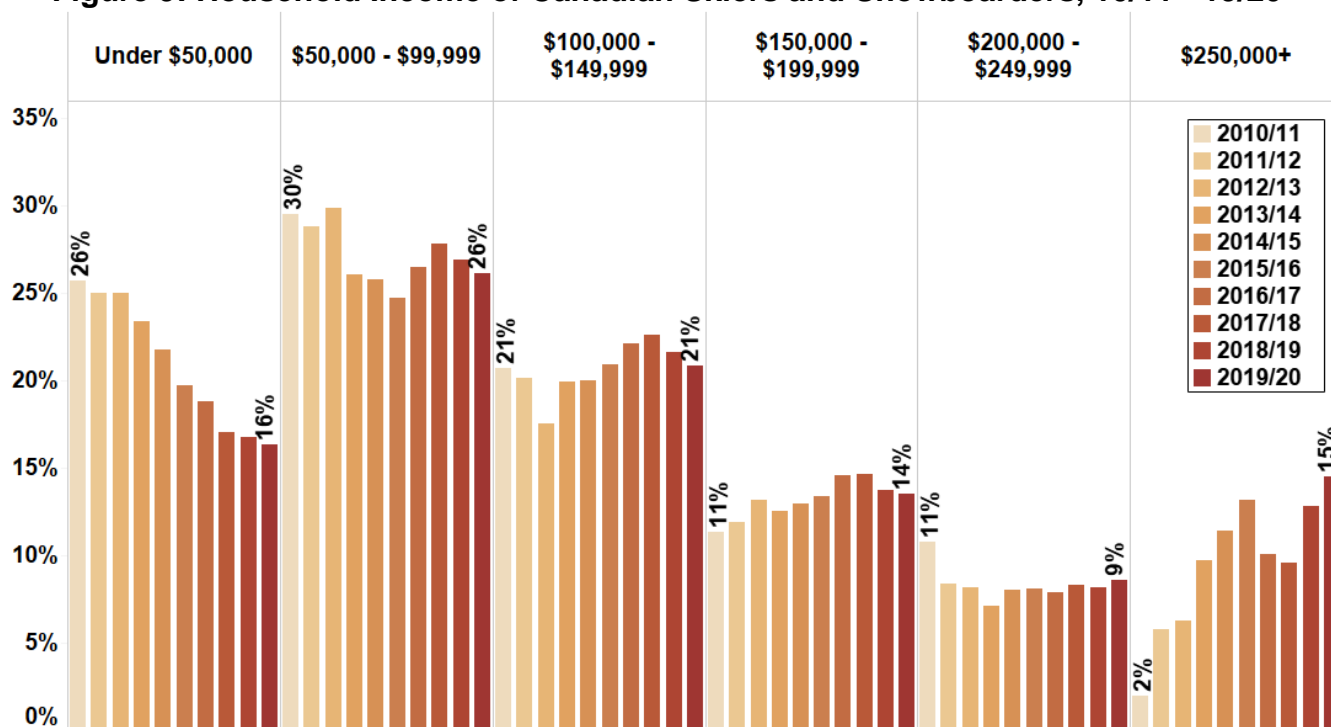
Figure 8: Estimated Active Participants by Generational Cohort

Millennial skier visits still outpacing Gen X, with Gen Z having overtaken Baby Boomers in the 2017/18 season. All segments down due to COVID-19.



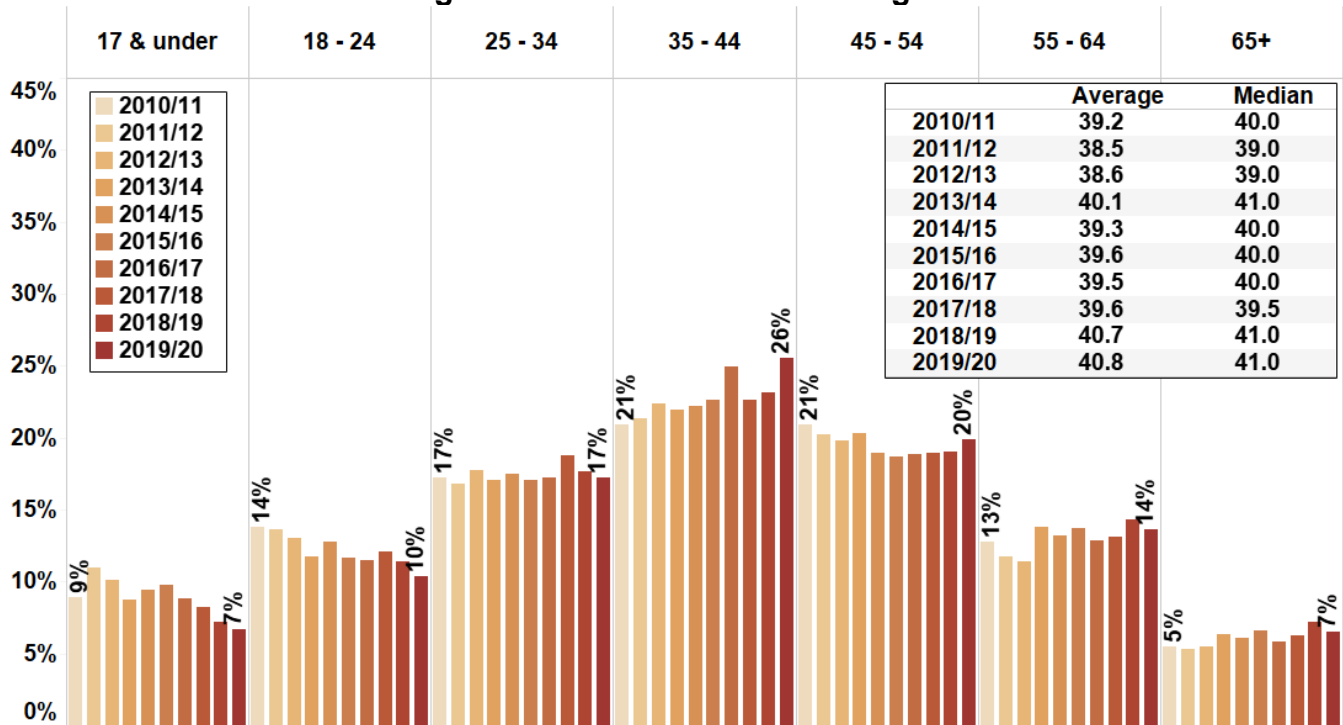
Source: Canadian Ski Council, RRC Associates

The Canadian (and U.S.) ski industry is currently experiencing a turnover in one of the most loyal age groups (Baby Boomers) and shifts to the large force that is Gen Z and Millennials. While the figure above illustrates trends for U.S. skiers at U.S. ski resorts, similar trends have been documented in other markets, and are expected to be relevant to the Canadian ski industry. Millennials (aged 23-38) are currently the largest demographic cohort, peaking at 1.0 million U.S. participants in 2018/19. However, Gen-Z participation has steadily increased as they age into college and careers. Gen X still represents a large share of active skiers, and will for a while, but the cohort is not growing and has likely plateaued.

Figure 9: Household Income of Canadian Skiers and Snowboarders, 10/11 - 19/20

Source: Canadian Ski Council, RRC Associates

Demographically, Canadian skiers and snowboarders have been getting wealthier. Since 2010/11, the share of visits from those who earn under \$50k has dropped by 10 percentage points (26% to 16%) while the share earning \$250k or more has jumped from 2% to 15%. Skiing/snowboarding has historically been perceived as expensive. The gear, accommodations, and ticket prices turn many people away who cannot afford the sport. Increased shares of visits from those with high incomes is not unique to Canada. Prices have increased across the board, especially at major resort destinations.

Figure 10: Skier/Snowboarder Age

Source: Canadian Ski Council, RRC Associates

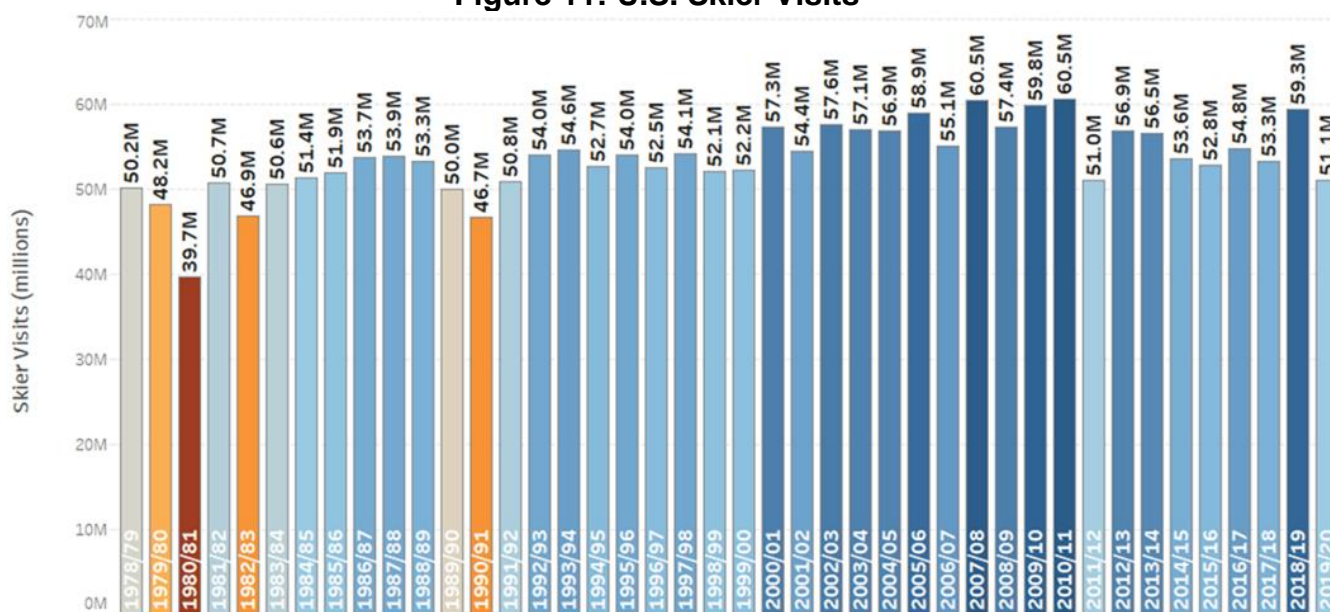
In combination with income, the average age of skiers/snowboarders has slowly increased over time too. While the changes are not as dramatic, the share of visits from those under 35 has dropped from 40% in 2010/11 to 34% in 2019/20. Growth in visits has occurred from those aged 35-44, increasing from 21% in 2010/11 to 26% last season. Overall, it has become clearer that the industry has shifted to a slightly older, wealthier visitor base.

U.S. Ski Resort Industry

While BVMR is more concerned with skier visitation from Canadian residents, it is important to also consider how the U.S. ski/snowboard industry has changed over time. Results from the 2019/20 U.S. National Ski Area Association's annual Kottke End of Season Report indicated that downhill snowsports visits (skier visits) in the U.S. were down by over 8 million visits nationwide from the season prior to an estimated total of 51.1 million visits. However, the main driver of the decrease was that most resorts closed by mid-March 2020 due to COVID-19. Before the pandemic, both the U.S. and Canadian ski industries were on pace to have a very strong season once again.

The prior winter, the 2018/19 season, was very strong for the U.S. ski industry, but largely driven by a record performance in the Rocky Mountain region; other parts of the country had good – but not great – seasons.

Figure 11: U.S. Skier Visits

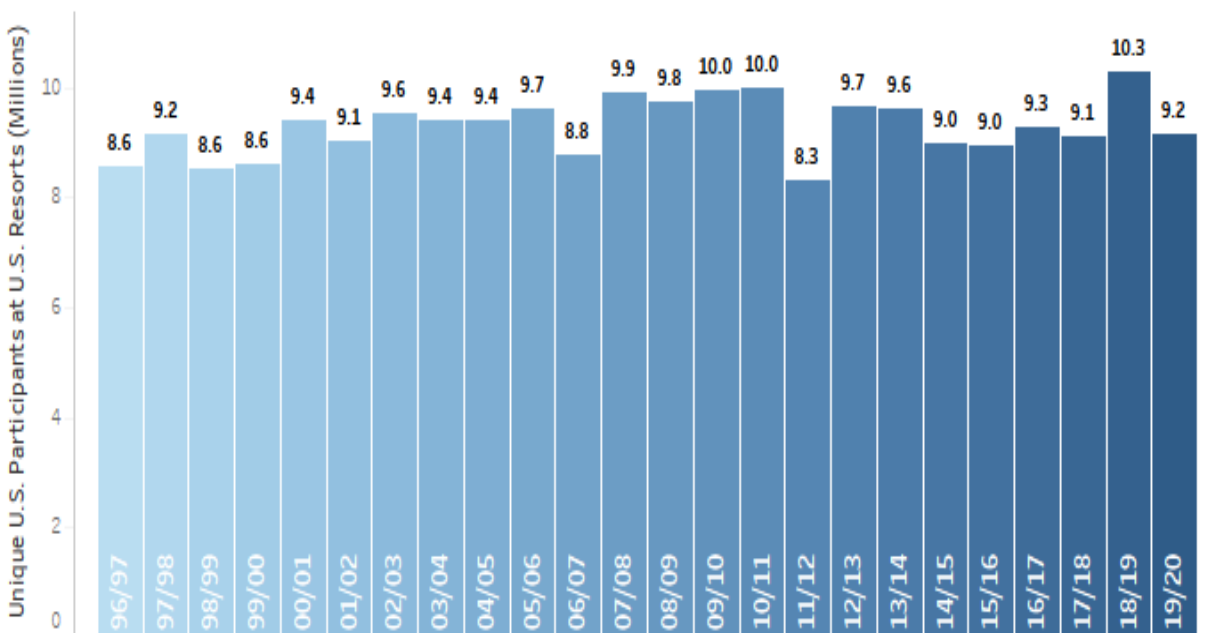


Source: NSAA and RRC Associates

Source: National Ski Areas Association, RRC Associates

Skiers and snowboarders in Canada represent a larger share of the total population than the U.S. The U.S. has not seen any major increase or decrease in total participants either. As of 2019/20, 9.2 million participants were estimated, roughly in the middle of the historic range of 8.6 to 10.0 million participants. Approximately 3% of the total U.S. population are considered participants in snowsports compared to ~6 to 7% of Canadians. Among residents of British Columbia, this percentage is higher, likely in the 12% to 15% range depending on the year

Figure 12: Unique Participants at U.S. Resorts



Source: National Ski Areas Association, RRC Associates

Skier Visit Trends

The Canadian skier/snowboard industry has experienced ups and downs throughout the past 20+ years. While overall visits were trending up from 2016/17 to 2018/19, little variation has occurred in recent history. Essentially, ski areas are competing for the same visitors, while new participants are not really developing. In fact, since 2002/03, Canada has lost participants to some degree. Again, this is not unique. **The number of downhill Canadian and U.S. skier visits has generally remained stable over the past 20 years.** This historic stability is reflective of a resilient downhill snowsports market – though factors like snow conditions and the economy may influence ski area visitation, the numbers tend to be similar from year-to-year.

For BVMR, stagnation in skier visits and participation is concerning to some degree, but many resorts are still thriving and growing in the industry. The difference is that smaller ski areas are finding it harder to compete with the larger players. Thus, the visits are being consolidated into larger resorts that offer wider diversities of activities. Therefore, winter-focused destinations have begun to implement creative tools to not only encourage their winter users to visit for more days per season, but also to cultivate non-ski activities that may appeal to a wider audience. **This trend underscores the importance of considering year-round recreation, new offerings during winter, and non-ski activities (e.g., events, tubing, dining experiences).**

Ski Industry Demographic Research

New generations of visitors are needed to continue sustaining the success of both the Canadian and U.S. ski industries. The Baby Boomers and to some degree Gen X have been key markets to the industry. However, both Millennials and Gen Z have really shown their importance with Baby Boomers aging into retirement and Gen X peaking in participation. Millennials and Gen Z are not the same as Baby Boomers or Gen X and cannot be treated as such. They are more focused on technology, not as easy to advertise to, and expecting of a unique experience. Thus, resources have been allocated to better understand how to serve these generations and their families now and into the future.

The National Ski Areas Association (along with other state and regional associations such as Colorado Ski Country USA and the Pennsylvania Ski Areas Association) has undertaken a variety of research studies related to the Millennial generation (young adults aged 24 to 39 years old in 2021). These studies are intended to understand downhill snowsports participation patterns and preferences among this generation. When compared to all other age cohorts, the **Millennial generation accounts for one of the largest groups of snowsports participants**. However, **Millennial skiers and snowboarders, on average, ski fewer days per season than other age cohorts**, with an average of only approximately 4.9 days on the mountain season (by comparison, the average number of days that Baby Boomers ski per season is 6.7). These low numbers for Millennials are troubling to ski-related operators; thus, NSAA is studying the pattern of Millennial participation and intention to continue with snowsports.

In addition to Millennials, Gen Z (the youngest and largest generation, currently aged 22 and younger) now represents the largest grouping of participants by age cohort. Furthermore, this group varies in terms of preferences, expectations, and behaviors in their recreation. Ski areas not only have to consider supporting large constituents of Millennials, who themselves differ from generations such as Baby Boomers and Gen X, but also areas need to implement marketing and promotion to Gen Z. This creates pressure to become innovative in marketing and promotional materials to reach two large audiences with differing preferences.

Gen Z cannot be placed in the same box as Millennials. The two generations are lumped together in many cases, but research suggests that Gen Z is even more technologically-savvy, exposed to other cultural factors at an earlier age, and is willing to stick up for causes they support. Not all of Gen Z fit this image, but technology is going to serve as a key cornerstone for this group. In terms of marketing, Gen Z can spot when they are being marketed to much faster than other generations, since they have grown up being constantly targeted with ads from an early age. They expect brands that market to them to interact and have a more human personality than before.

Moving into 2021, it is difficult to not consider the social activism that was led by many of those in Gen Z. Racial and social equity along with wealth inequalities were issues brought to the mainstream from recent events. Ski areas may not feel that these events impact them; however, Gen Z is the largest group of skiers and snowboarders, and they will continue to be into the future. Considering how these events can impact perceptions is important for resort marketing.

Detailed research about Gen Z in the ski industry has yet to occur. Interest exists for further exploration of this cohort, but a solid foundation has yet to be built. That said, there has been some research into Millennials and Gen-Z that provides some insights into the younger generations. The section below highlights some of these findings.

Millennial Research

For winter-focused destinations, the importance of growing the user base of young adults is critical. In the winter, most mountain destinations tend to be populated by an older, repeat visit clientele; while this customer base is valuable, ski areas need to think about strategies to appeal to younger demographics and offer non-ski activities. To further understand this important segment of the industry, the National Ski Areas Association researched the Millennial generation in 2014/15.

A national survey of over 2,000 Millennials (including both snowsports participants and non-snowsports participants), in addition to qualitative one-on-one interviews in key market areas, generated some initial conclusions about Millennials and their propensity to participate in skiing and snowboarding. In the survey, Millennial skiers and snowboarders were asked to describe what they like most about downhill snowsports. The words most frequently mentioned by respondents include “fun,” “freedom,” “friends,” and “outside.” One aspect that sets Millennials apart from their older counterparts is their social inclinations, which was noted throughout the qualitative interviews. Many Millennial skiers and riders indicated that skiing is, to them, a social activity – they prefer to spend both day visits and overnight destination trips with friends and family.



When asked what they dislike about skiing and snowboarding, Millennial snowsports participants were most likely to respond with words like “cold,” “cost,” and “lift lines.” The cost of the sport is clearly a barrier for some Millennials. Respondents were asked to talk about the reasons their friends cite for not skiing or snowboarding, and many mentioned “money,” “cost,” or the “expensive” nature of the sport. A

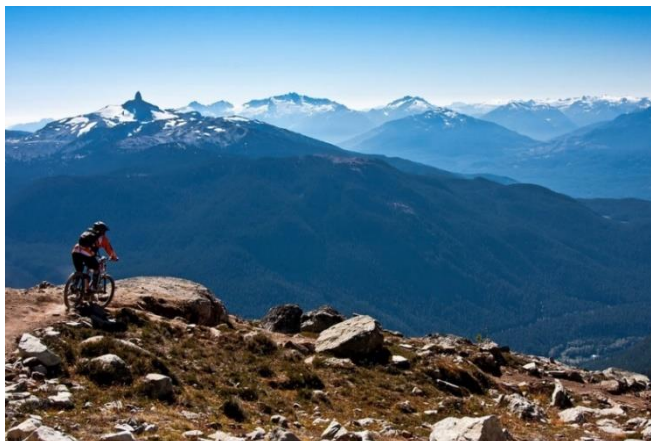
large portion of Millennials face financial challenges; however, secondary research has revealed that there are some 16.6 million Millennials in households earning over \$100,000 per year. While select Millennials can seek out luxurious experiences, the large majority are likely to gravitate towards lower-cost opportunities.

Despite these limitations, 55 percent of Millennial skiers and snowboarders strongly agreed with the statement, “I’m committed to skiing/snowboarding for life.” Interestingly, the percentage strongly agreeing with this statement declined somewhat with age within the cohort (from younger Millennials to older Millennials) as well as with the presence of children. **This paints a positive picture overall of Millennial participation in the downhill snowsports market, but a definitive market for alternative options.**

Millennials are aging into careers and parenthood while people in Gen Z are still moving into adulthood, finishing college, or are relatively new to the workforce. Identifying how to attract those without children, in addition to those with young children, will be an ongoing effort for winter sports.

Summer Season Business Potential

To generate year-round income and boost visitation in all seasons, as well as establishing balanced operations, a reliable source of career-oriented employment and a high-quality all-season tourist experience, destinations across North America have been working hard on **building infrastructure to support summer activities and developing new programming.** T



Travel and accommodations are often more affordable for summer visitors, and most families are much more willing to travel during the summer. Resorts are placing a high degree of effort into improving their summer offerings to make their destination well-rounded and resilient. Alpine slides, mountain coasters, and zip lines are a few of the new types of activities being installed at resorts across the country to serve summer guests. Summer guests are likely to have different motivations than winter guests. Consumer research studies have been conducted by ski areas to understand what motivates participants to visit a ski area in the summer, preferred activities, and likelihood to visit in the winter. This information allows for a more comprehensive strategy to build successful summer operations.

Many destinations and their nearby communities have followed suit, expanding their multi-season recreation opportunities to encompass a wider visitor market. Most destinations and nearby communities in the summer marketplace also offer special events that relate to recreation, food and beverage, health and wellness, music, arts and culture, and other themes.

A study by the National Ski Areas Association looked at summer operations at over 200 U.S. ski resorts. **The top summer/fall activities offered by resorts include hiking, scenic lift rides, and mountain biking**, with over half of the participating resorts reporting that they offer these activities. The survey also asked respondents about summer/fall events. Almost all responding resorts indicated that they host weddings, meetings, and/or family reunions, and about half offer festivals. Similar results would be expected for mountain resorts in Canada.

As many resorts continue to expand and improve their summer offerings, it could be more difficult for resorts without multi-season opportunities to remain relevant in the resort marketplace. However, summer activities still need to be profitable. Additionally, these activities have their own set of challenges that are not present in winter activities.

For instance, it is more challenging to monetize summer activities if fee-free options are nearby. Plus, getting visitors to consider a “ski resort” for summer recreation is still difficult. Changing that perception is necessary.

Pass Partnerships



In recent years, reciprocal ski passes created by resort partners have become a popular option for downhill snowsports participants and have shown strong growth across popular North American destinations. These pass partnerships allow skiers and snowboarders to visit a variety of resorts nationally and internationally under one comprehensive pass with a one-time purchase. The products represent an opportunity for skiers and snowboarders to visit a new ski area, and for

ski areas to bring first-time visitors to their resort; they are also a significant opportunity for resorts to broaden their reach in the competitive marketplace.

Until 2018, the three main players in the multi-mountain pass industry were the Epic Pass, the Mountain Collective, and the Rocky Mountain Super Pass Plus. In 2018/19, the Ikon Pass replaced the RMSP and emerged as an enticing new product that encourages purchasers to travel to other ski resorts based on its large number of destination resorts. Epic Pass’s announcement of the “Epic Day Pass” starting in the 2019/20 season also provided a new twist on pass products for those who are in between the season pass and day pass option by allowing for massively reduced ticket prices if purchased pre-season.

Flexibility and affordability will continue to play a role in the pass marketplace. Pre-purchasing has become standard even for day passes, largely due to Covid-19. Especially for the upcoming the 2021/22 season, guests will be even more accustomed to planning and purchasing before they decide to visit. New pass options generate pre-season revenue, an important aspect of cash flow management today. It is anticipated that multi-mountain pass partnerships will continue to evolve in the future.

Skiing/Snowboarding Participation Rates

British Columbia in general, and the Mainland / Southwest area in particular, have well-established resident ski/snowboard markets.

Based on seven-season winter averages (2013/14 – 2019/20), British Columbia residents generate an annual average of 3.07 million skier days in Canada (*where one skier day = one person downhill skiing or snowboarding for any part of a day*).

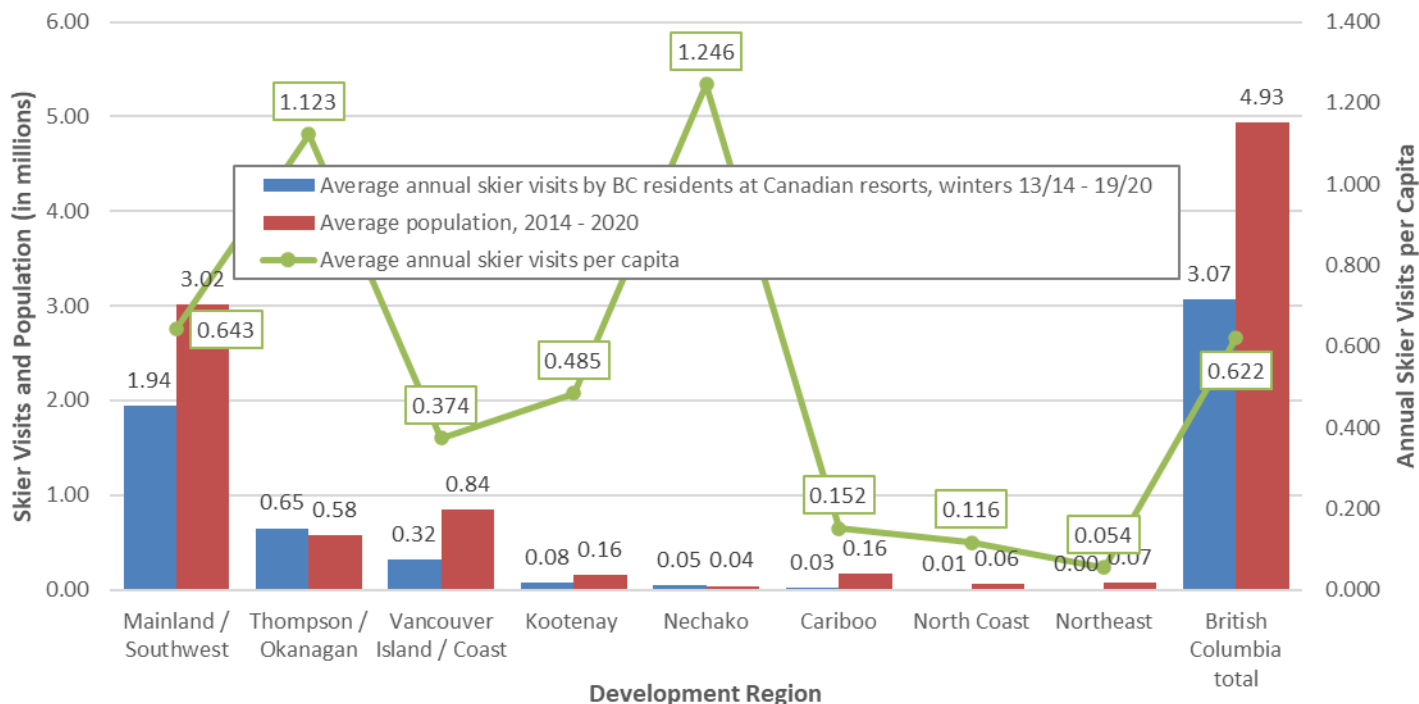
With an average population of 4.93 million over the 2014-2020 period, BC residents generated an annual average of 0.622 skier days per capita in Canada (Figure 41).

Over the same period, the 3.02 million residents in the Mainland/Southwest Development Region took an annual average of 1.94 million skier days, or 0.643 skier days per capita, similar to the overall BC average.

Looking elsewhere in BC, the Thompson/Okanagan area, with multiple quality destination ski areas, exhibits 75% higher skier visits per capita (1.123 visits/capita) than the Mainland/Southwest (0.643 ski days / capita). Conversely, Vancouver Island/Coast, with more limited nearby skiing options, has significantly lower resident ski activity (0.374 visits / capita, or 42% less than the Mainland/Southwest). These variances suggest that the availability and quality of proximate skiing options can have a substantial influence on resident skiing behavior. Such variances are widely seen in other resident ski markets in North America.

Based on existing patterns, as the Lower Mainland area continues to grow, it might be expected to generate roughly 64,000 incremental skier visits for every additional 100,000 population (subject to the demographics of the population and other factors). For context, over the 2011-2020 period, the Mainland/Southwest area gained approximately 425,000 residents, or about 47,000 residents per year.

Figure 13: Average Annual Downhill Skier/Snowboarder Visits and Population: British Columbia Development Regions



Source: RRC Associates; Canadian Ski Council skier demographic surveys; Statistics Canada.

Looking ahead, continued population growth is likely to expand the local ski market over time, all else held equal. For example, 20% growth in the Mainland/Southwest population (+630,399 people) might translate into approximately 388,000 additional local resident skier visits, all else held equal (Figure 14).

Additionally, it is likely that BVMR would have a stimulative effect on local skiing activity, helping expand the size of the Mainland / Southwest market, which would likely be an important (but not sole) market for BVMR. For example, if the lower Mainland/Southwest skiing participation rate increased by 5%, that would translate into an additional 97,000 annual skier visits (Figure 15).

The foregoing data indicate that BVMR is positioned within a sizeable and growing regional skiing market from which it can draw (in addition to drawing from other markets). The likelihood of future regional growth and BVMR's potential to stimulate interest and expand options for the downhill skiing market are also important reasons in the evaluation of BVMR.

Figure 14: Hypothetical Increase in Mainland/Southwest Skier Visits with Population Growth

	Current	With change in population		
		10% increase	20% increase	30% increase
Mainland / Southwest population	3,151,996	3,467,196	3,782,395	4,097,595
Incremental additional population (vs. current)	n/a	315,200	630,399	945,599
Mainland / Southwest skier visits	1,940,000	2,134,000	2,328,000	2,522,000
Incremental additional skier visits (vs. current)	n/a	194,000	388,000	582,000

Source: RRC Associates.

Figure 15: Hypothetical Increase in Mainland/Southwest Skier Visits with Increased Skiing Participation Rates

	Current	With change in skier visits / capita		
		2% increase	5% increase	10% increase
Mainland / Southwest skier visits per capita	0.643	0.656	0.675	0.707
Mainland / Southwest resident skier visits	1,940,000	1,978,800	2,037,000	2,134,000
Incremental additional skier visits (vs. current)	n/a	38,800	97,000	194,000

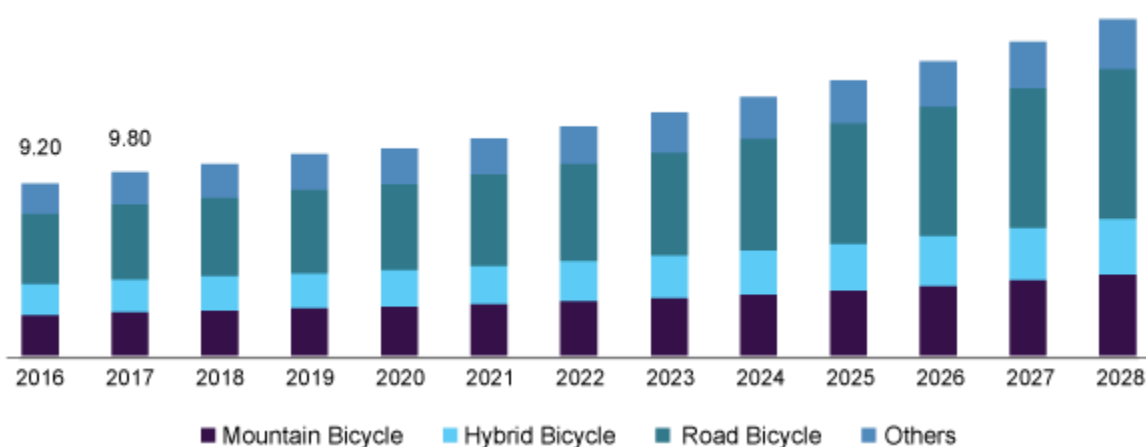
Source: RRC Associates.

Trends in Tourism and Outdoor Recreation

Mountain Bike Tourism

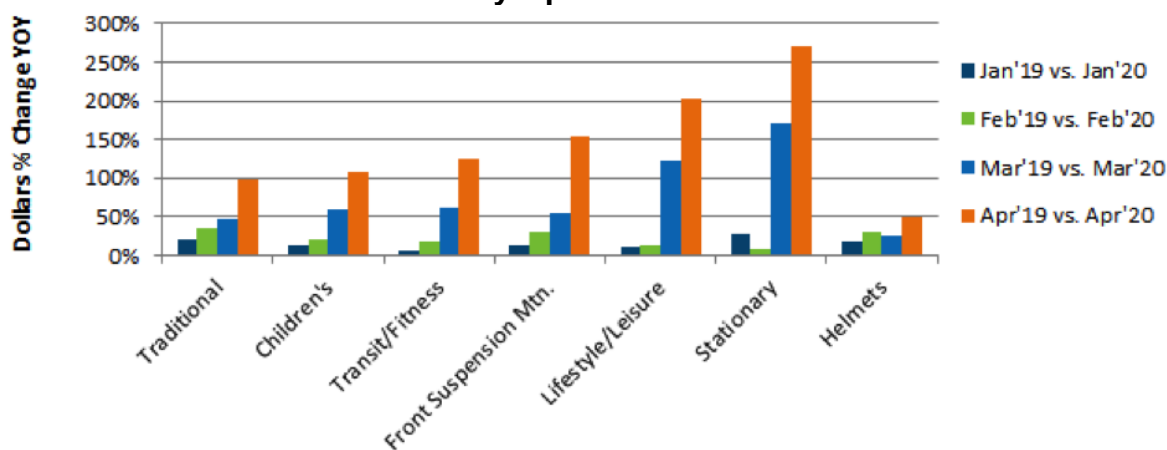
Downhill mountain biking continues to be a popular summertime mountain activity. Interest in the sport has grown since the pandemic. According to Grand View Research, the global bicycle market size was valued at USD \$54.44 billion in 2020. It is expected to expand at a compound annual growth rate (CAGR) of 7.0% from 2021 to 2028. According to a survey by Statistics Canada, in 2016, approximately 13 percent of individuals participated in mountain biking that summer.

Figure 16: North America Bicycle Market Size, by Product, 2016-2028 (USD, Billion)



Source: Grand View Research

Figure 17: Monthly U.S. Sales Growth for Key Bicycle Categories January-April 2020 vs. 2019



Source: The NPD Group/ U.S. Retail Tracking Service/ Dollar Sales/January-April 2020 vs. 2019

In BC specifically, mountain bike tourism continues to increase. An economic impact study by the Mountain Bike Tourism Association and Destination British Columbia indicated an increase of over 100% revenues and employment numbers related to mountain biking over a decade.

This information is promising for BVMR. With strong and growing interest in mountain biking as a sport, the opportunity to operate year-round while charging for bike rentals, lift tickets and possibly lessons, is an attractive option.

The following recent studies exemplify the economic opportunities that mountain biking can potentially provide to resorts:

Whistler

A study of the economic impact of mountain biking in Whistler conducted in by the Canadian Sport Tourism Alliance 2016 identified considerable economic value in mountain biking.

Three surveys were administered during the 2015-16 seasons at four separate locations (Whistler Bike Park, Lost Lake Trails, Whistler Cross Country Trails and Crankworx) and provided the following results:

- \$46.6 million in visitor spending directly attributable to mountain biking
- 389 Whistler jobs
- \$75.9 million in economic activity supported in British Columbia
- 102,500 out-of-town visits were made to ride in Whistler during 2016
- \$18.1 million in wages & salaries supported in Whistler
- \$39.3 million boost to provincial GDP

Squamish

The Mountain Biking Economic Impact study published in April 2017 of the Squamish area offered several positive economic indicators of the value of the sport. This data is from intercept surveys at 4 locations in Squamish from June 11 to August 29, 2016, which produced a total of 445 surveys. Since the previous survey ten years ago, the share of out-of-town riders staying overnight increased by 23% and the average length of stay increased by 2.6 nights. Overall tourism spending increased \$7.4 million from 2006 to 2016.

In 2016:

- There were 22,820 out-of-town riders which contributed \$9.9 million in visitor spending
- 71 Squamish jobs supported by the tourism expenditures of mountain bikers

- 44% of out-of-town riders stayed overnight
- \$7.3 million boost to provincial GDP
- \$.1. million in taxes supported in BC

Another study done on the Test of Metal, a 67 km course mountain biking event in Squamish during a weekend in June in 2016, proves that events also play a significant role in the tourism economy. The 21st and final edition of the Test of Metal took place in Squamish June 18 & 19, 2016 and was open to 1,200 riders. With spectators and supporters, this event provided a considerable boost in tourism and economic activity for Squamish.

A post event survey was sent out and provided the following results:

- The Test of Metal attracted 1,164 out-of-town participants & spectators
- The event generated \$397,000 in visitor spending
- Total GDP was \$418,000 attributable to the event

Pemberton

The Mountain Biking Economic Impact study conducted in May 2017 highlights several important figures which signify the profitability of mountain biking and the attraction of visitors. Intercept survey data was collected from July 8 to August 29 with a total of 2,010 surveys.

In 2016:

- There were 2,974 out-of-town riders, half of which stayed overnight
- \$858,000 in visitor spending directly attributable to mountain biking in the area
- 6.5 Pemberton jobs supported by mountain bike tourism and operational spending
- \$627,000 boost to provincial GDP

This economic impact of mountain biking in other mountain resort locations like Pemberton and Whistler are an encouraging sign for BMR. Increases to visitors, spending, jobs, labor income, and GDP noted at these other locations signify that the opportunity at BVMR with downhill mountain biking is significant.

Gondola Sightseeing

Another economic opportunity is gondolas for the purpose of sightseeing. One popular gondola in the area is the Sea to Sky Gondola. There are 39 gondola cabins that hold 8 passengers each. With daily lift tickets at \$56 each, this gondola has significant economic potential.

Since its opening in 2014, the Sea to Sky Gondola, which is within Stawamus Chief Provincial Park and Protected area and near the popular Shannon Falls Provincial Park, has led to a large increase in visitor numbers in Squamish. According to an Economic Impact of Squamish Tourism Sector 2020 report by Crane Management Consultants since the Sea to Sky gondola opened, the following changes have been recorded:

- Visitors seeking information at Squamish Adventure Centre increased by 37%.
- Tour buses stopping at Squamish Adventure Centre increased by 40%.
- Traffic on the Tourism Squamish website increased by 32%; and
- Hotel occupancy increased by 10% (Colebourn, 2015).

In 2017, the gondola hosted its millionth visitor. Since its opening, the gondola averaged about 330,000 visitors annually; the majority (320,000) of these visitors were tourist or non-residents of the area. It is also a large employer with about 150 staff during high season.

A table showing regional gondola visitation is shown below.

Figure 18: Annual Visitors to Regional Cable Cars

Regional Cable Cars	Visitation
Grouse Mountain Cable Car	1,200,000
Jasper Sky Tram	100,000
Sea-to-Sky Gondola	350,000
Peak-2-Peak Gondola	350,000
Sulphur Mountain Cable Car	515,000
Mount Roberts Tramway	200,000
Average of above	452,500

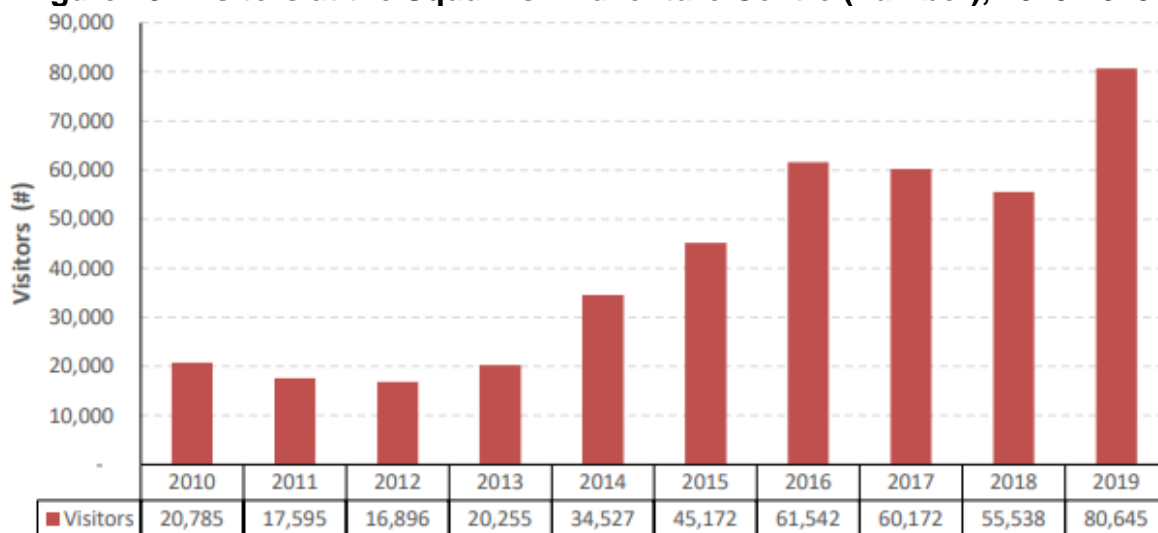
Source: Prairie Sky Gondola Inc.

In 2017, the Banff scenic gondola reopened after renovation (between October 2015 and April 2016). Compared to pre-renovations, revenue grew by 57%, the number of passengers increased by 20%, and revenue per passenger from ticket sales, retail, and dining rose by 31%.

Another popular sightseeing gondola is the Palm Springs, California Tram, which averages an estimated 750,000 visits annually.

Squamish Adventure Center

Figure 19: Visitors at the Squamish Adventure Centre (number), 2010-2019



Source: Destination BC 2020

Visitor numbers at the Squamish Adventure Center have been increasing, though at an irregular rate, from around 20,000 annually in the 2010 to 2014 period, peaking at about 60,000 in 2016, and then rising again in 2019 to 80,000 visitors.

Fraser Valley Regional District Provincial Parks

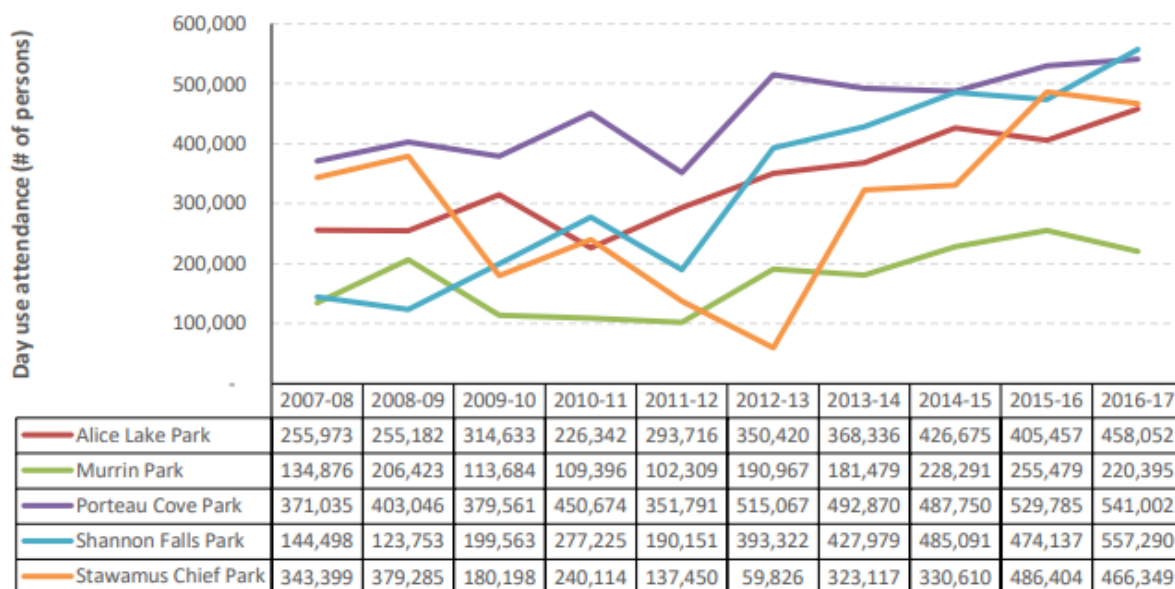
Provincial parks play an important role in tourism and Canada's economy. A study done for the Canadian Parks Council published in 2011 estimated that all of Canada's national, provincial, and territorial parks create over 64,000 full time jobs, generating \$2.6 billion in labor income and contributing \$4.6 billion to Canada's GDP in 2008/09. For British Columbia, 9,990 full time equivalent jobs were created resulting in \$544 million in labor income and contributed \$728 to the province's GDP. These numbers have only increased in the past decade.

The FVRD hosts over 20 provincial parks. Provincial parks in the Southern Coast Region (including Chilliwack area) have seen an increase in visitation and consequently revenue over the past few years. These trends show an interest in the area for spending time in local outdoor areas and is promising for recreation opportunities at BVMR.

- Total increase in revenue from camping, day use and boating fees increased by \$294,251 from 2016/17 to 2017/18 in the Southern Coast Region
- For Chilliwack Lake Park specifically revenue increased by 12% from 2016/17 to 2017/18
- Camping revenue in the Southern Coast Region increased by 7.6% during the same time frame for a total of \$2.8 million in 2017/18

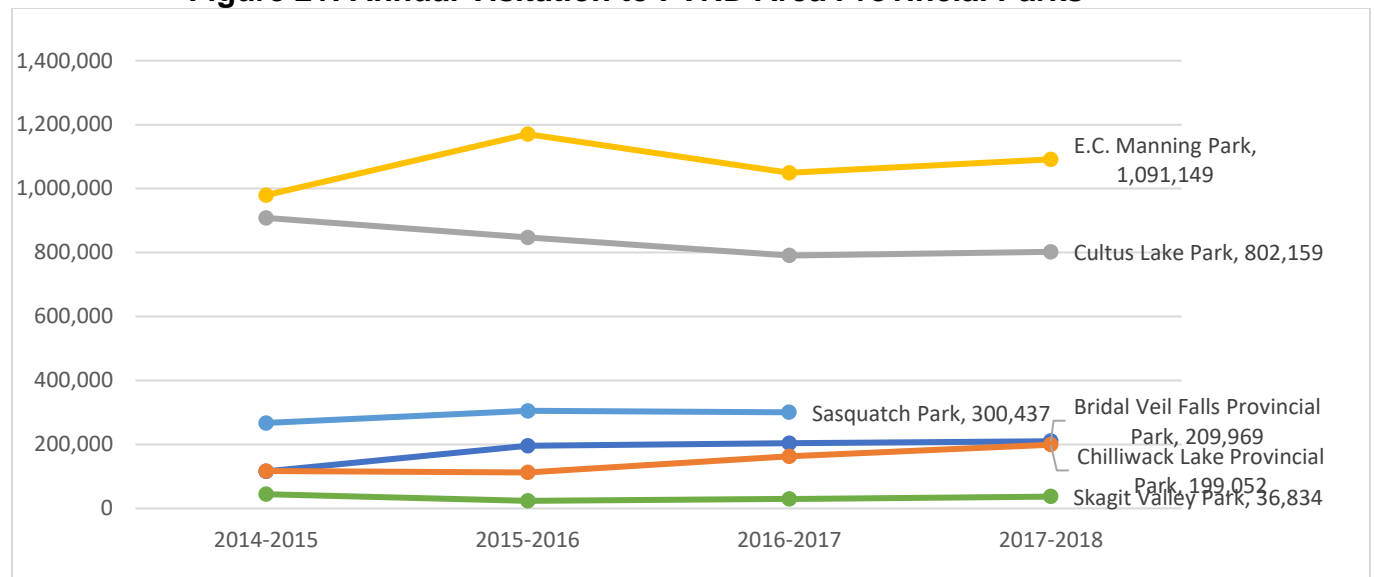
Other prominent provincial parks in the area have seen increases over time as well. From 2007/08 to 2016/17, annual day visitor attendance increased at each of Shannon Falls (286%), Stawamus Chief (36%) and Alice (79%) provincial parks.

Figure 20: Day Use Attendance at Squamish Area Provincial Parks (# of Persons), 2007/08-2016/17



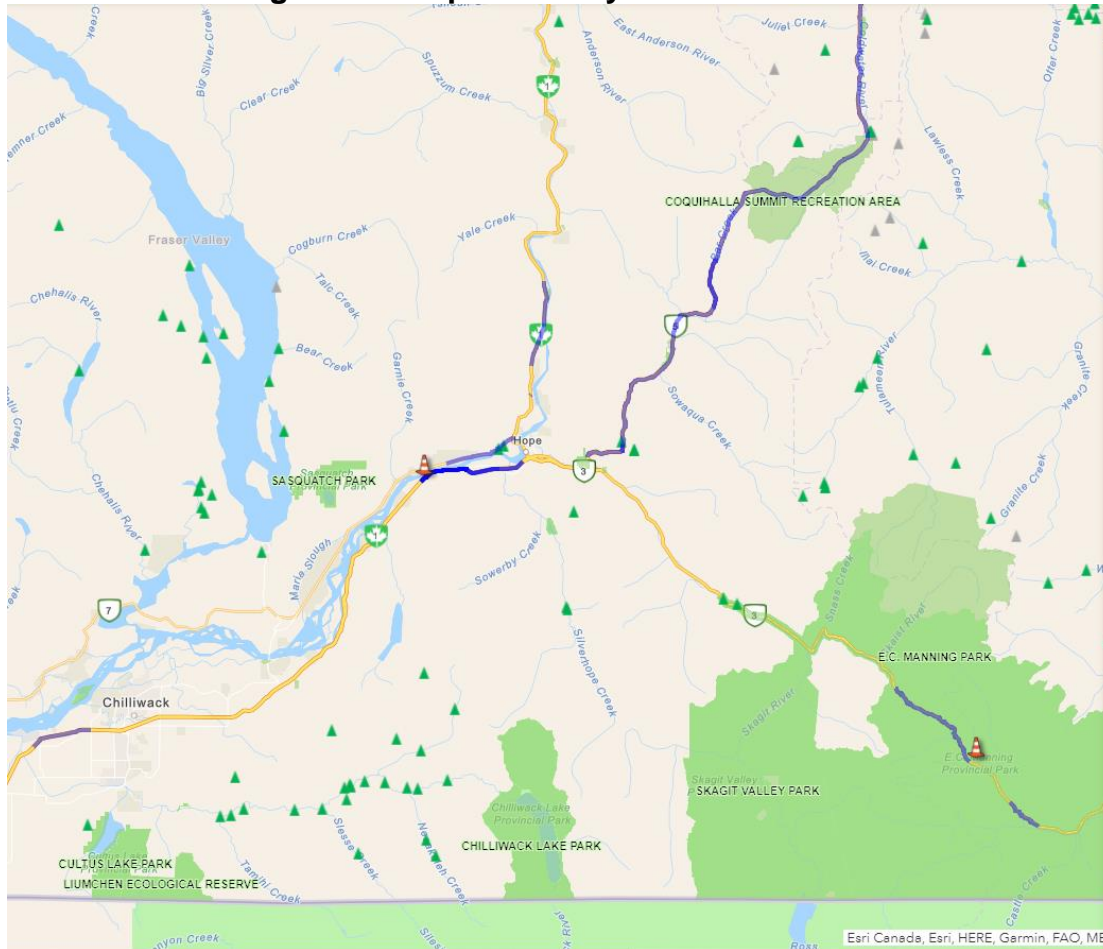
Source: BC Parks various years

For provincial parks in the FVRD, park visitation has also been increasing. The revenue from day passes, and camping help fuel the regional economy. Of the more than 20 in the region, these parks, (Bridal Veil Falls, Chilliwack Lake, Cultus Lake, E.C. Manning Park, Sasquatch Park and Skagit Valley Park) are in proximity to BVMR.

Figure 21: Annual Visitation to FVRD Area Provincial Parks

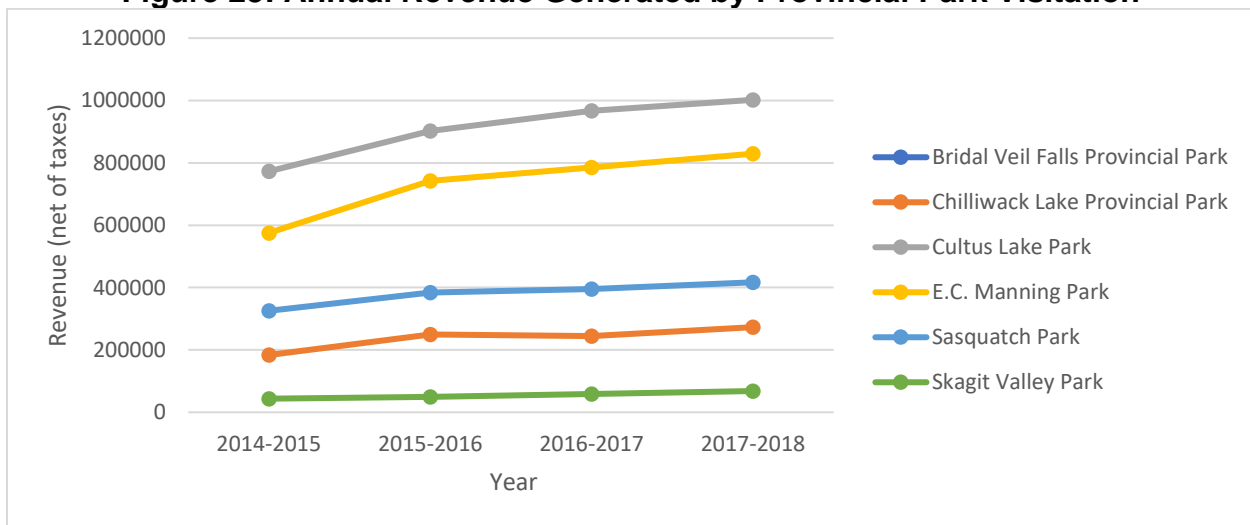
The maps below show the regional distribution of nearby parks.

Figure 22: Map of Nearby Provincial Parks



Source: Government of BC

Figure 23: Annual Revenue Generated by Provincial Park Visitation



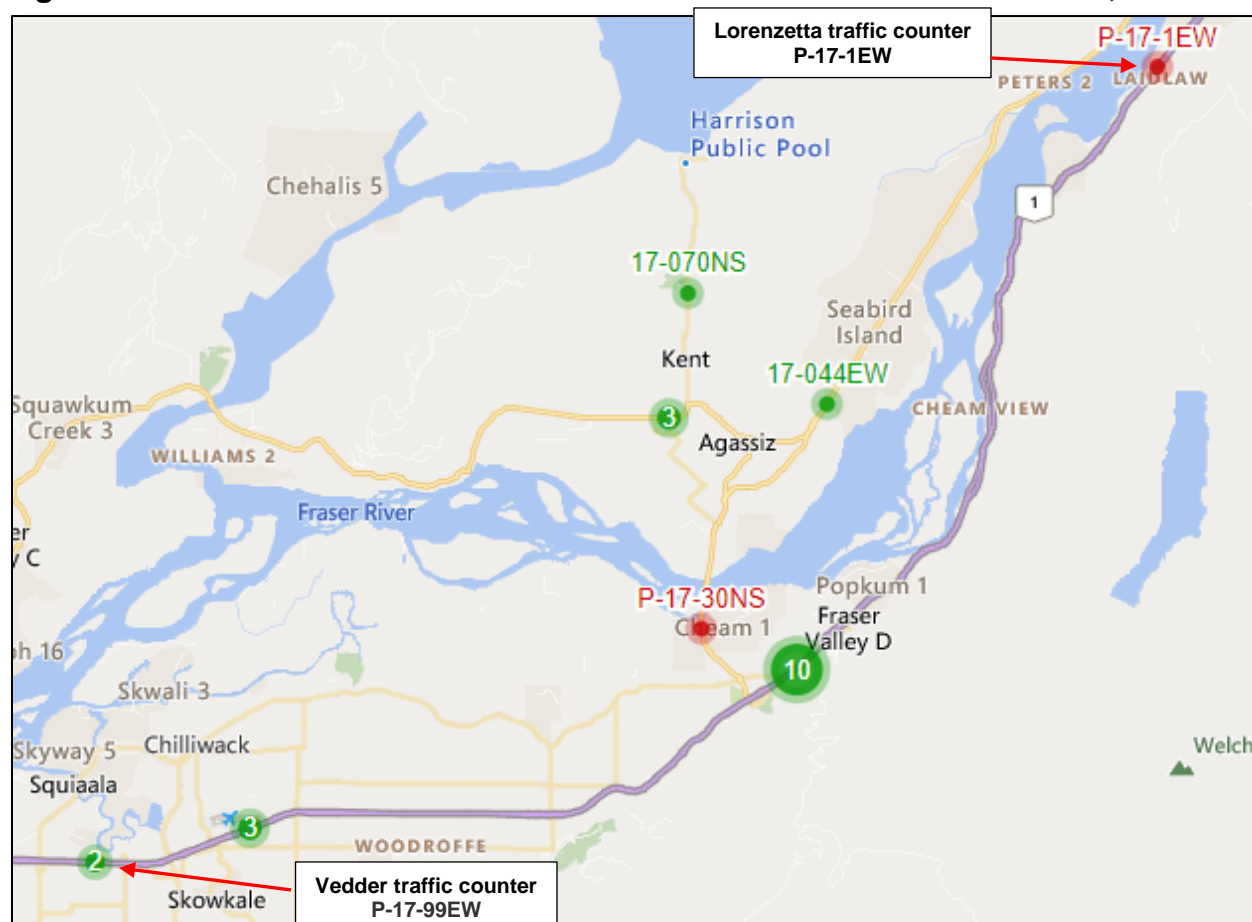
Source: BC Parks various years

Local Traffic Counts

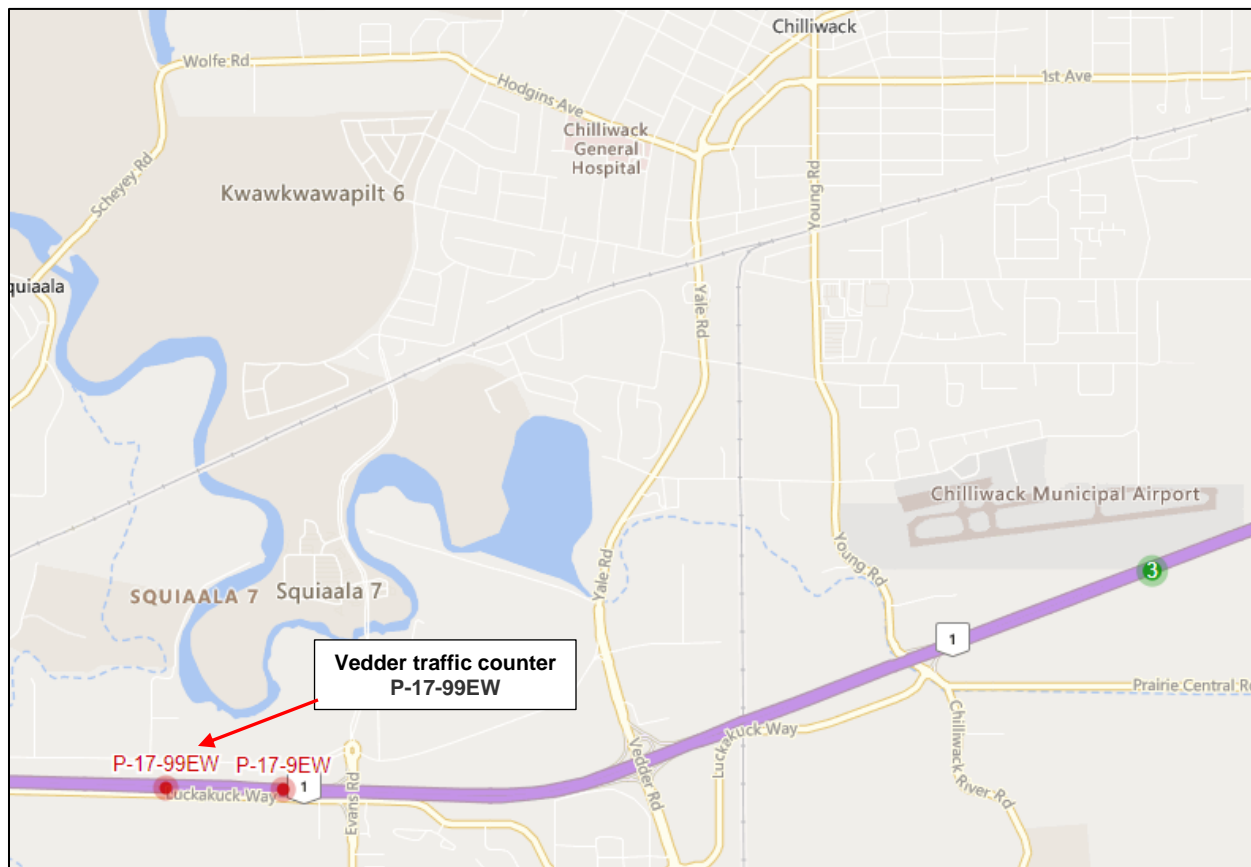
One of the important competitive advantages of BVMR is its location just off the Trans-Canada Highway (Route 1), which provides superior access to BVMR from the Lower Mainland market and points beyond. Moreover, Route 1 is a well-established travel route for tourists, likely carrying several million visitors annually from the Vancouver/Fraser Valley region (plus Washington/US) to destinations further east in BC and Alberta. BVMR would likely both tap into this existing and growing stream of visitor travel, as well as stimulate incremental new demand by virtue of being an especially convenient travel option due to its easy access to Lower Mainland population centers.

Several of the characteristics of the Route 1 tourism travel market can be inferred from local traffic counts. Permanent traffic counters are located on Route 1 in Chilliwack (Vedder traffic counter, 1.3 km west of Vedder Road) and Laidlaw, approximately 40 km northeast of Chilliwack (Lorenzetta traffic counter), as shown in the two maps to follow.

Figure 24: Locations of Vedder & Lorenzetta Permanent Traffic Counters, Route 1



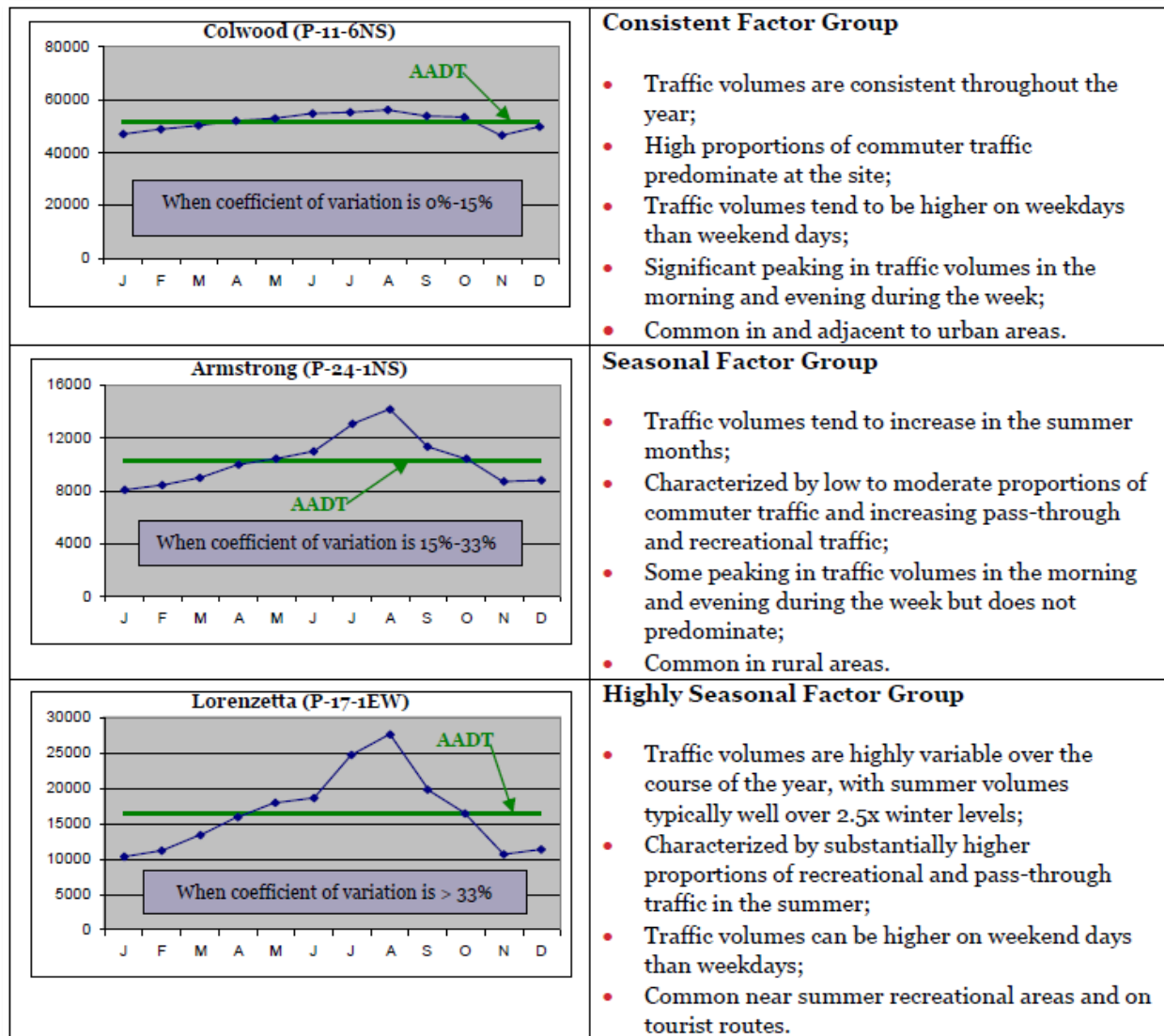
Source: BC Ministry of Transportation and Infrastructure, <https://prdoas6.pub-apps.th.gov.bc.ca/tsg/>

Figure 25: Locations of Vedder Permanent Traffic Counters, Route 1 (zoom-in)

Source: BC Ministry of Transportation and Infrastructure, <https://prdoas6.pub-apps.th.gov.bc.ca/tsg/>

The BC Ministry of Transportation and Infrastructure assigns permanent traffic measurement sites into “factor groups” based on shared traffic pattern characteristics. Sites are grouped into one of three categories – consistent, seasonal, and highly seasonal – based on the variation of monthly traffic relative to annual average traffic, as illustrated in Figure 26 to follow.

- The **Vedder** traffic counter is classified in the “seasonal” factor group, which is “characterized by low to moderate proportions of commuter traffic and increasing pass-through and recreational traffic.”
- The traffic patterns at **Lorenzetta** are cited as a textbook example of the “highly seasonal” factor group, with substantially higher proportions of recreational and pass-through traffic in the summer, and higher volumes on weekend days than weekdays. Such traffic patterns are “common near summer recreation areas and on tourist routes.”

Figure 26: Factor Groups for BC Permanent Traffic Measurement Sites

Source: Traffic Reports User Documentation, May 16, 2019, British Columbia Ministry of Transportation and Infrastructure.

Although the Vedder and Lorenzetta counters fall into two different seasonal factor groups, further analysis (as well as intuition) indicates that many of the travelers measured at the Lorenzetta counter also pass through the Vedder counter. As such, the “tourist route” characterization of Lorenzetta also effectively applies at Vedder and Chilliwack insofar as travelers pass by both areas. The series of graphs and discussion to follow go into more detail on these travel patterns and findings, and seek to characterize the nature of tourism traffic passing through Chilliwack (and by extension, past BVMR).

Figure 27 to follow illustrates daily traffic counts in 2018 at the Vedder and Lorenzetta traffic counters. Figure 28 summarizes the associated average daily traffic counts by month and day of week, and Figure 29 goes a level deeper by summarizing average daily traffic by day of week by month.

A few patterns of interest are apparent:

- At both counters, traffic is substantially higher in the summer months than the winter months, typically an indicator of summer tourism.
- Average daily traffic counts at Vedder are consistently about 40,000 higher than at Lorenzetta on Tuesdays through Fridays throughout the year – likely a sign of consistent workweek traffic present at Vedder but absent at Lorenzetta.

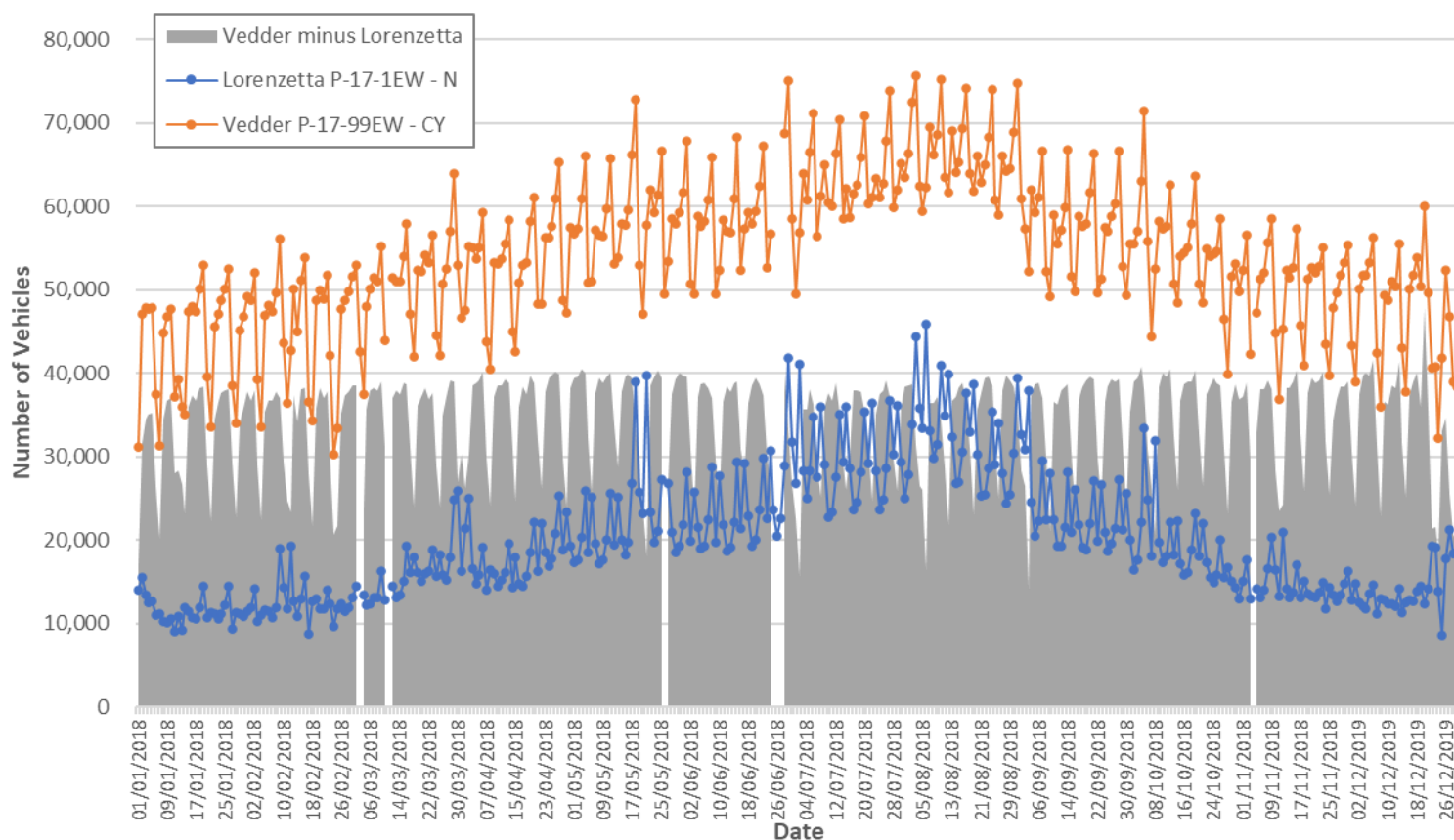
Additional patterns of interest become clear when the traffic data are analyzed directionally (eastbound vs. westbound), as shown in Figure 30 to Figure 34 to follow. Patterns of interest include the following.

- At both the Vedder and Lorenzetta counters, there is substantial net eastbound flow on Thursdays, Fridays and Saturdays (particularly in May – August), and substantial net westbound flow on Sundays and Mondays (Figure 31 and Figure 32). These patterns are strongly indicative of outbound weekend trips from the Lower Mainland area to points east.
- Moreover, these net directional flows of weekend travel are highly similar in pattern and scale at both the Vedder and Lorenzetta counters – a very strong sign that the same weekend travelers pass through both counters – and by extension, indicate the presence of a large flow of leisure travelers passing right by BVMR, especially in summer and on weekends.
- Figure 34 illustrates the cumulative eastbound traffic flow on Route 1 at Lorenzetta in 2018, summing up daily net eastbound flows throughout the year.
 - The pattern shows a strong net eastbound flow rising through the spring and summer, peaking at a cumulative net 48,000 vehicles at points east of Lorenzetta through the British Columbia Day weekend. Thereafter, the flow reverses, with vehicles cumulatively returning west through the fall, before a net eastbound flow returns over the Christmas holiday.
 - The patterns also show cumulative net eastbound flows of roughly 10,000 vehicles on non-holiday July weekends. On summer holiday weekends, net eastbound flows are often dramatically higher (e.g. approximately 28,000 net eastbound vehicles over the Canada Day holiday, and close to 26,000 net eastbound vehicles over the British Columbia Day holiday). Conversely, net eastbound flows are lower on non-holiday weekends in the spring and fall.

- Weekend tourism traffic flows are much more muted in the winter months than the summer months (with the exception of Family Day weekend, Good Friday weekend, and Christmas) – an indication that Route 1 may be relatively less developed as a winter tourist travel corridor. The winter does have travel patterns which are likely indicative of outbound tourist travel (e.g. elevated eastbound flows on Fridays, elevated westbound flows on Sundays), but at a smaller scale than in summer (Figure 36)**Figure 36: January-February 2018 Traffic at Lorenzetta Counter on Route 1.**
- A rough estimate of tourism travel through Lorenzetta can be made by summing up travel volume above the low winter season baseline (assuming that this winter baseline reflects mostly non-tourism, year-round through traffic). This calculation, illustrated in Figure 35, suggests that there were approximately 1.8 million tourist vehicles passing through Lorenzetta in each direction in 2018. If each tourist vehicle had an average of 2.5 persons, this would imply approximately 4.5 million annual tourists/visitors passing through Lorenzetta in each direction annually – and also passing by BVMR.
 - In addition, another 1.8 million vehicles annually pass through Lorenzetta in each direction as part of presumed non-tourism background traffic, about half of which are trucks more than 6 meters in length. Some portion of these existing travelers could also potentially be candidates for stops / visits at BVMR.
- Travel at Lorenzetta can also be compared to another important tourist travel corridor, the Sea to Sky Highway, where the Eagle Ridge permanent traffic counter is located just north of Vancouver (Figure 37). Traffic at the Eagle Ridge counter falls into the “seasonal” factor group, similar to the Vedder counter and in contrast to the “highly seasonal” Lorenzetta counter.
 - As shown in Figure 38 and Figure 39, both Eagle Ridge and Lorenzetta have a summer seasonal peak in traffic, but the seasonal variations are more pronounced at Lorenzetta.
 - Additionally, both counters record strong outflows of traffic from the Lower Mainland on Thursdays, Fridays and Saturdays, and strong return flows on Sundays and Mondays. However, the flows are fairly consistent across the year at Eagle Ridge, indicating strong year-round tourism (in contrast to the predominantly summer tourism focus at Lorenzetta). This again suggests that the Route 1 corridor may be comparatively less developed for winter tourism.
- Finally, it is important to note that traffic has been growing strongly on Route 1, as well as the Sea to Sky Highway. Over the 2012 to 2019 period, average daily traffic on Route 1 grew by 19.8% at Vedder and 22.6% at Lorenzetta. Similarly,

traffic grew by 26.4% at Eagle Ridge on the Sea to Sky Highway. Traffic dipped at all three counters in 2020 in conjunction with the Covid-19 pandemic, but should be poised to rebound after vaccinations are widespread and health and safety restrictions are eased. Additionally, with future projected population growth in the Lower Mainland, Washington State and other markets, traffic along these tourist routes should continue to grow in the future.

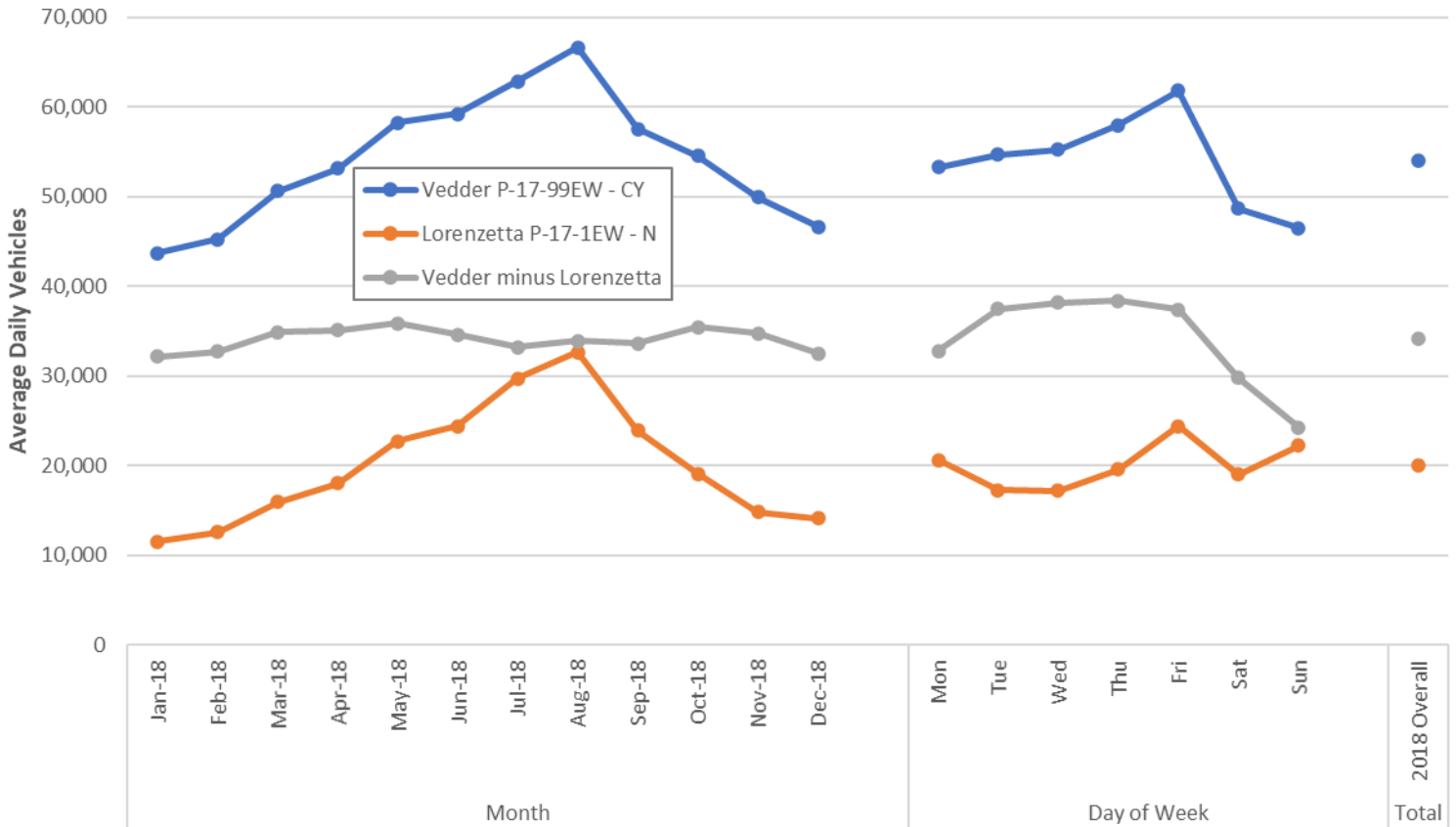
**Figure 27: 2018 Daily Vehicle Counts:
Route 1 at Vedder and Lorenzetta Traffic Counters**



Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data. Retrieved from <https://tradas.th.gov.bc.ca/tradas.asp?loc=P-17-99EW> and <https://tradas.th.gov.bc.ca/tradas.asp?loc=P-17-1EW>.

Note: December 2018 traffic counts unavailable for Lorenzetta; December 2019 counts are substituted instead.

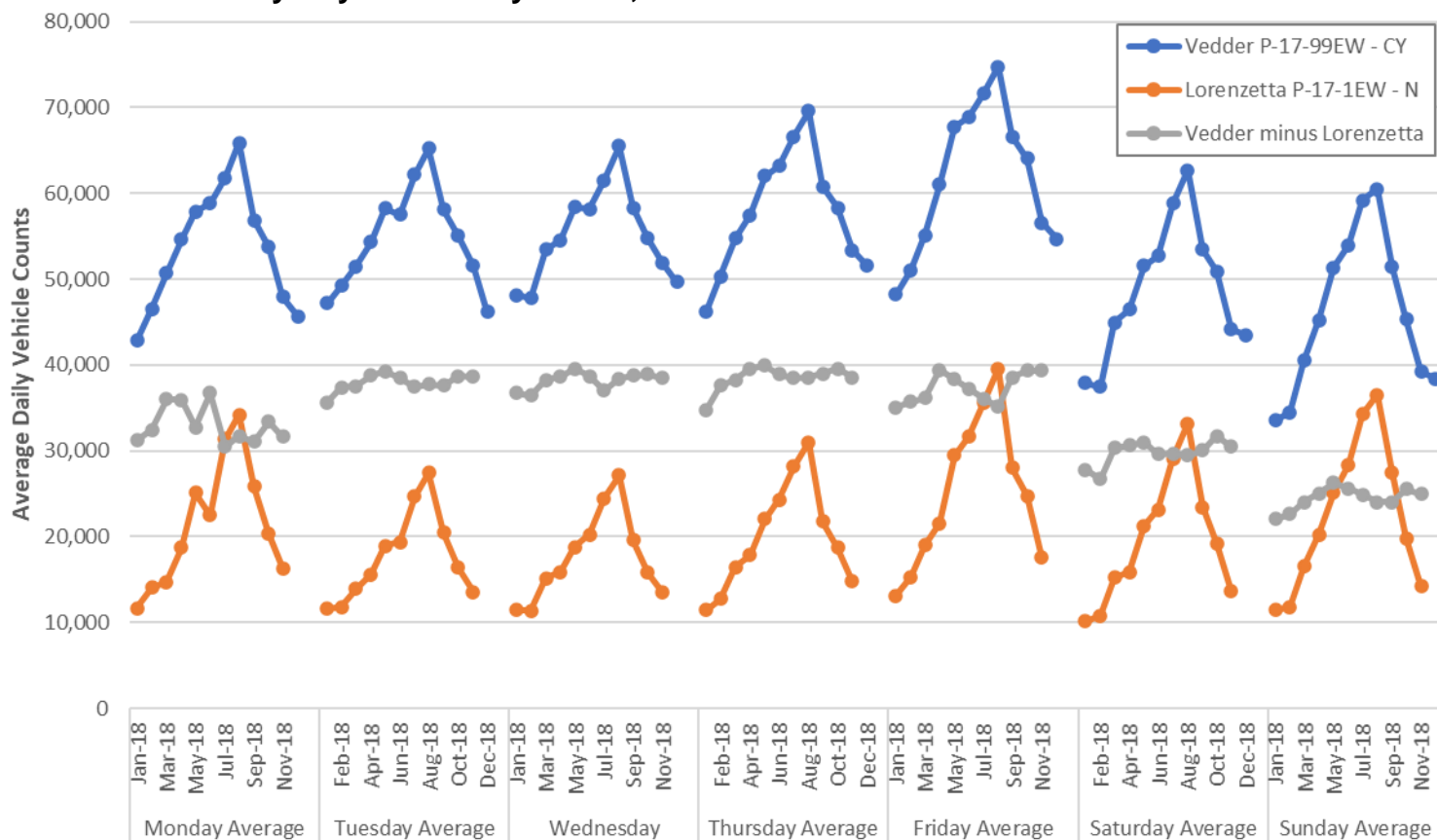
Figure 28: 2018 Average Daily Vehicle Counts, Route 1: by Month and Day of Week, Vedder and Lorenzetta Traffic Counters, 2018



Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

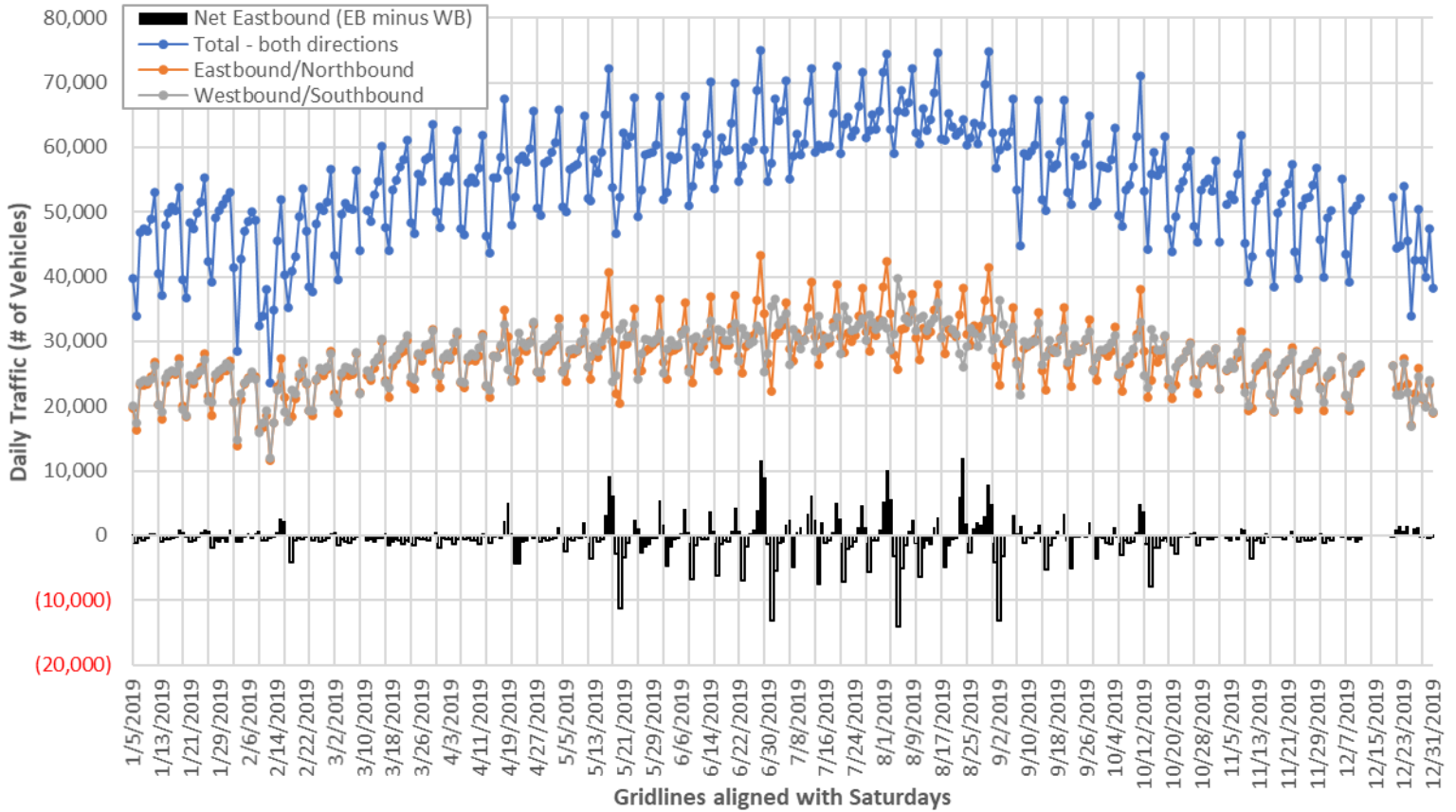
Note: December 2018 traffic counts unavailable for Lorenzetta; December 2019 counts are substituted instead.

**Figure 29: 2018 Average Daily Vehicle Counts, Route 1:
by Day of Week by Month, Vedder and Lorenzetta Traffic Counters**



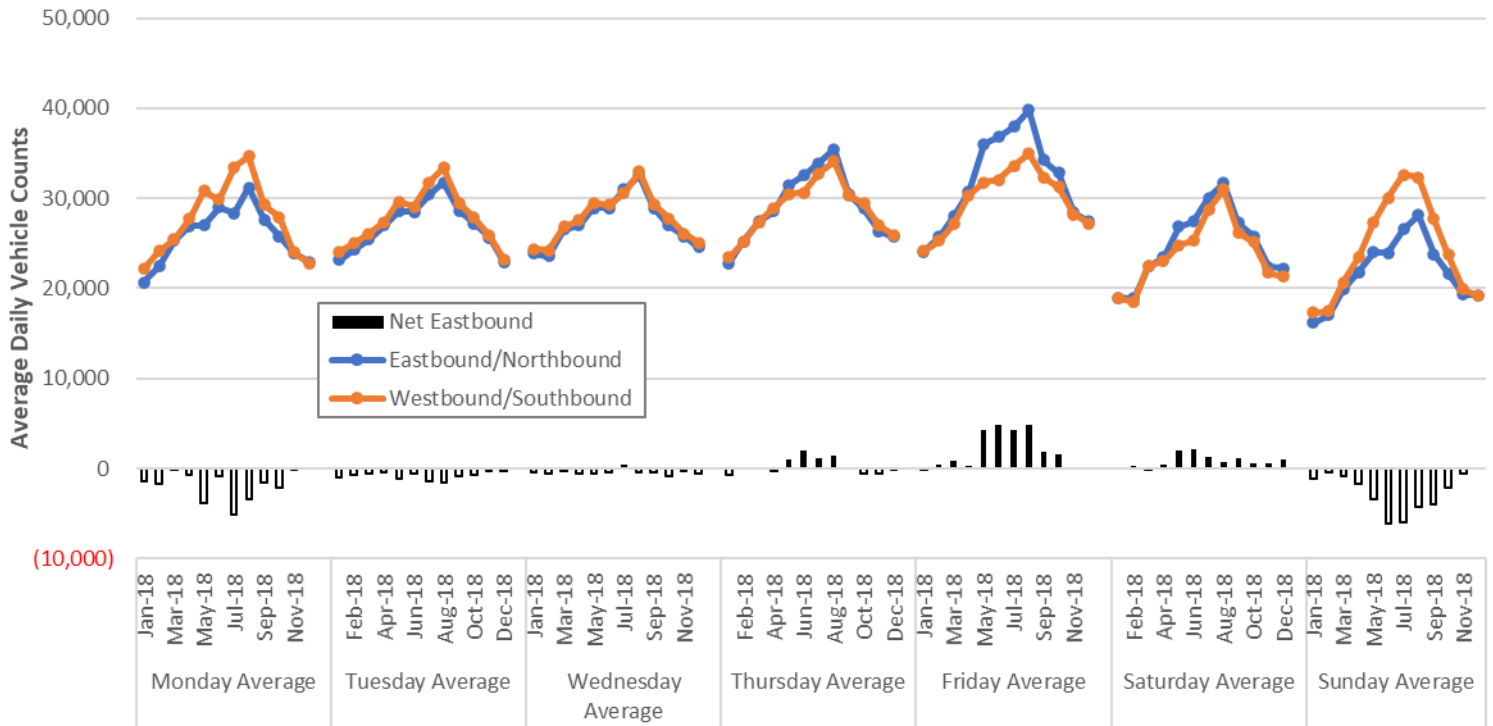
Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Note: December 2018 traffic counts unavailable for Lorenzetta; December 2019 counts are substituted instead.

Figure 30: 2019 Directional Daily Vehicle Counts, Route 1: Vedder Counter

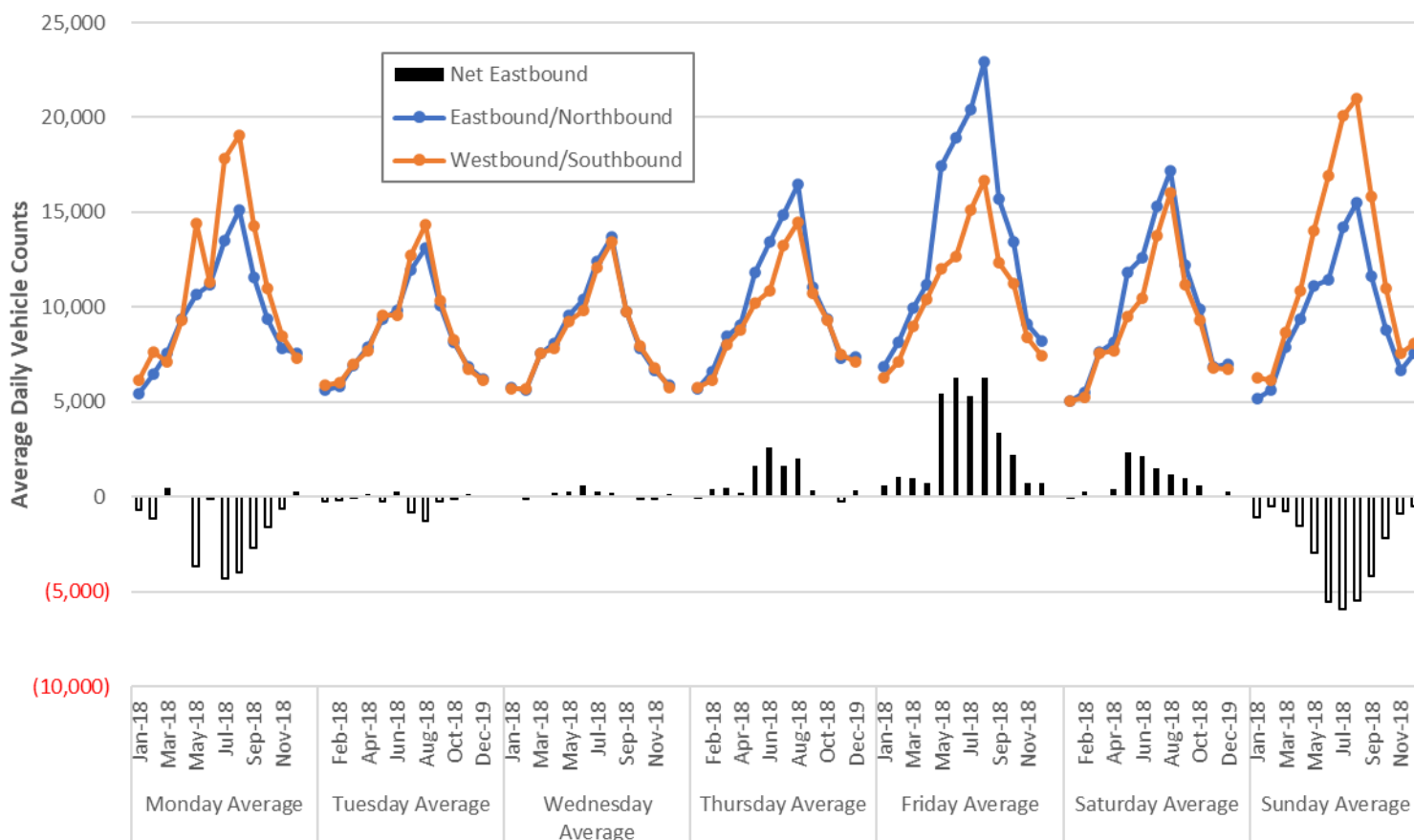
Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Figure 31: 2018 Average Directional Daily Vehicle Counts, by Day of Week by Month: Vedder Counter, Route 1



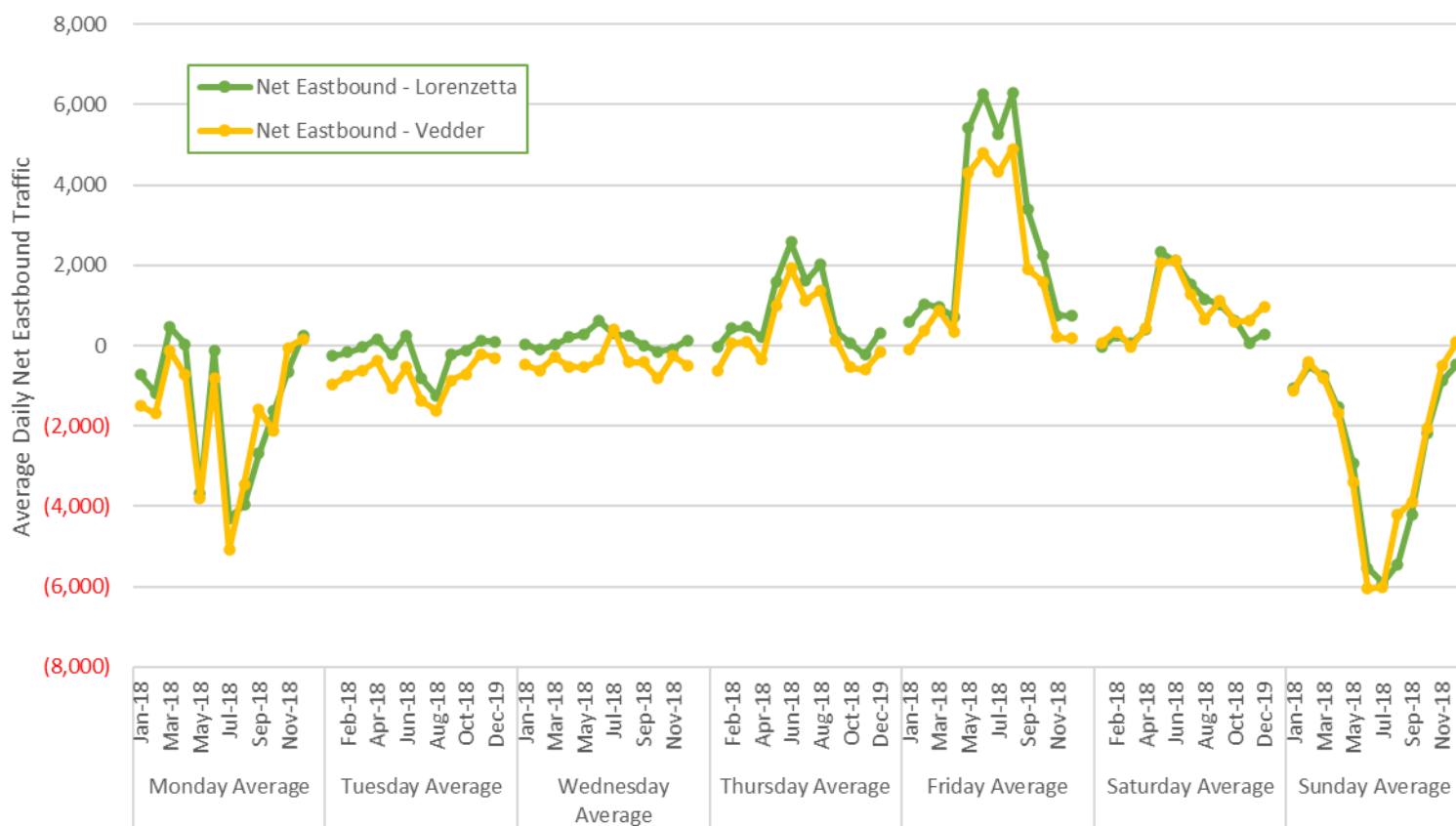
Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Figure 32: 2018 (and Dec. 2019) Average Directional Daily Vehicle Counts, by Day of Week by Month: Lorenzetta Counter, Route 1

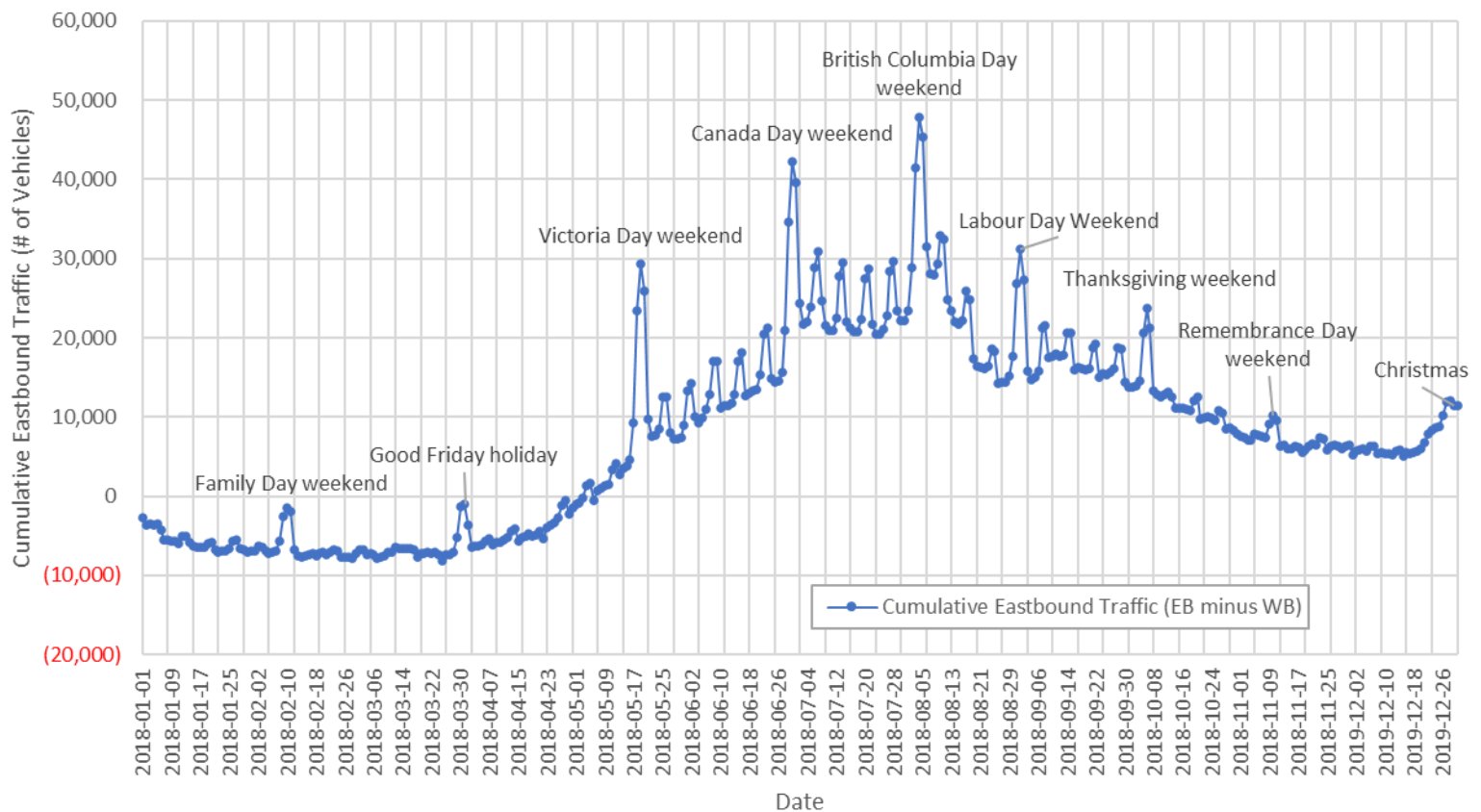


Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

**Figure 33: Net Average Daily Eastbound Traffic, by Day of Week by Month:
Lorenzetta vs. Vedder Counters, Route 1**



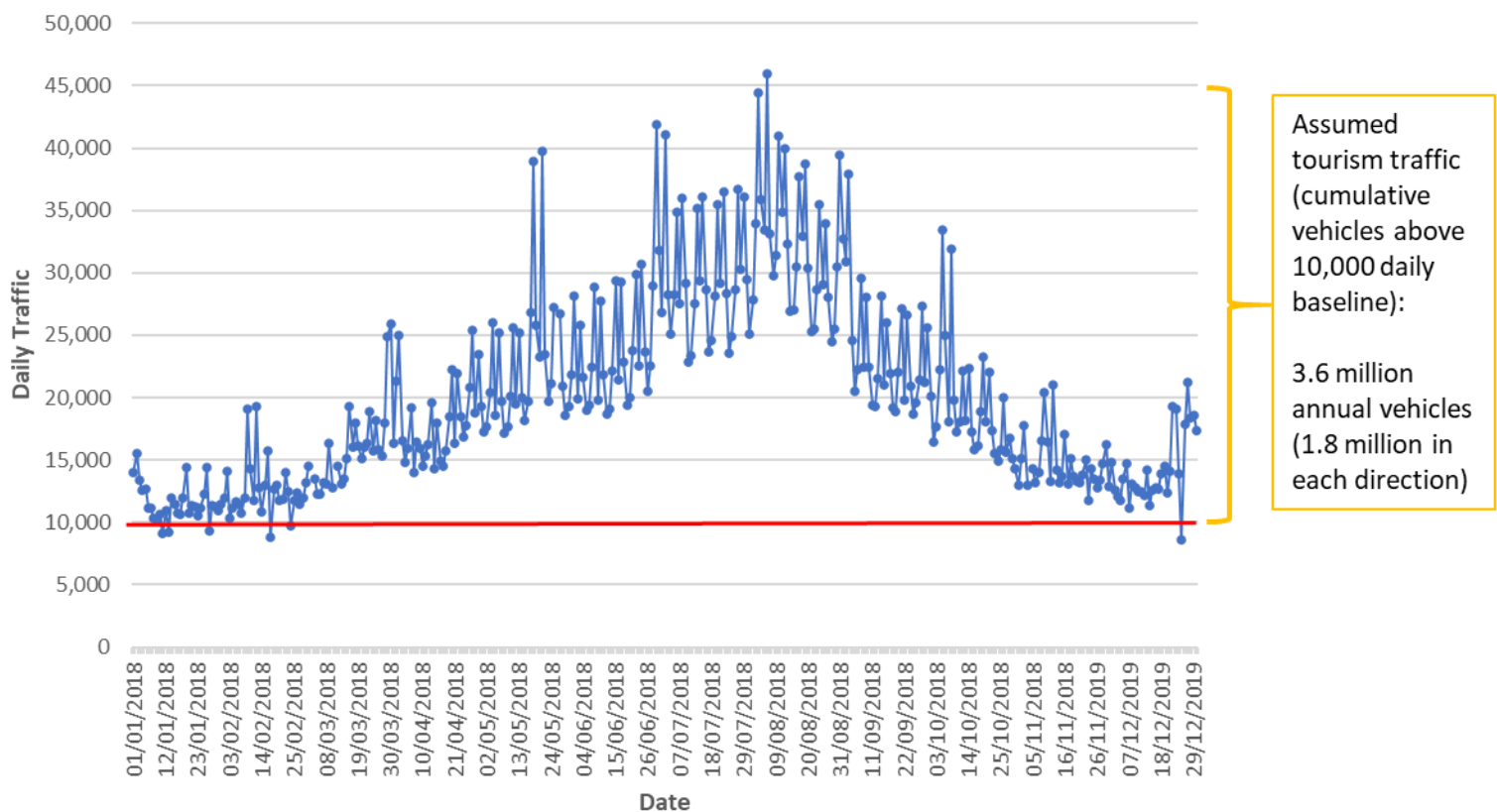
Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Figure 34: 2018 Cumulative Eastbound Traffic at Lorenzetta Counter on Route 1

Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

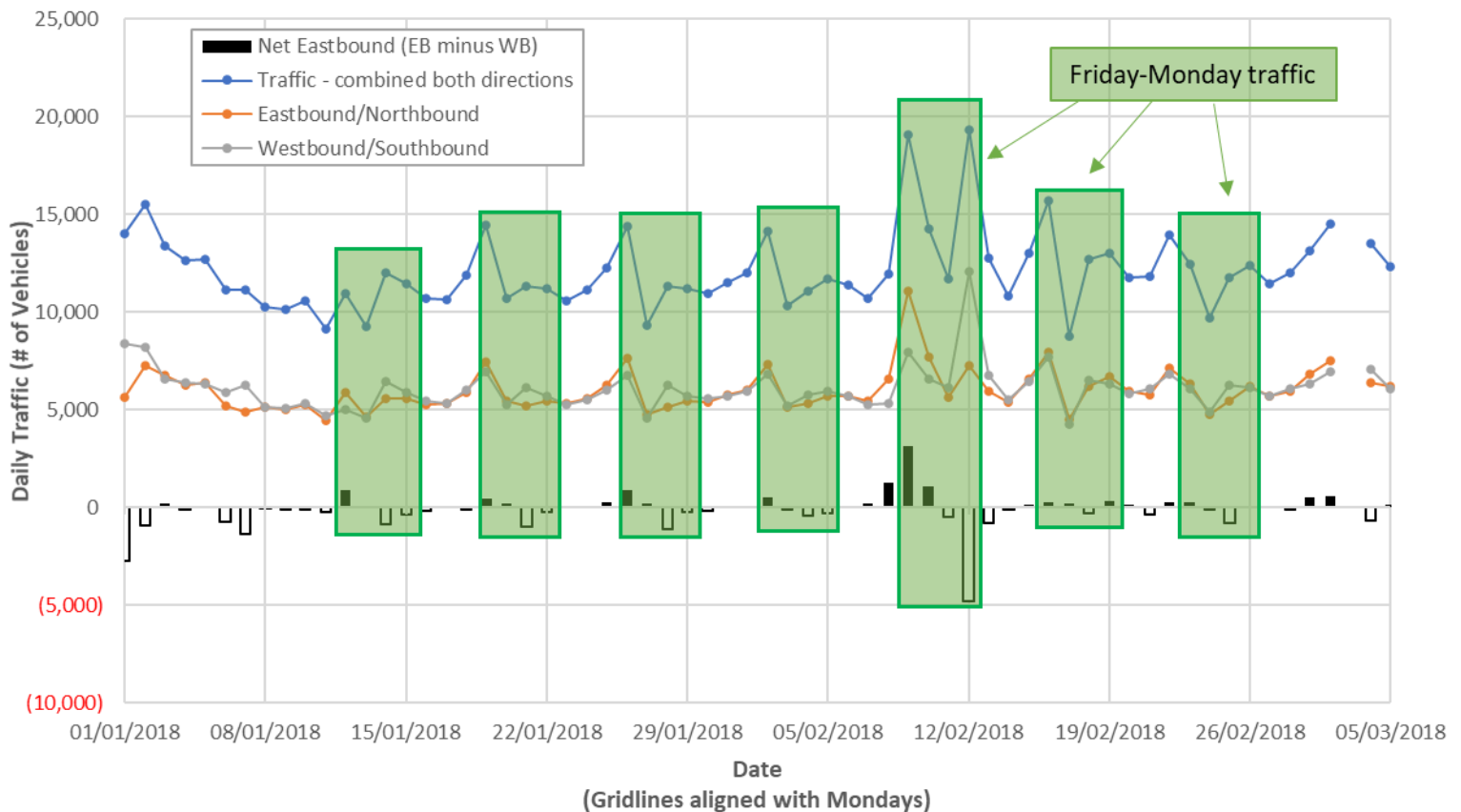
Note: 2018 data is missing after 25 November 2018; 2019 data is substituted instead.

Figure 35: 2018 Traffic at Lorenzetta Counter on Route 1 and Illustrative Estimation of Tourism Traffic



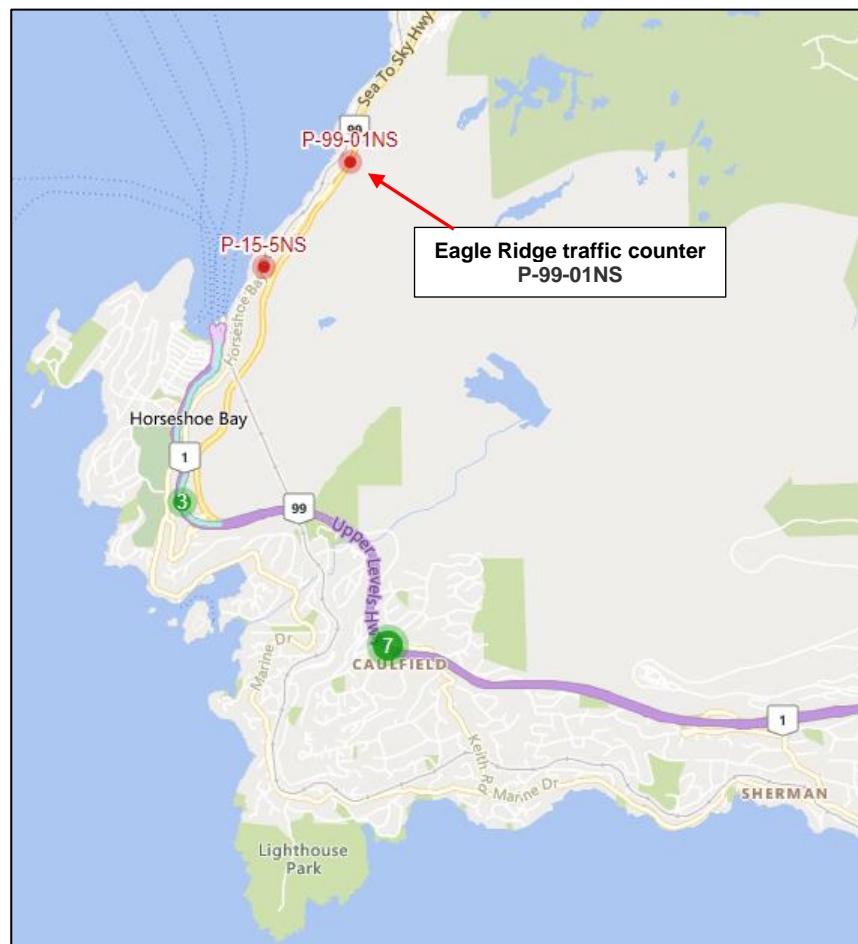
Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Note: 2018 data is missing after 25 November 2018; 2019 data is substituted instead.

Figure 36: January-February 2018 Traffic at Lorenzetta Counter on Route 1

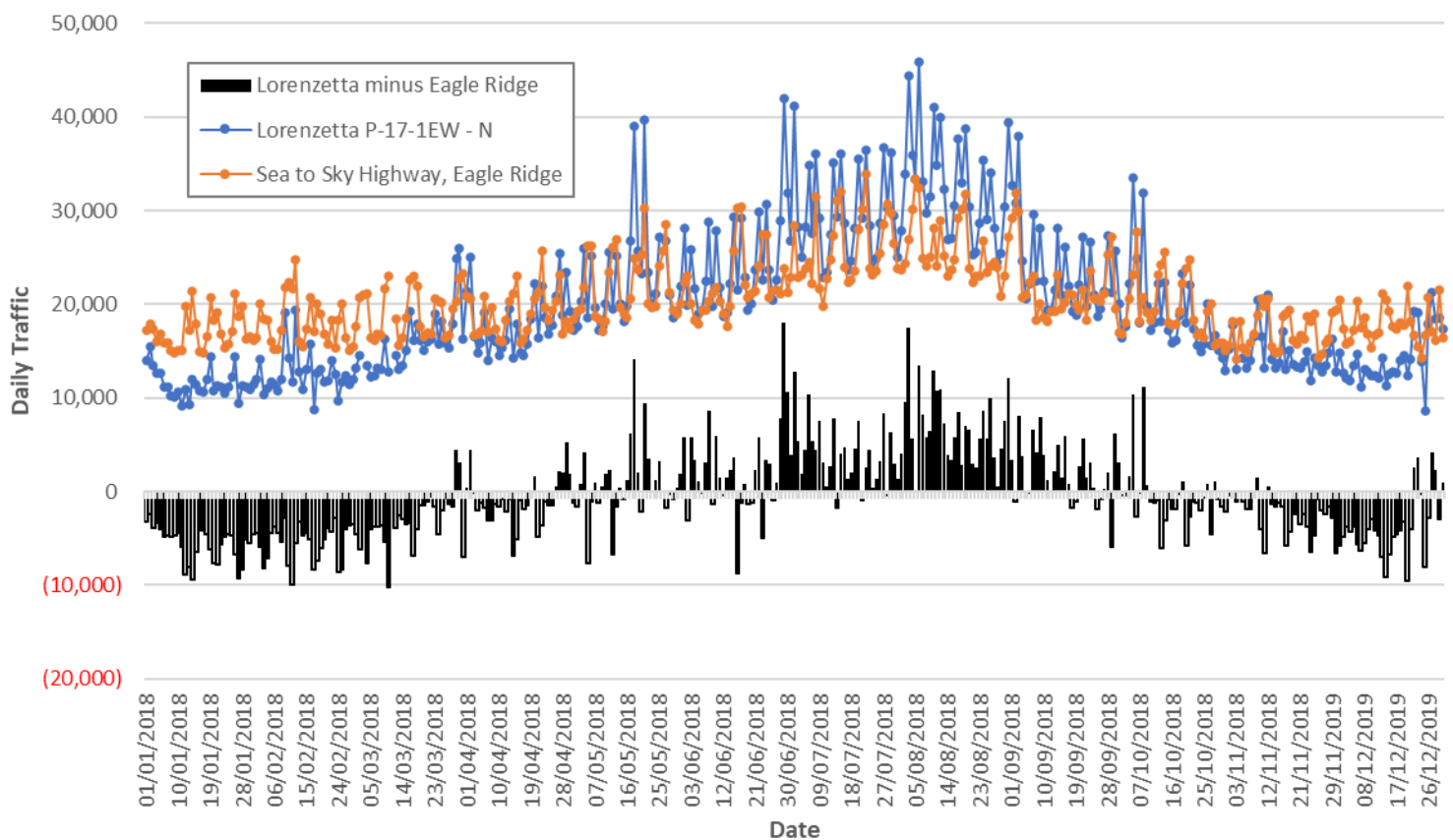
Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Note: 2018 data is missing after 25 November 2018; 2019 data is substituted instead.

Figure 37: Location of Eagle Ridge Traffic Counter, Sea to Sky Highway

Source: BC Ministry of Transportation and Infrastructure, <https://prdoas6.pub-apps.th.gov.bc.ca/tsg/>

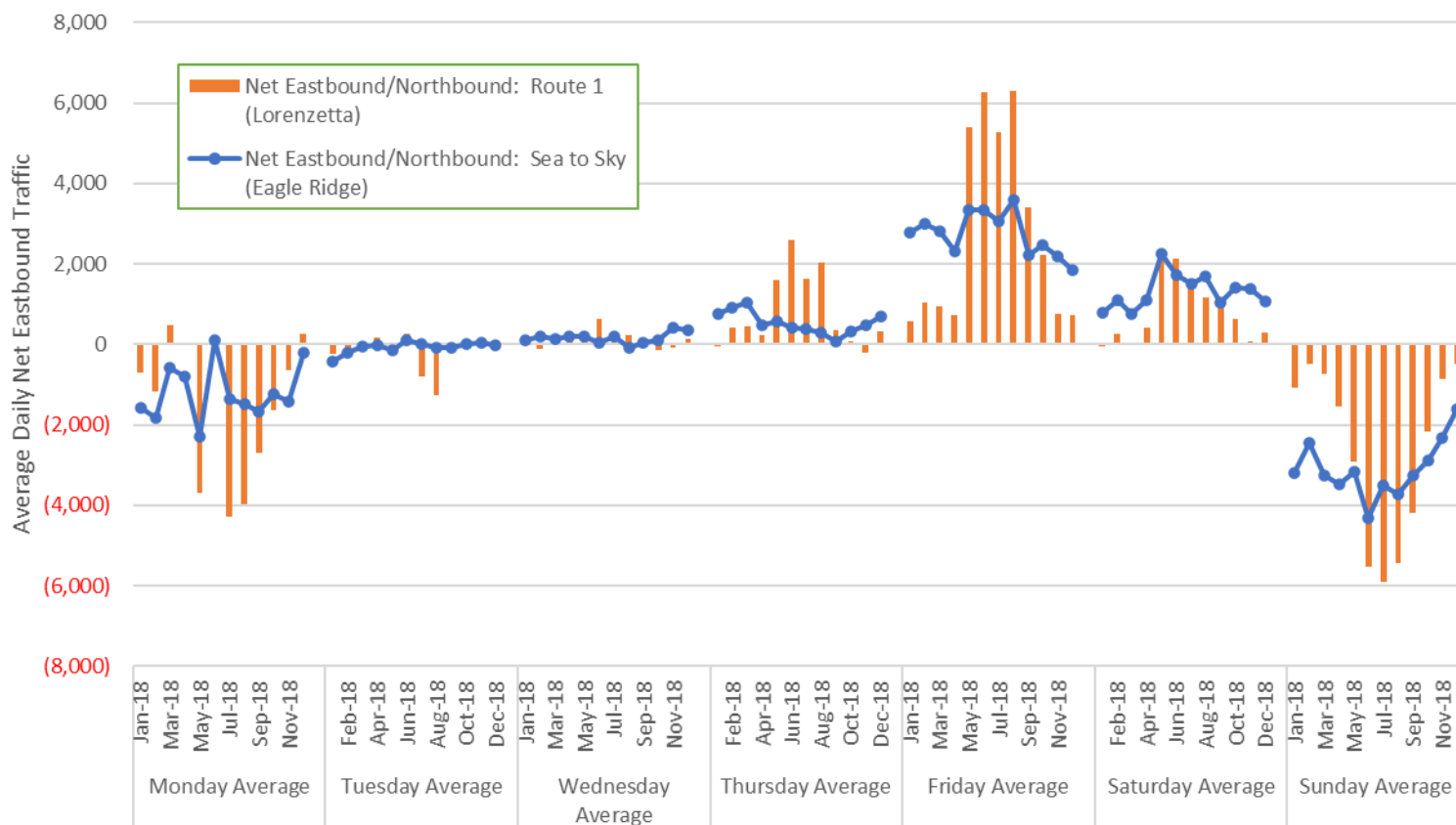
**Figure 38: 2018 Daily Vehicle Counts:
Highway 1 at Lorenzetta Counter and Sea to Sky Hwy at Eagle Ridge Counter**



Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Note: At Lorenzetta, 2018 data is missing after 25 November 2018; 2019 data is substituted instead.

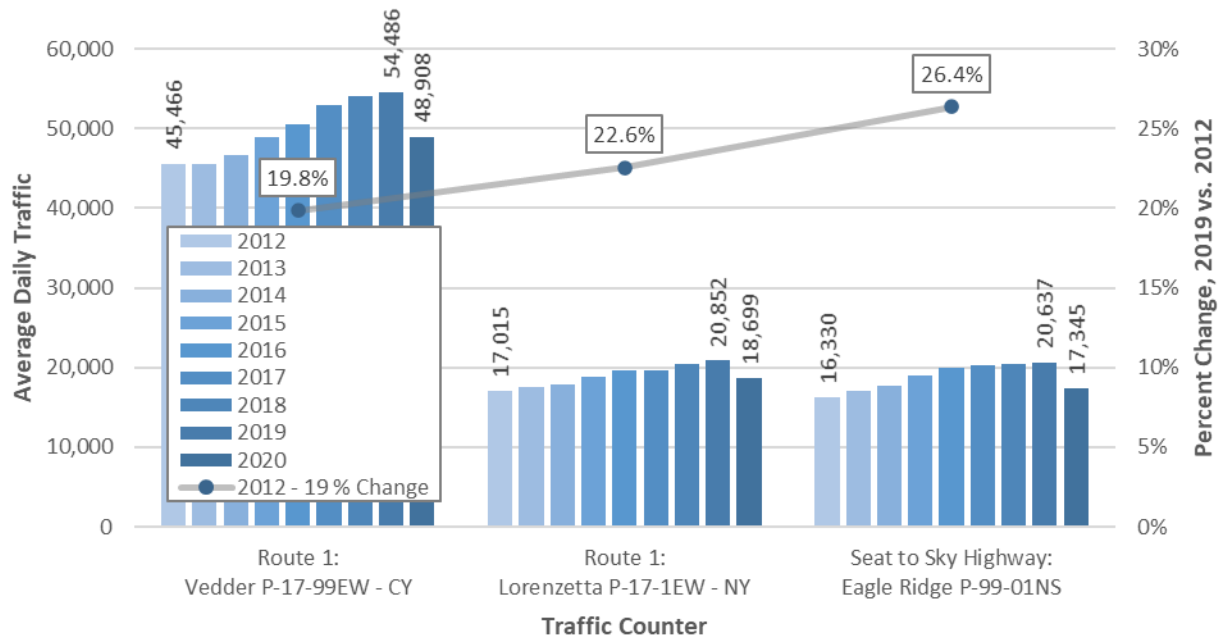
**Figure 39: 2018 Average Net Daily Eastbound/Northbound Traffic:
Route 1 (Lorenzetta) and Sea to Sky Highway (Eagle Ridge)**



Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Note: At Lorenzetta, 2018 data is missing after 25 November 2018; 2019 data is substituted instead.

**Figure 40: Average Annual Daily Traffic, 2012 – 2020:
Selected Traffic Counters on Route 1 and Sea to Sky Highway**



Source: British Columbia Ministry of Transportation and Infrastructure – Traffic Data; RRC Associates.

Local Lodging Metrics

The Chilliwack region has a moderately large, well-performing lodging inventory, as summarized in this section.

The hotel inventory includes 10 properties with 631 rooms in the immediate Chilliwack area, plus an additional 23 properties with 1,605 room in a broader 33 km radius extending to Abbotsford (Figure 41).

Additionally, there are 114 vacation rentals (listed on Airbnb and/or Vrbo) in Chilliwack, along with another 195 vacation rentals in the wider region. (Figure 42)

In 2019, hotels in Chilliwack/Abbotsford had an average monthly occupancy rate of 73.4%, similar to the overall British Columbia occupancy rate in 2019 of 70.9%. Occupancies exceeded 77% from May through October, peaking at 87.3% in August. (Figure 43). Occupancies were lowest in January (52.9%), February (63.6%), and December (52.1%), suggesting room for improvement to winter tourism that BVMR ski offerings could bring. Average daily rates (ADRs) also exhibited seasonal variations, peaking in August (\$144) and trending lowest in December (\$96).

Room revenues subject to municipal and regional district tax (MRDT) in Chilliwack and Abbotsford have shown dramatic growth in recent years (Figure 44). Room revenues subject to MRDT more than doubled from 2012 to 2019 (+115%), before taking a sharp downturn as a result of the Covid-19 pandemic. Room revenues are highest in the summer months and lowest in the winter months, consistent with occupancy and ADR patterns. All months have exhibited significant growth in room revenues. The strong gains, along with the summer peaking, suggest that the region is gaining increasing strength as an overnight leisure travel destination. As a new tourism offering in the region, BVMR would thus likely be building upon an established and growing local tourism sector.

Figure 41: Hotel Inventory in Chilliwack Region

Property Name	Distance (km)	Rooms	Chain Scale	Open Date
Rainbow Motor Inn	0.8	40	Indep	
Chilliwack Motor Inn	1.0	24	Indep	
Holiday Inn Express & Suites Chilliwack East	1.0	68	Upper Mid	U/C
Coast Chilliwack Hotel by APA	1.2	110	Upscale	01/1989
Travelodge Hotel Chilliwack	1.5	82	Economy	06/1986
The Royal Hotel	1.5	26	Indep	02/1908
Comfort Inn Chilliwack	2.0	81	Upper Mid	12/1990
Hampton Inn Chilliwack	3.9	75	Upper Mid	09/2013
SureStay Hotel Chilliwack	4.4	74	Economy	07/1986

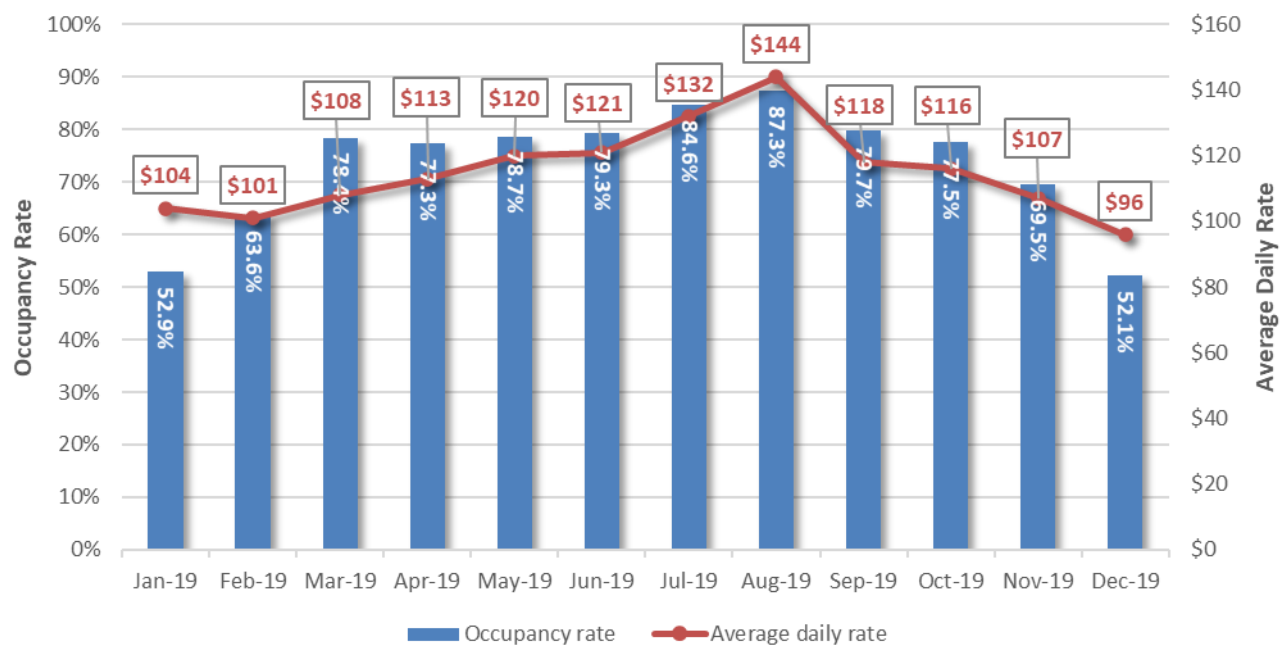
Vedder River Inn	5.6	51	Indep	09/2007
Subtotal - Chilliwack		631		
Harrison Hot Springs Resort & Spa	20.0	336	Indep	06/1926
Harrison Lake Hotel	20.1	88	Indep	07/1997
Glencoe Motel & RV	20.1	11	Indep	
Spa Motel	20.1	23	Indep	
Harrison Beach Hotel	20.1	42	Indep	06/2004
Harrison Lake View Resort	20.2	20	Indep	06/2013
Harrison Hot Springs Villa	20.2	16	Indep	
Harrison Village Motel	20.2	18	Indep	06/1961
Bungalow Motor Court	20.6	12	Indep	
Mission Inn	23.1	36	Indep	
Clarion Hotel & Conference Centre Abbotsford	24.2	115	Upper Mid	03/1998
Coast Abbotsford Hotel & Suites	26.6	60	Upscale	10/1998
Travelodge Abbotsford Bakerview	26.8	61	Economy	01/1979
Super 8 Abbotsford	26.8	98	Economy	06/1976
Diamond Head Motor Inn	27.2	40	Indep	
Red Lion Inn & Suites Abbotsford	27.7	30	Midscale	06/1965
Best Western Plus Mission City Lodge	27.7	80	Upper Mid	01/1999
B & B Border Inn	28.8	21	Indep	03/1915
Sandman Hotel & Suites Abbotsford	29.1	139	Midscale	07/2010
Alpine Motor Inn	30.9	42	Indep	
Best Western Plus Regency Inn & Conference Center	31.0	128	Upper Mid	
Ramada Abbotsford	31.1	42	Midscale	06/1978
Sandman Abbotsford Airport	33.2	147	Midscale	11/2015
Subtotal – Abbotsford & Region		1,605		
Grand Total – Chilliwack, Abbotsford & Region		2,236		

Source: STR.

Figure 42: Vacation Rental Inventory in Chilliwack Region

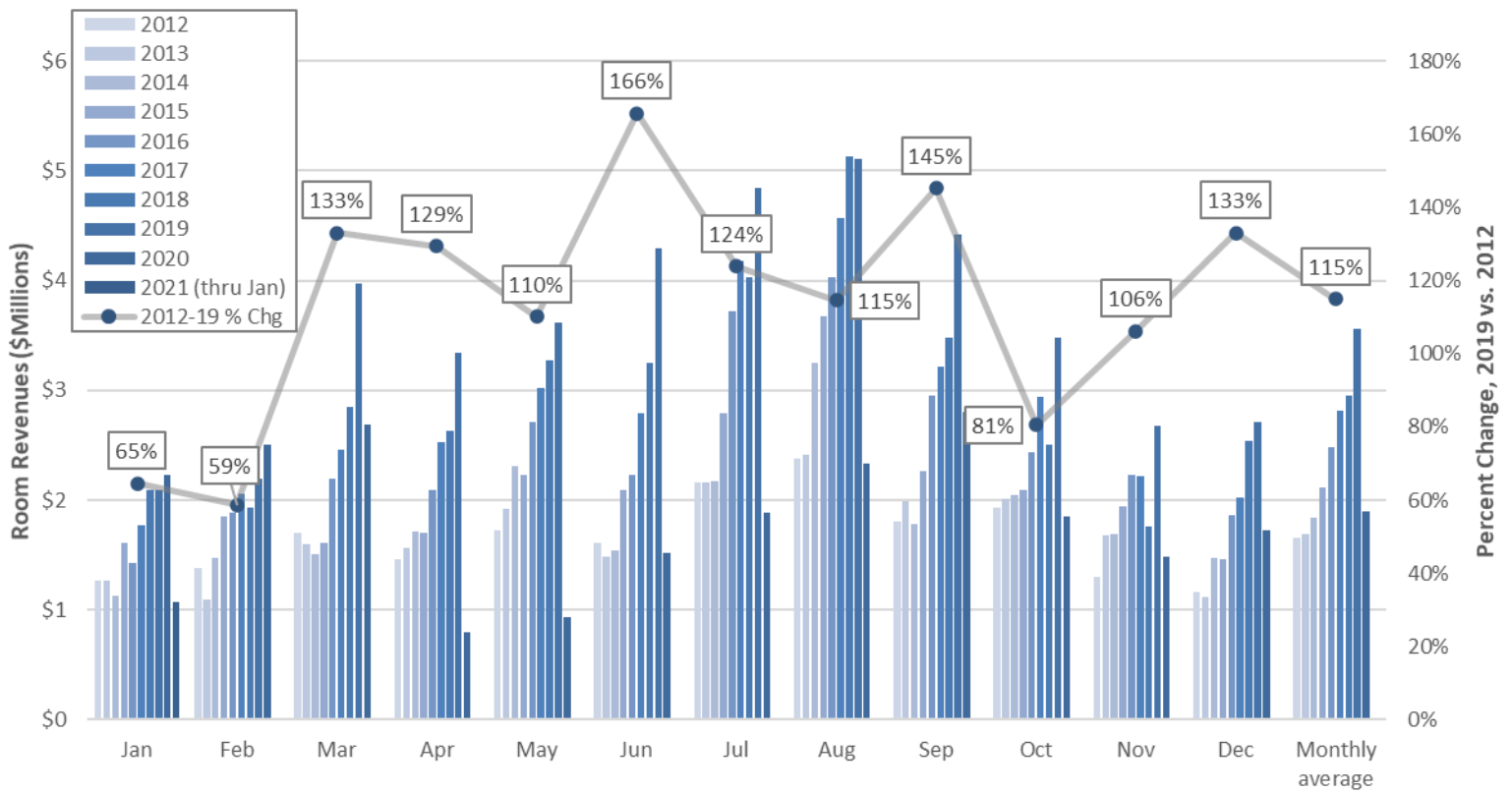
Market	Active Rentals	Average Daily Rate	Occupancy Rate
Chilliwack	114	\$126	65%
Kent	48	\$276	48%
Harrison Hot Springs	47	\$300	17%
Abbotsford	100	\$91	75%
Total	309		

Source: AirDNA.

Figure 43: 2019 Monthly Hotel Performance, Chilliwack/Abbotsford

Source: Destination British Columbia – Tourism Performance Indicators.

Figure 44: Room Revenues Subject to Municipal and Regional District Tax (MRDT), Chilliwack/Abbotsford, 2012 – 2021



Source: Room Revenues and Property Counts, prepared by BC Stats with the support of Destination BC. Retrieved from <https://www2.gov.bc.ca/gov/content/data/statistics/business-industry-trade/industry/tourism>.

Local Demographics

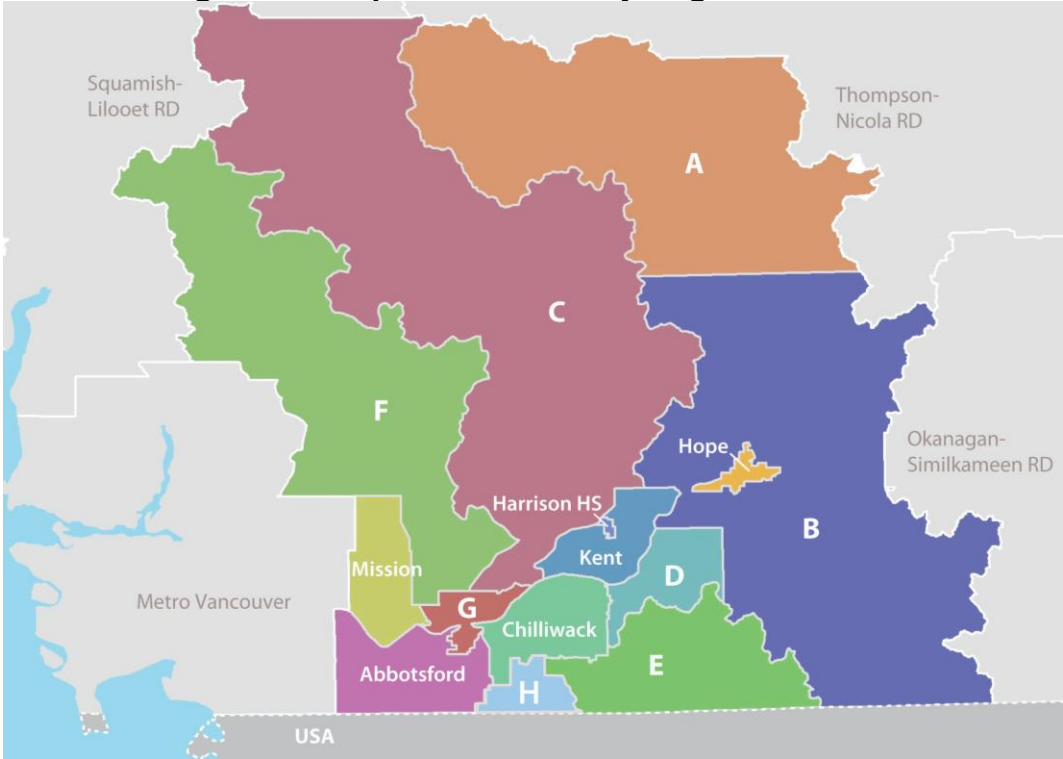
The Fraser Valley is a large geographic area consisting of six municipalities:

- Abbotsford
- Chilliwack
- Harrison Hot Springs
- Hope
- Kent
- Mission

Stretching from Metro Vancouver, the Fraser Valley encompasses a large geographic reach. At least 280,000 residents call the Regional District home. BVMR would be situated nearby the City of Chilliwack, and Electoral District D and Electoral District E of the Fraser Valley Regional District. However, the resort would aim to draw local and regional visitation across the region and into Vancouver.

For purposes of this analysis, demographics and trends of the Fraser Valley and the Fraser Valley Regional District area are presented, as they represent the main local user base for BVMR. Further, residents of the area also would make up the bulk of employment. Understanding and monitoring demographic trends is key not only during the planning process but also throughout resort operations.

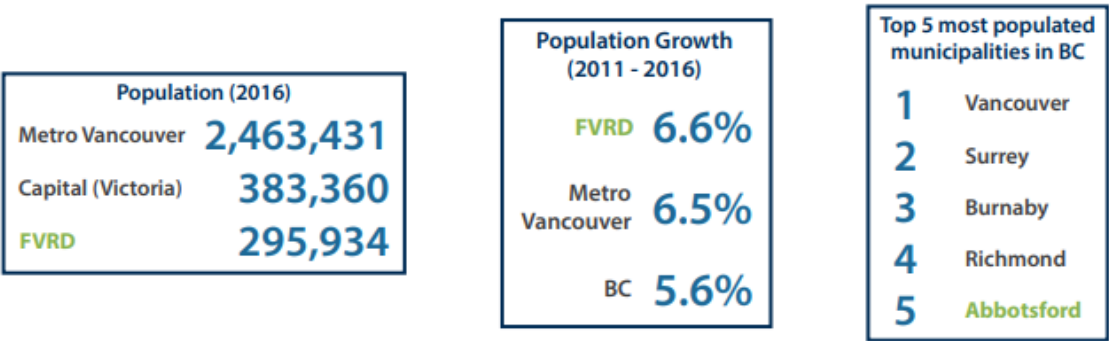
Figure 45: Map of Fraser Valley Regional District



Source: Fraser Valley Regional District (FVRD)

The 2016 Canadian Census offers insights into the changes in the FVRD and across the Vancouver Metro. As of 2016, the population of the FVRD was 295,934, a 6.6% increase from 2011. Metro Vancouver is home to over 2.4 million residents (now 2.5 million), which has grown at nearly the same rate as the FVRD. The province has been seen similar increases in population growth.

Figure 46: FVRD Population



Source: Fraser Valley Regional District (FVRD) and 2016 Census by Statistics Canada

Within the FVRD, Abbotsford (141,397) and Chilliwack (83,788) are the most populous cities in the District. Mission is third at 38,833 while Hope/Kent/Harrison Hot Springs combined have just under 15,000 residents. Overall, Abbotsford and Chilliwack both comprise most of the population in the FVRD.

Figure 47: Population in FVRD Jurisdictions

Population in FVRD Jurisdictions (2016)					
FVRD	295,934	Kent	6,067	EA D	1,529
Abbotsford	141,397	Harrison Hot Springs	1,468	EA E	1,540
Chilliwack	83,788	EA A	405	EA F	1,293
Mission	38,833	EA B	915	EA G	1,776
Hope	6,181	EA C	1,023	EA H	1,847

Source: Fraser Valley Regional District (FVRD) and 2016 Census by Statistics Canada

Since 2011, every community except for Harrison has seen some growth. Abbotsford and Chilliwack have gained 6,000 to 7,000 residents each; Mission increased by 2,000, and Hope/Kent grew by a few hundred.

The FVRD is expected to see a more dramatic increase by 2030 and 2040. Population for the District is expected to increase to 376,670 in 2030 (up 12.6% from 2020). Further, continued growth is expected by 2040 with an estimated population of 417,143 (up 10.7% from 2030). [These numbers updated from the 2016 Census presented in the table below.]

Figure 48: FVRD Population Estimates and Projections 2011-2041

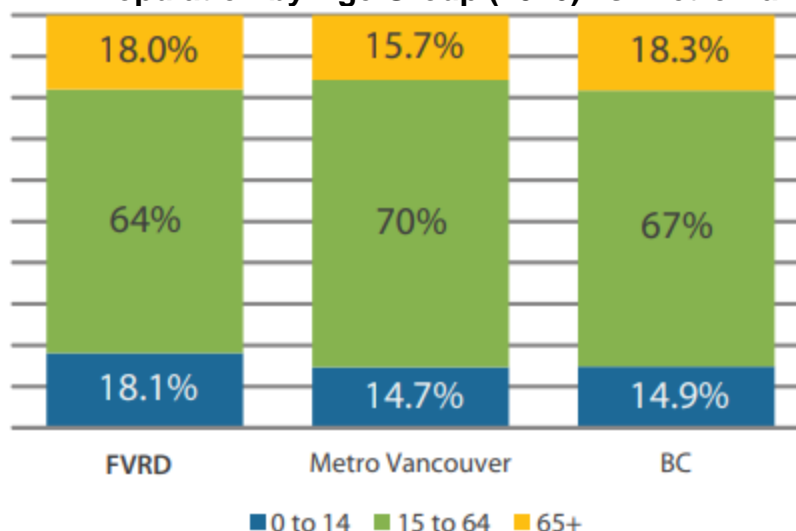
	2011	2016	2026	2041
Abbotsford	137,817	144,848	168,932	212,770
Chilliwack	79,673	85,702	100,396	126,511
Mission	37,347	39,508	45,227	56,845
Hope	5,985	6,194	6,520	8,119
Kent	5,947	6,195	6,492	8,080
Harrison	1,467	1,468	1,630	2,042
EA's	9,907	10,452	11,629	14,686
IR's	6,726	7,884	8,036	11,079
FVRD	284,869	302,251	349,743	440,131

High projection, adjusted for estimated Census undercount & including corrections facilities population estimates.

Source: Fraser Valley Regional District (FVRD) and 2016 Census by Statistics Canada

To compare further demographic trends, population among different age groups were analyzed by the FVRD. Compared to Metro Vancouver and BC, the FVRD has a higher percentage of those aged 0 to 14 (18.1%) just over 3% higher than both Metro Vancouver and BC. Although the differences are slight, the FVRD is well-positioned to encourage new generations to participate in outdoor recreation, a positive for BVMR.

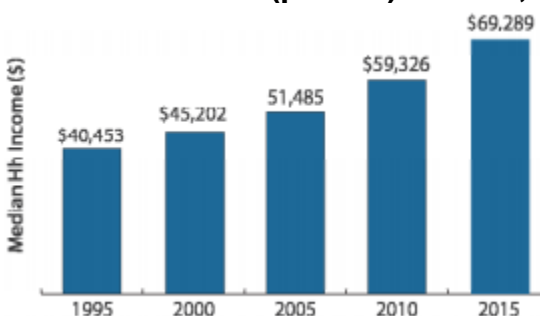
Figure 49: FVRD Population by Age Group (2016) vs. Metro Vancouver & BC



Source: Fraser Valley Regional District (FVRD) and 2016 Census by Statistics Canada

Median household income in the FVRD has increased quickly since 2010. As of 2015, median income was estimated at \$69,289, almost \$10,000 higher than in 2010. Higher household incomes also bode well for BVMR. If residents can allocate more spending towards outdoor recreation, the resort and the community would benefit.

Figure 50: FVRD Median Household (pre-tax) Income, 1995-2015

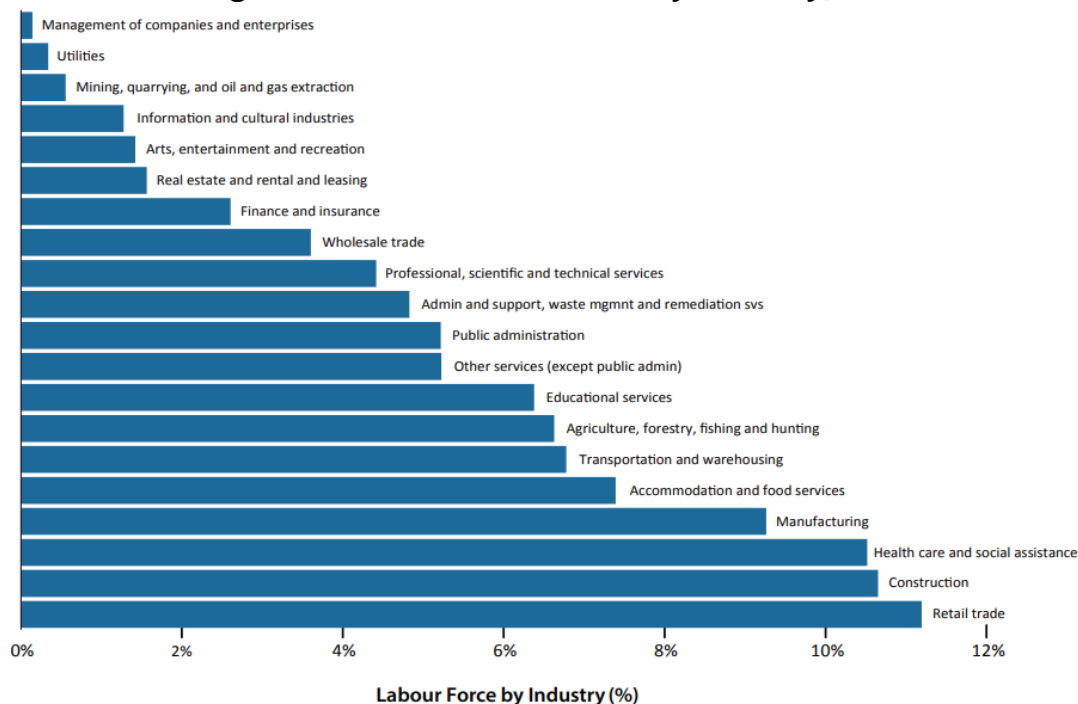


Source: Fraser Valley Regional District (FVRD) and 2016 Census by Statistics Canada

The FVRD has a diverse workforce with no one industry containing more than 12% of the total labor force. As of 2016, retail trade, construction, and health care/social assistance industries had the largest labor force in the FVRD. Arts, entertainment, and recreation ranks towards the bottom of the list with under 2% of the labor force in the

FVRD. BVMR would certainly increase that percentage by providing new jobs within this sector.

Figure 51: FVRD Labor Force by Industry, 2016



Source: Fraser Valley Regional District (FVRD) and 2016 Census by Statistics Canada

In summary, the FVRD has experienced strong growth in population and median household income. Over time, the area is anticipated to grow even more with over 440,000 residents in 2041. The area has a diverse economy too. For a tourism destination, not being the only major industry can be beneficial as it may suggest room for new activities and offerings. The FVRD is not saturated with similar choices. BVMR will want to continue to monitor, track, and analyze the local demographic trends to understand whether opportunities exist or if major changes occur.

British Columbia Tourism

Bridal Veil Mountain Resort would rely not only on locals but also destination visitors to generate visits. The Vancouver Metro region already attracts a wide variety of domestic and international travelers. However, getting those visitors to come to the Fraser Valley may take a different type of marketing approach. Other provinces, the U.S. (especially Washington State), and popular other international markets should all be considered. British Columbia already has a thriving tourism market. BVMR needs to tap into this existing market to attract visitors.

BC Tourism Industry Metrics – Destination BC

Destination BC, the province's official tourism department, tracks and monitors visitation, trends, and industry performance. The office has amassed a wealth of resources and research on travel and tourism within the province. Most data sources presented throughout this section are pre-2020. While examining the past year is helpful, it is not reflective of the typical tourism industry in BC because of the COVID-19 pandemic's impact on tourism.

Figure 52: International Visitor Arrivals to BC, 2019 vs. 2018

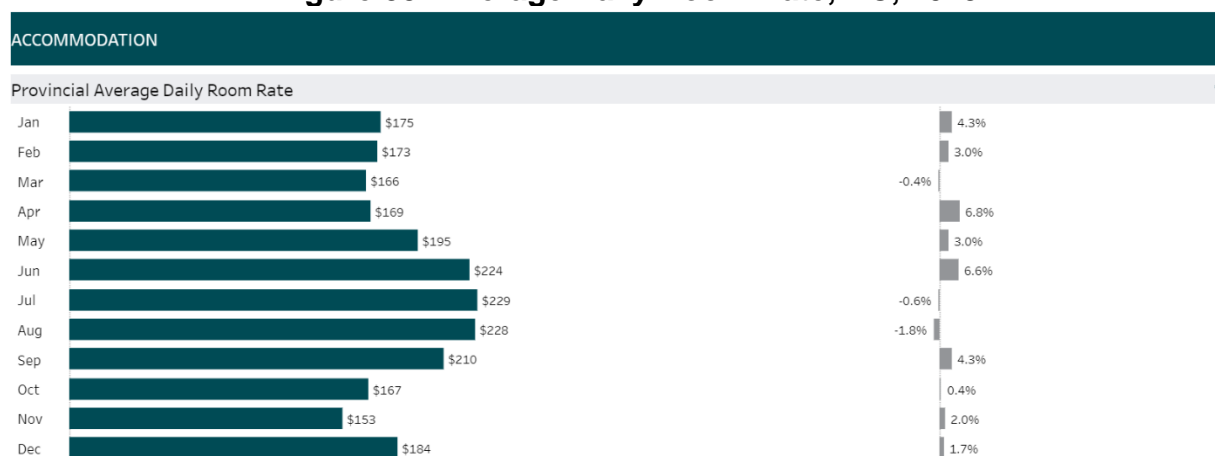
	Year-to-Date			
	BC	% change*	Canada	% change*
Total U.S.A.	6,317,878	3.7%	24,979,486	2.3%
U.S.A. Overnight ¹	3,980,733	2.6%	14,994,045	3.8%
U.S.A. Same Day ¹	2,337,145	5.6%	9,985,441	0.1%
Total Asia/Pacific Overnight	1,348,676	1.5%	2,542,682	2.3%
Japan	145,383	4.6%	252,387	-1.2%
Taiwan	92,125	-2.3%	122,553	-5.0%
Hong Kong	110,152	0.6%	178,885	10.0%
Australia	246,490	0.5%	354,372	0.1%
South Korea	113,273	2.9%	213,588	-12.2%
China	333,837	-9.0%	712,474	-2.5%
New Zealand	49,079	4.1%	67,047	6.5%
India	115,290	32.7%	333,111	18.1%
South East Asia ²	94,823	7.4%	170,041	14.7%
Total Europe Overnight	607,807	3.6%	3,057,832	7.6%
United Kingdom	235,961	2.9%	875,632	10.2%
Germany	114,917	2.1%	411,989	1.7%
Netherlands	41,781	-0.5%	135,275	-1.0%
Austria	9,941	10.4%	40,528	5.2%
Switzerland	28,810	-1.4%	122,545	-1.4%
France	39,053	7.2%	668,490	10.9%
Italy	17,250	0.8%	128,589	9.1%
Nordic Europe ³	29,889	5.8%	129,774	-2.5%
Brazil	35,353	-6.4%	181,487	-5.0%
Mexico	160,265	9.5%	495,627	21.9%
Total International Overnight (Includes USA Overnight)	6,213,752	2.6%	22,141,939	4.8%

Source: Destination BC

British Columbia is a world-renowned destination. Visitors from across the globe travel to experience the outdoor opportunities, stay and dine in the eclectic urban areas, and visit the various communities throughout the province. International visitor arrivals to BC in 2019 show overall figures and gains compared to 2018. In total, **6.4 million non-U.S. international arrivals were recorded to BC in 2019**. In addition, 6.3 million arrivals came from the United States with 4.1 million of those as overnight visits. Asia Pacific accounts for 1.4 million arrivals while Europe accounts for 626,000 arrivals.

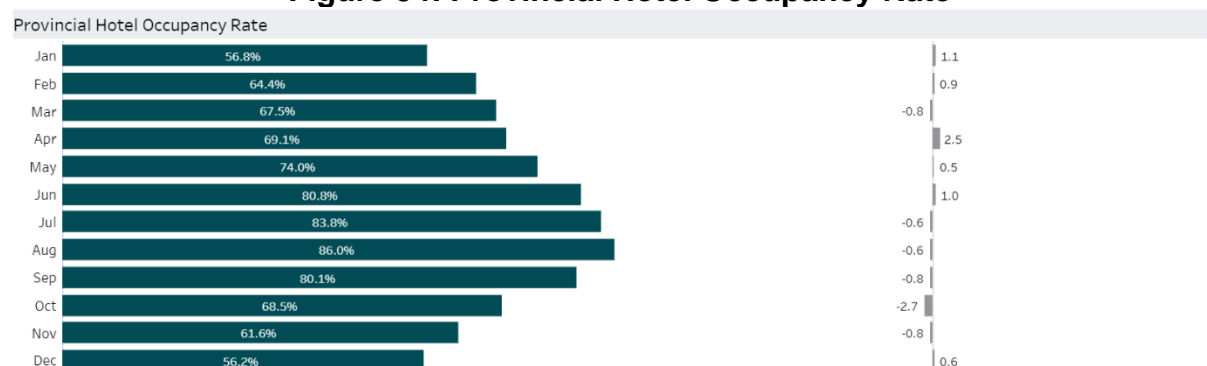
Average daily room rates are another marker of tourism industry health. Typically, the summer season in most destinations garners the highest average room rate at lodging properties. British Columbia is no different, with July boasting the highest rate at \$229 per night. August is right behind with \$228 and June a close third at \$224. Overall, room rates increased in BC in 2019, between 0.4% and 6.8% depending on the month. It is unclear how these rates will hold in 2021 after the COVID-19 pandemic has subsided.

Figure 53: Average Daily Room Rate, BC, 2019



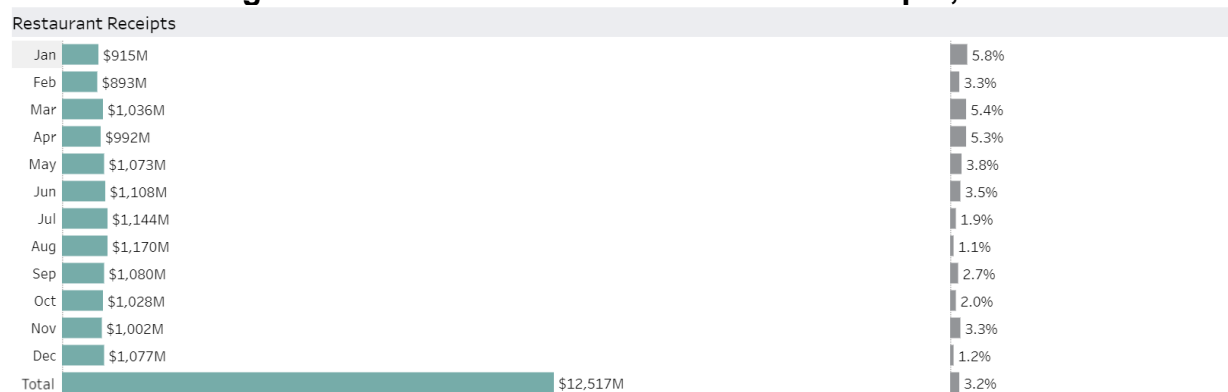
Source: Destination BC

Hotel occupancy experienced more stagnation and a slight decline in the past few months. Notably, summer season rates dropped by just over 0.5% with September declining by 2.7%. That said, December through February posted increases and April increased by 2.5%. Occupancy rate is less varied than room rate, but overall results do not suggest anything that needs to be immediately addressed.

Figure 54: Provincial Hotel Occupancy Rate

Source: Destination BC

Restaurant receipts can be useful to track to tell whether discretionary spending is increasing. Destination BC does not describe whether this includes visitors and locals. In 2019, restaurant receipts were up in every single month. Most of the growth occurred during the winter/spring season, but summer increased as well. Overall, total receipts were up 3.2% in 2019 compared to 2018. No doubt restaurants were some of the hardest businesses hit by the Covid-19 pandemic in 2020/2021.

Figure 55: British Columbia Restaurant Receipts, 2019

Source: Destination BC

The 2019 industry dashboard from Destination BC covers a variety of other topics such as BC ferry statistics, conventions, highway traffic, and airport deplanements. In general, most tourism-related statistics were on a slight upward trend, indicating continued interest in traveling to BC. The summer season was mostly stagnant or had a slight change, while winter and the off-season posted stronger gains. These results suggest a strong tourism industry as of 2019 with room to continue growing. Of course, 2020 was a complete outlier and should not be compared to previous years because of travel shutdowns. However, early indications point towards tourism making a big rebound as pent-up demand drives more tourism in 2022 and beyond.

Market Profiles

In addition to tourism metrics, Destination BC tracks the market profiles of key destination visitors each year. While all markets are important, this section will outline a few key markets of interest to BVMR. Furthermore, we recognize that Canadian travelers from other provinces will likely represent an important share of skier and summer visits. For purposes of this analysis, only international markets will be profiled. These include the following:

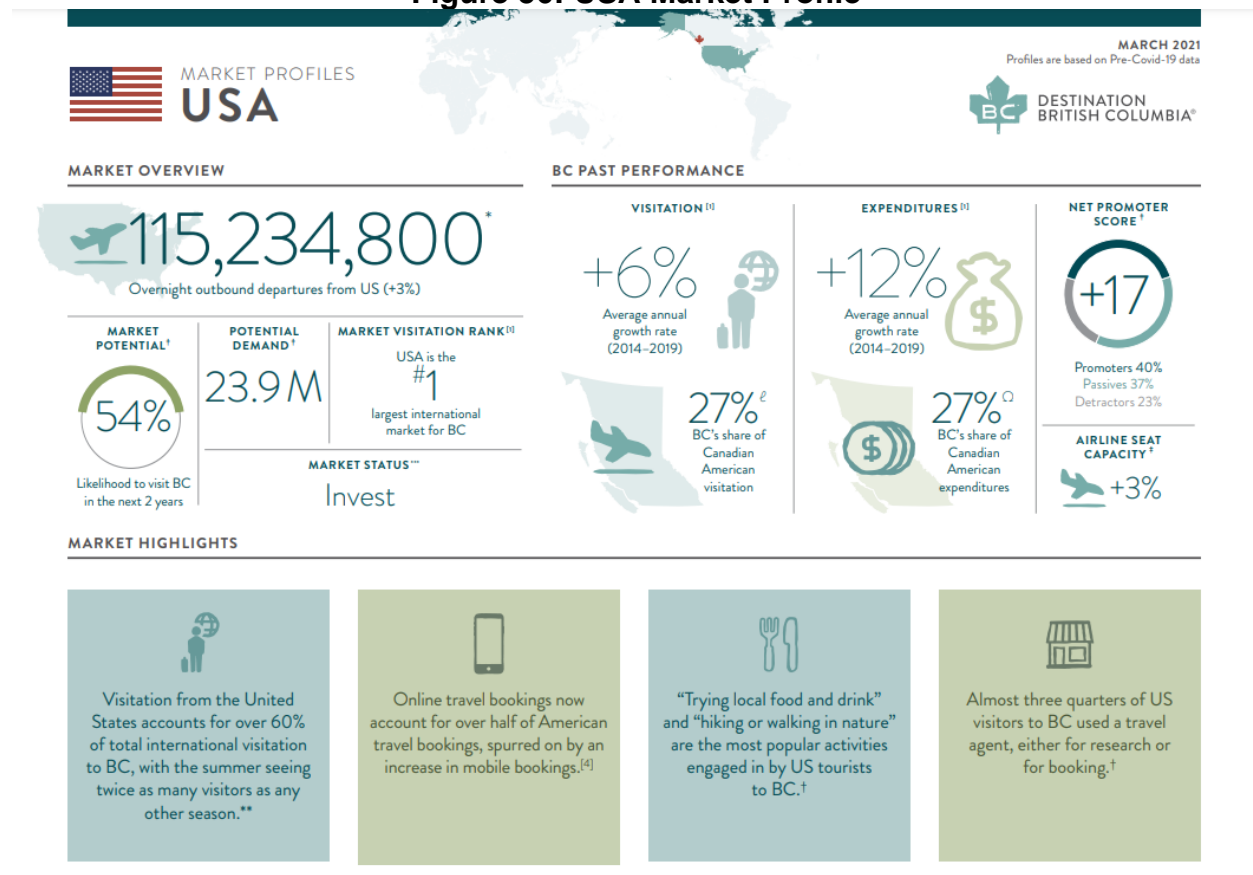
- USA (total)
- Washington State
- China
- The United Kingdom

United States

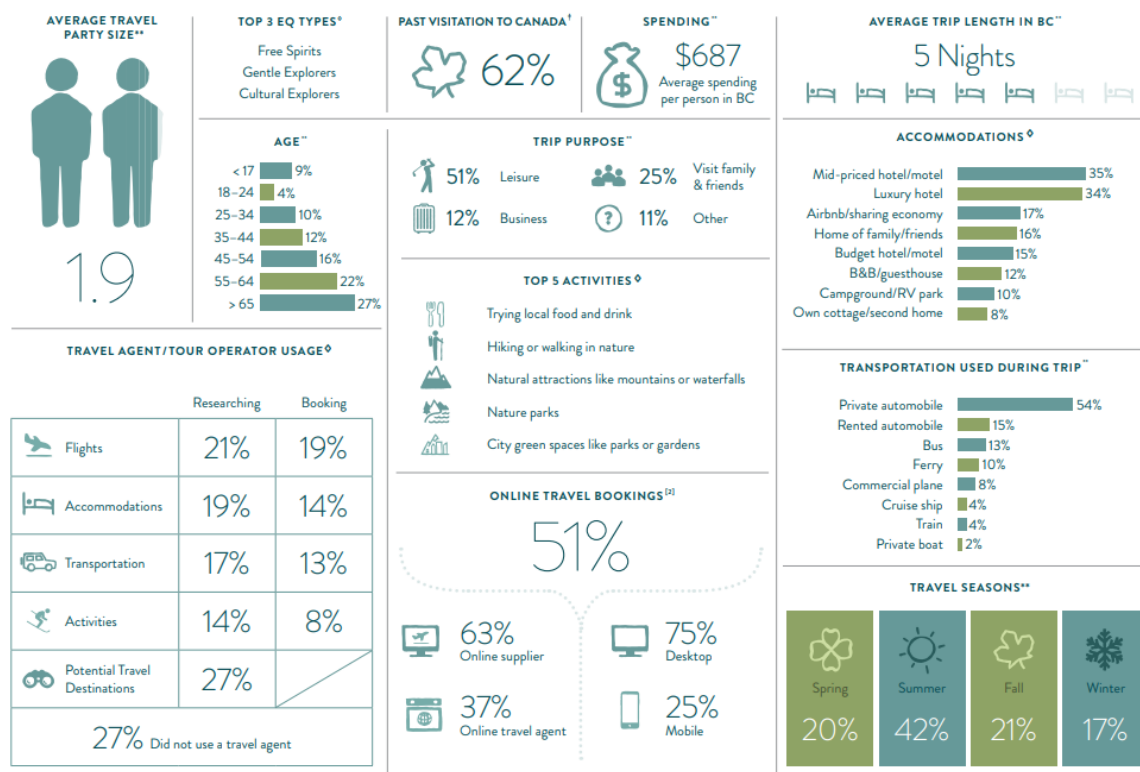
The United States is the largest key market for BVMR because it represents the closest international visitor base. According to Destination BC, visitation from the US increased 6% and expenditures increased by 12% from 2014 to 2019, a high growth rate for an already established market. In fact, BC captures 27% of Canada's total American visitation. Overall, the market demand from the US is in the range of 23 million and looks to be growing.

U.S. travelers are mostly coming to seek out local food and drinks and to experience the outdoors in BC. Just over 50% are traveling in the area for leisure and 62% have been to Canada before. On average, U.S. visitors spend \$687 per person in BC, a significant sum of spending. Mid-priced and luxury hotels make up the bulk of accommodation types, with the average U.S. visitor spending an average of 5 nights. The only downside among the U.S. market for BVMR is that winter currently experiences the lowest level of visitation. BVMR's plans include a robust summer season operation in which U.S. visitation will likely play a major role in its success.

Figure 56: USA Market Profile



TRAVELLER AND TRIP CHARACTERISTICS



DESTINATION BC | RESEARCH AND ANALYTICS
 MARKET PROFILE: USA
 CONTACT US: TourismResearch@DestinationBC.ca

* Euromonitor
 ** Destination BC tabulations from the 2017 International Travel Survey (Statistics Canada)
 *** Destination BC Global Marketing Plan 2020
 ‡ Destination BC Tabulations from Statistics Canada Frontier Counts
 † Destination Canada's Global Tourism Watch (2018)

§ Forwardkeys
 ◇ Destination Canada's Global Tourism Watch (2018 & 2019)
 ○ Small Area Estimates (Statistics Canada)
 [1] Destination BC Internal Estimates
 [2] Phocuswright

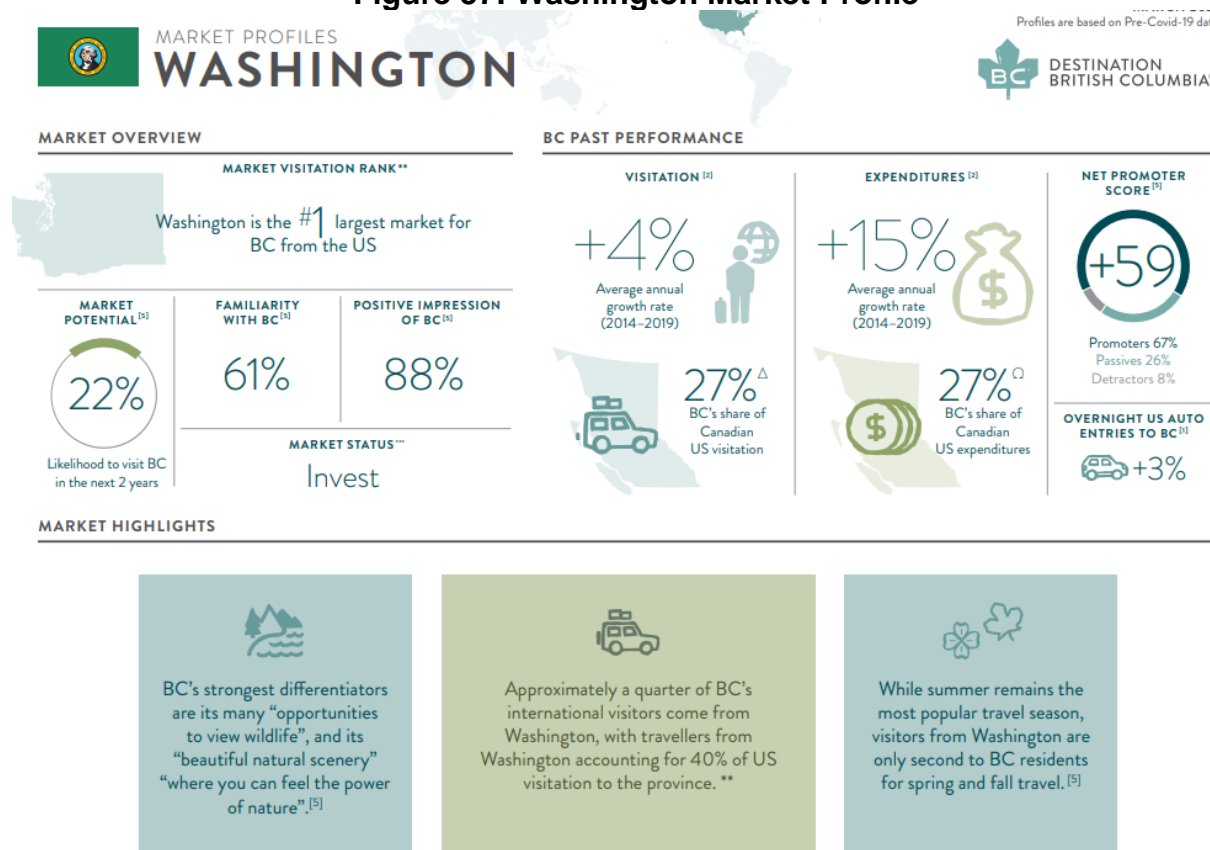
Source: Destination BC

Washington State

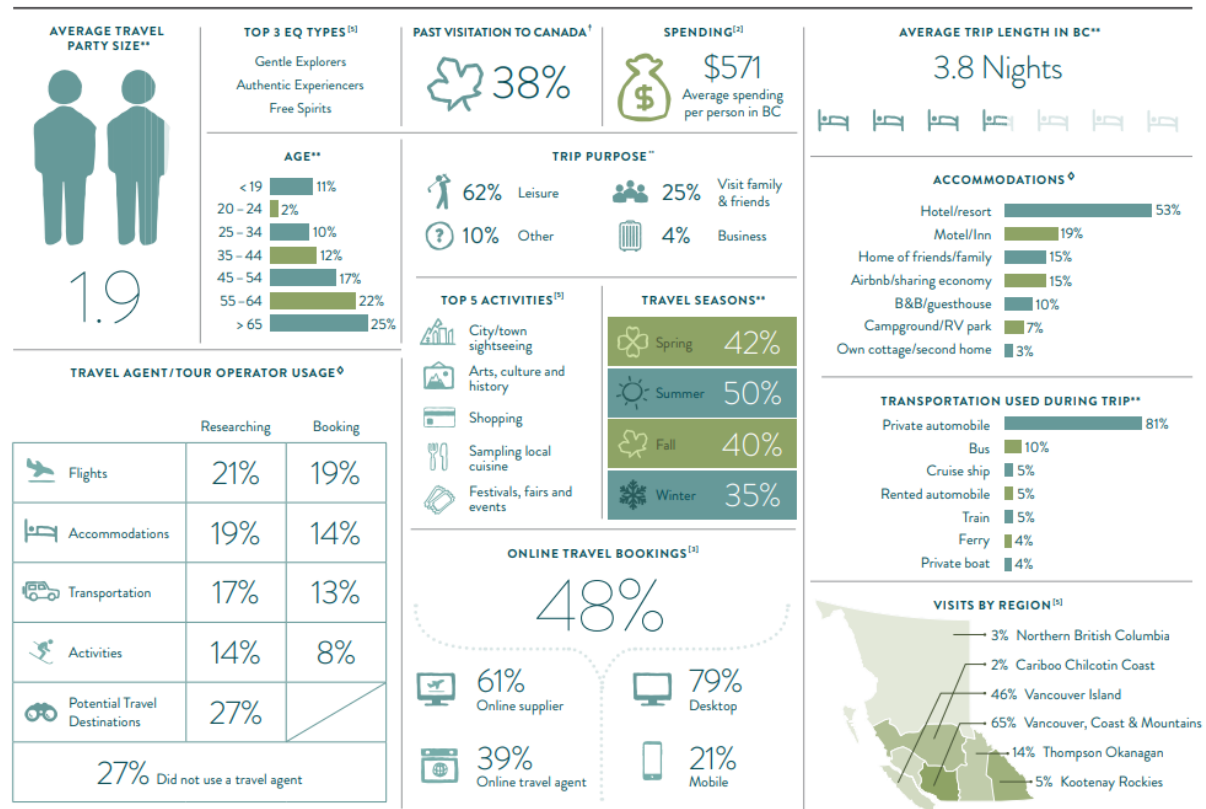
Washington State represents the U.S. state with the most visitation potential to BC and BVMR in both winter and summer. Residents of the greater Seattle-Tacoma area frequently travel to BC for outdoor recreation opportunities, especially to places such as Whistler-Blackcomb. As a market, Washington has grown in visitation to BC by 4% between 2014 and 2019. Furthermore, their spending has grown by 15% over the same period. Nearly 90% of potential travelers have a favorable impression of BC and a Net Promoter Score (NPS) of 59%. (Net Promoter Score is a measure of visitor likelihood to recommend visiting to others; a score over 50 is considered to be excellent.)

Washington visitors spent roughly 3.8 nights in BC with an average party size of 1.9 people. Only 38% had previously visited Canada, indicating a large potential to continue to draw new visitors.

Figure 57: Washington Market Profile



TRAVELLER AND TRIP CHARACTERISTICS



DESTINATION BC | RESEARCH AND ANALYTICS

MARKET PROFILES: WASHINGTON

CONTACT US: TourismResearch@DestinationBC.ca

** Destination BC Tabulations from the 2016 International Travel Survey (Statistics Canada)

*** Destination BC Global Marketing Plan 2020

† Destination Canada's Global Tourism Watch (Pooled 2018 & 2019)

Δ Destination BC Tabulations from Statistics Canada Frontier Counts

□ Small Area Estimates (Statistics Canada)

[1] Statistics Canada; Prepared by Destination BC

[2] Destination BC Internal Estimates

[3] Phocuswright

[4] Destination BC's Key Performance Indicators Consumer Research (2019)

Source: Destination BC

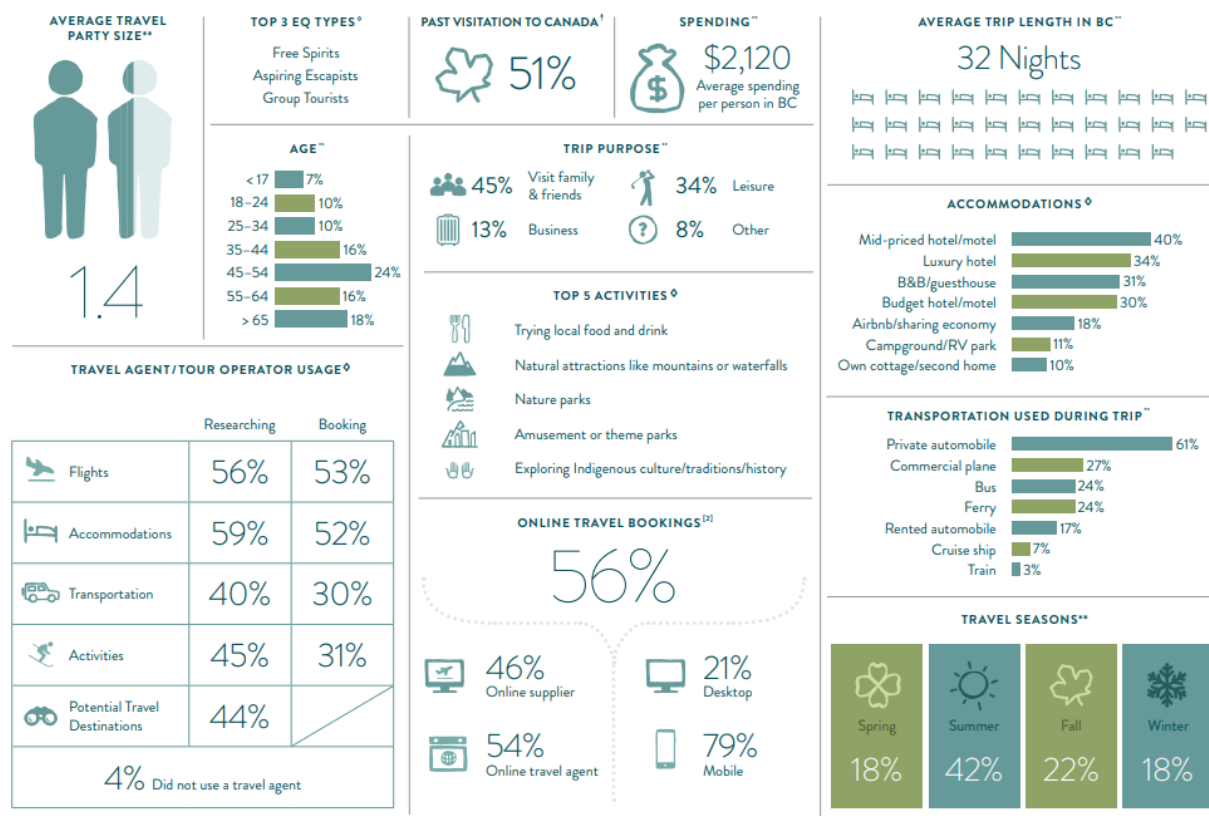
China

China, the 2nd largest international market for BC after the U.S., has grown quickly in visitation not only in BC but across most of North America. With a potential demand of 6.5 million, total visitation jumped by 9% between 2014 and 2019. More importantly, expenditures increased by 19%. However, Chinese visitors have an NPS of 20%, lower than Washington State visitors, but higher than the average U.S. visitor. Chinese visitors spend quite a long time in the province, at 32 nights on average. Visitor spending total over \$2,000 per person. Average group size is slightly lower at 1.4 people, indicating more solo travelers. Also, over half of Chinese visitors to BC have been to the province before, indicating strong return visitation.

Figure 58: China Market Profile



TRAVELLER AND TRIP CHARACTERISTICS



Source: Destination BC

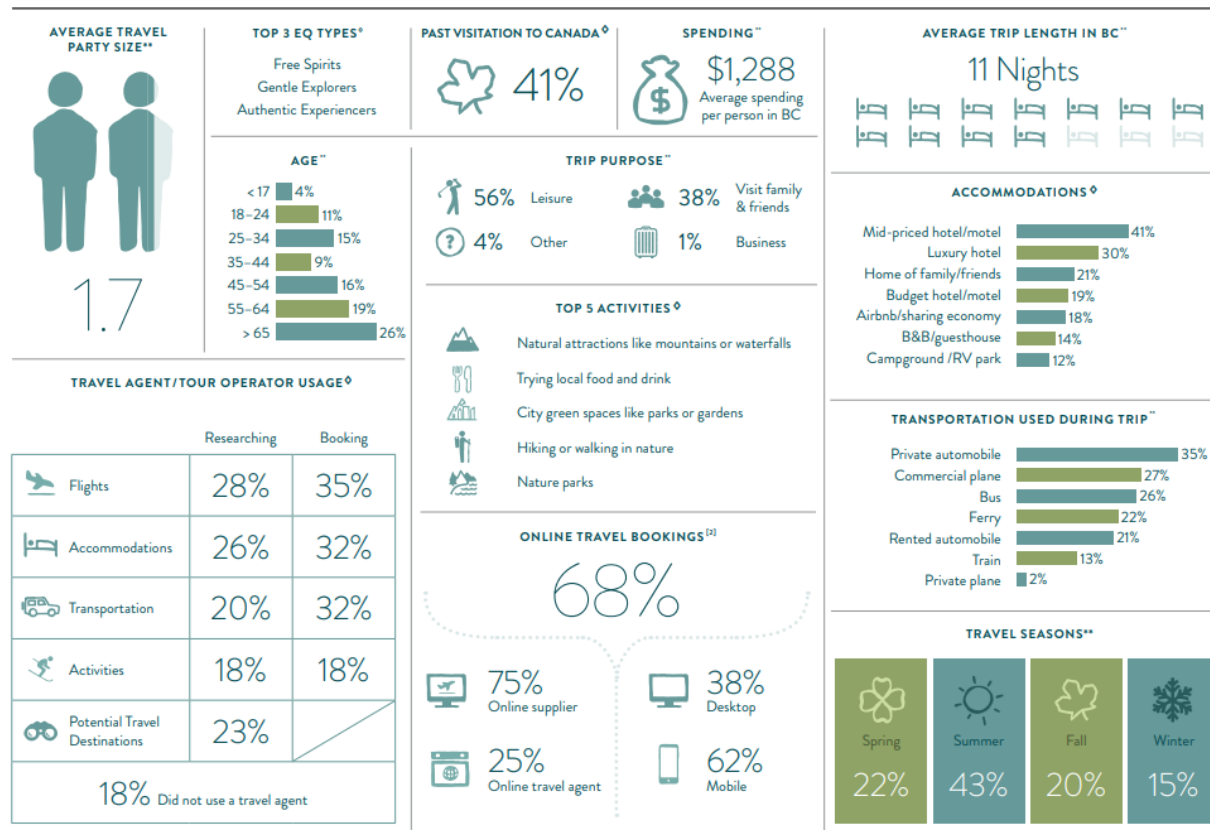
The United Kingdom

The UK is a large international market for most North American destinations, including BC. The market potential is 60% (a measure of likelihood to visit in the next two years). Similar to the U.S., visitation from the UK grew by 6% from 2014 to 2019. BC captures 30% of the share of all UK visitors to Canada, a large volume considering that it is the furthest province away from the country. Expenditures from the U.K. have remained mostly stable with only about 2% in growth. UK visitors spend just under 2 weeks on average in the province (11 days) and 40% are return visitors. Average party size of 1.7 indicates a mix of solo and couple travelers most likely to visit.

Figure 59: United Kingdom Market Profile



TRAVELLER AND TRIP CHARACTERISTICS



DESTINATION BC | RESEARCH AND ANALYTICS
MARKET PROFILES: UK
CONTACT US: TourismResearch@DestinationBC.ca

* Euromonitor
** Destination BC tabulations from the 2017 International Travel Survey (Statistics Canada)
*** Destination BC Global Marketing Plan 2020
† Destination BC Tabulations from Statistics Canada Frontier Counts
‡ Destination Canada's Global Tourism Watch (2018)

‡ Forwardkeys
‡ Destination Canada's Global Tourism Watch (2018 & 2019)
‡ Small Area Estimates (Statistics Canada)
[1] Destination BC Internal Estimates
[2] Phocuswright

Source: Destination BC

For BVMR, the above markets are important in both summer and winter travel. Aside from China, the U.S. and UK markets are prime for multi-season travel. Chinese travelers are much more likely to visit the area in the summer compared to any other season. In most destinations, Chinese travel groups typically start to ramp up in May and continue through the summer; winter sees very limited activity from this country. Chinese travelers may be more apt to visit during summer, stay on-mountain, and participate in some of the potential summer activities.

Other markets to consider that are not profiled but would be important to market to and monitor are:

1. Australia
2. Japan
3. South Korea
4. Germany

Of course, a market not profiled is other domestic Canadian visits. Attracting guests from nearby provinces and destination visits from Ontario/Quebec is crucial as well.

BVMR will need to lean on all these markets throughout the year to fulfill their visitation goals. That said, it is important to note that not all markets are as likely to visit during winter as in the summer season.

Tourism Chilliwack Strategic Plan 2022 – 2027

Tourism Chilliwack was established in 1998 as a subsidiary of the Chilliwack Economic Partners Corporation. Incorporated in December 2006, it is led by a private sector Board of Directors composed of tourism industry professionals. Based in at the Chilliwack Visitor Centre, it is a mid-size community DMO in BC with an objective to responsibly strengthen the tourism industry in the City of Chilliwack, Fraser Valley Regional District Electoral Areas E and H, and the Cultus Lake Park Board.

The Tourism Chilliwack Strategic Plan for 2022 —2027 identifies tourism-related conditions, trends, goals and strategies opportunities for the Chilliwack region. A review of the Plan is helpful both for its assessment of tourism conditions and opportunities in the region and understanding how BVMR aligns with its future vision, positioning and tourism development priorities.

The Plan’s vision is “to position Chilliwack as an iconic destination to adventure and unwind, partnering with our community stakeholders to invite visitors to responsibly experience the area’s urban and natural attractions.”

In its Situation Assessment, the Plan lays out selected strengths of Chilliwack which BVMR could further enhance, including natural beauty/scenery and diverse outdoor experiences. The Plan also identifies weaknesses which BVMR could help address, including not enough events, limited selection of restaurants and nightlife, lack of export-ready tourism product, and size of tourism-related businesses. Additionally, the Plan outlines a variety of opportunities, some of which are aligned with the BVMR opportunity, including sport tourism.

The Plan also identifies target markets, with geographic targets consistent with BVMR, and interest groups overlapping with BVMR (including outdoor adventure and family activities).

**Figure 60: Excerpt from Tourism Chilliwack Strategic Plan 2022-2027:
Situation Assessment – Strengths & Weaknesses**

Situation Assessment	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Organization- respected and has a strong relationship with key stakeholders including tourism-related businesses and the City ● Leadership & willingness to collaborate from local government, chambers, BIA's and Fraser Valley Association. ● Strong sense of community in our people and places. ● Strong regional destination marketing partnership with Abbotsford, Langley, Harrison Hot Springs, Mission, Hope ● Natural beauty- scenic ● Developing the downtown core as a destination to unwind and enjoy locally owned and operated businesses ● Diverse outdoor experiences – fishing, hiking, biking, rafting, camping, birding, golf, provincial parks, etc. ● Close proximity to Metro Vancouver / Regional Airport ● Proven relationship / partnership builder ● Strong and established guided fishing, agri-tourism and artisan businesses ● Public Art projects are increasing and attracting visitors to our community. 	<ul style="list-style-type: none"> ● Lack of transportation to Chilliwack and within ● Limited funding ● Diverse experiences – product diversities. There are lots of reasons why people visit Chilliwack, which can present marketing challenges. ● Close proximity to Vancouver ● Many central locations ● Not enough community and destination events ● Limited restaurants and nightlife ● Awareness of Chilliwack outside of BC/AB is limited ● Lack of export market ready tourism product ● Not enough meeting space – conference size limitations ● Hotels spread out across the community and limited number of hotel rooms ● Size of tourism-related businesses ● Hwy 1 first impression – industrial, billboards, smells ● Political fragmentation – FVRD, City, Park Board, Province, First Nations

Source: Tourism Chilliwack Strategic Plan 2022 – 2027..

**Figure 61: Excerpt from Tourism Chilliwack Strategic Plan 2022-2027:
Situation Assessment – Opportunities & Threats**

Situation Assessment	
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● Strong and business driven First Nations Tribes ● Farm to Table/Food Culture Movement ● Strength of US\$ is bringing Americans to BC and keeping Canadians home. ● Well positioned to leverage provincial market focus with Destination BC's Brand. ● Destination BC funding is focused on co-operative partnership between communities. ● Destination BC looking at developing made-in-BC operating standards and best practices. ● Regional population is over 2 million (lower mainland) ● Sport Tourism ● Sharing Economy ● The Fraser Valley Destination Development Strategy – Destination BC, Building on Phase 1 actions; implementing Phase 2 	<ul style="list-style-type: none"> ● Travellers have many destination options that offer similar assets to Chilliwack. ● Border crossing / security measures may deter US visitors (i.e., passport requirements) ● Pandemic repercussions could be long-lasting, and industry is scared it will happen again ● Increased demands on City funding ● Overuse of outdoor experiences ● Lack of hotel rooms ● Development, permit, zoning challenges that prevent or hinder the development of accommodations and experience providers ● Access to transportation for travellers ● Sharing Economy – disrupts current infrastructure (ex. AirBnB)

Source: Tourism Chilliwack Strategic Plan 2022 – 2027..

**Figure 62: Excerpt from Tourism Chilliwack Strategic Plan 2022-2027:
Target Markets**



Source: Tourism Chilliwack Strategic Plan 2022 – 2027..

**Figure 63: Excerpt from Tourism Chilliwack Strategic Plan:
Target Markets (continued)**



Source: Tourism Chilliwack Strategic Plan 2022 – 2027..

Competitive Analysis

Skiing and snowboarding are popular recreational activities in Canada, with upwards of 6% of the domestic population engaging in downhill snowsports each year, as well as a strong international market. Additionally, participation rates among residents of BC are estimated at 12% to 15%. British Columbia is a leading region in the Canadian ski and snowboard market, consistently accounting for roughly one-third of the total national skier visits per winter season.

However, as noted earlier in this report, long-term data indicate that the industry has seen relatively little growth over time. As Baby Boomers start to age out of snowsports, they are being replaced to some extent by younger generations of Millennial and Gen Z skiers, but with little net change in the overall participant volume or number of skier visits. As a result, resorts are often competing against each other to attract the business of one static group of customers. As more resorts enter the market, an already competitive industry becomes even more fierce.

In addition to attracting the business and loyalty of current active outdoor recreation participants (i.e., beating out other resorts for existing summer and winter customers), resorts can also be competitive by encouraging existing customers to participate more frequently, and by bringing new participants to the sports and recreational opportunities they offer. The following section outlines the primary market competition that BVMR will face in accomplishing these goals.

Competitive Strength - Ease of Access

One significant competitive advantage for BVMR is the ease of access from many directions. BVMR has three international airports within an hour and a half (Abbotsford – a 35-minute drive, and Vancouver – a 1hr 25-minute drive, and Bellingham, WA – a 1hr 20-minute drive) and two other international airports within 3 and 1/2 hours' drive (Seattle-Tacoma International Airport - 2hr 45 minutes, and Kelowna International Airport - 3hr 25 minutes). Then the TransCanada Highway goes right past the proposed base of BVMR (10-minute drive). The site is very accessible for day use and destination tourists.

Additionally, interest exists in creating a rail link between Chilliwack and Vancouver. A survey from May 2021 reported that 88% of Fraser Valley respondents were in favor of an east-west interurban passenger rail service south of the Fraser River for ease of access and environmental impacts.

Local Skiing/Snowboarding Competition

British Columbia is home to 10 mountain ranges and boasts 13 major mountain resorts, many of which have global brand recognition and have been recognized with industry awards and honors. These major mountain resorts, much like the vision for BVMR, offer all-season outdoor recreational opportunities, supported by an array of facilities, amenities, and tourism infrastructure catering to local, regional and destination visitors alike. In addition to these major players, BC has more than 30 other commercial downhill and Nordic ski areas, and several others are located across the border in nearby Washington state.

Within this diverse market, the eight BC resorts and one U.S. resort identified as primary competition for BVMR include:

- Large All-Season Resorts
 - Whistler Blackcomb
 - Big White
 - Silver Star
 - Sun Peaks
 - Mount Washington Alpine Resort
- North Shore Mountains
 - Grouse Mountain
 - Cypress Mountain
 - Mount Seymour
- Fraser Valley Ski Areas
 - Sasquatch Mountain Resort
 - Manning Park Resort
 - Mt. Baker Ski Area, Washington

Key datapoints for each of these resorts are presented in the table below. Many of the resorts against which BVMR will compete for business have a significant snow advantage over the preliminary snowfall estimates that have been made for BVMR, and climate change presents a significant risk. However, by capitalizing on its location, diversifying its recreational offerings, and developing a well-rounded suite of amenities, BVMR can find its niche within a robust market in the BC mountain resort community.

Table 1: Competitive Ski Areas

Ski Area (sorted by skiable terrain)	Skiable Terrain (ha)	Vertical (m)	Lifts	Avg. Snowfall (cm)	Snow- making	Multi- mountain pass	Nordic	Onsite Lodging	Summer Operations
Whistler Blackcomb	3,307	1,610	36	1,062	Yes	Epic	Yes	Yes	Yes
Mount Washington Alpine Resort	688	505	9	1,150	Yes		Yes	Yes	Yes
Big White	2,430	777	16	750	Yes	No	Yes	Yes	Yes
Sun Peaks	1,728	882	13	600	Yes	No	Yes	Yes	Yes
Silver Star	1,328	760	6	700	No	No	Yes	Yes	Yes
Mt. Baker Ski Area (WA State)	405	457	10	1,630	No		No	No	No
Cypress Mountain	243	610	7	622	Yes	Ikon	Yes	No	Yes
Sasquatch Mountain Resort	121	366	4	1,000	Yes?		Yes	No	No
Grouse Mountain	86	384	5	259	Yes		No	No	Yes
Mount Seymour	81	340	5	1,000	No		No	No	No
Manning Park Resort	57	432	4	743	No?		Yes	Yes	Yes
BVMR (preliminary planned figures)	680	600	18	650	Yes		Yes	Yes	Yes
BVMR Rank (out of 11)	6	6	2	9	-	-	-	-	-

The vision outlined for BVMR would position it as a 14th major mountain resort for the province, in direct competition with other industry giants such as Whistler Blackcomb, Mount Washington Alpine Resort, Sun Peaks, Big White, and Silver Star. These large all-season resorts are direct competition for local, regional, and long-haul destination visitors. Whistler Blackcomb presents the primary competition for BVMR and is profiled in more detail below. Mount Washington is further from the major population centers, making it perhaps less of a direct competition when it comes to local/day visitors from Vancouver, Seattle, or the Fraser Valley. However, its success, history, amenities, and size make them competitive on a regional and destination scale, and Mount Washington has a significant snow advantage.

While perhaps not as active in the regional and destination markets, additional smaller ski areas pose competition for the local market, with competitive advantages when it comes to location, familiarity, and other factors.

The three North Shore mountains – Cypress Mountain, Grouse Mountain, and Mount Seymour – are local Vancouver strongholds, located within an hour of the city, but are smaller than BVMR is proposed to be, with less skiable terrain, fewer lifts, and no onsite accommodations. The largest of the three North Shore mountains, Cypress, only has

about one-third of the skiable terrain as BVMR proposes to develop. However, it has equivalent vertical and equivalent snowfall, offers Nordic skiing and summer operations, is included on the Ikon pass, and is located just 30 minutes from downtown Vancouver. Additionally, while BVMR proposes to develop about 8 times the terrain as Grouse Mountain, Grouse also offers clear competition as an all-season resort with summer and winter operations, just 30 minutes from downtown Vancouver. Mount Seymour, one hour from downtown, also offers considerably less terrain and vertical than BVMR will but has a significant snow advantage.

In addition to the North Shore mountains, three other ski resorts that are located within day-trip distance of Chilliwack and Vancouver present local competition, and all have average annual snowfall figures that exceed that expected for BVMR. Sasquatch Mountain is currently the closest ski area for residents of the Fraser Valley, just an hour drive from Chilliwack and with a considerable snow advantage (though BVMR snowfall estimates are preliminary), although it is much smaller in terms of terrain and vertical and does not offer summer activities or onsite lodging. Sasquatch also holds a considerable amount of undeveloped tenure, giving it the potential for terrain expansion beyond BVMR.

Mount Baker (Washington) holds the world record for greatest snowfall recorded in a single season, with an average annual snowfall 2.5 times that anticipated for BVMR; it is just 1.5 hours from Chilliwack and 2.5 hours from Vancouver. However, Mount Baker offers considerably fewer amenities than BVMR intends to develop and requires crossing the border into the United States. Finally, Manning Park Resort – also 1.5 hours from Chilliwack and 2.5 hours from Vancouver – offers a variety of amenities, including Nordic skiing, onsite lodging, and summer activities. However, with just 57 hectares to BVMR's planned 680 (i.e., nearly twelve times the size), it is the smallest resort on the list of competition.

Competition Profile: Whistler Blackcomb

Open to the public since the 1960s, Whistler Blackcomb has gained international renown as a winter and summer recreation destination, aided by its role as one of the main hosts of the 2010 Winter Olympics. The resort has nearly 5 times the skiable terrain as the proposed full expansion of BVMR, 2 to 3 times the anticipated vertical, twice as many lifts (36 to BVMR's proposed 18), and its average annual snowfall (close to 11 meters) greatly exceeds the 6 to 7 meters estimated for BVMR. While – according to the BVMR EOI – an estimated 7.3 million people reside within a 3-hour drive radius of BVMR, a large proportion of these people are also of similar distance to Whistler, only a 2-hour drive from Vancouver and 4.5 from Seattle.

While BVMR will be a much closer option for local Fraser Valley residents (Whistler is about 3 hours from Chilliwack, while BVMR will be 15 minutes away), the difference in travel time to the two resorts is marginal for many regional residents taking an overnight ski trip from Seattle (1.5-hour difference) or day trip from Vancouver (30-minute difference) – and for destination visitors flying into Vancouver from around the world. Whistler Blackcomb was purchased by Vail Resorts in 2016, and is on the Epic multi-mountain ski pass, making it an attractive option for area residents as well as a destination trip for skiers and snowboarders residing in Colorado, Park City, or other locations with Epic Pass mountains.

Because of the proximity and international recognition as a major ski area, Whistler Blackcomb represents the primary competition for BVMR in the area. In fact, no other resort represents the same level of competition as Whistler. Visitors to the region are likely going to need to decide whether BVMR provides enough differentiating factors to skip their visit to Whistler. This is especially true for international guests as Vail's marketing reaches far and wide. However, BVMR has several opportunities to pitch a different type of experience and can complement some of the factors that Whistler offers too.



Source: Whistler Blackcomb

Opportunities for Bridal Veil Mountain Resort

While the existing ski resorts represent a significant level of competition for BVMR, they also bring millions of visitors to the region each year and have built the reputation of BC as an iconic alpine ski destination. Despite nearby resorts being direct competitors, they are also largely responsible for building the market and the viability of the mountain resort industry in the area. Adding another resort to the map has the potential to further establish British Columbia as a world-class ski destination with numerous options for active snowboarders and skiers. BVMR would add to the critical mass of ski areas in the province, which would make it an even more attractive location for winter visits.

In addition, BVMR would be well-positioned to take advantage of significant and growing summer tourism market in BC. The province is popular in the summer with residents of Canada, the U.S., China, and the U.K. The variety of activities that BVMR is proposing in the summer season will be popular with outdoor enthusiasts from around the globe.

The following section highlights some of BVMR's opportunities to compete in the BC skiing market.

Proximity to Population Areas

First and foremost, one of the major benefits for BVMR (and some other BC resorts) is the proximity to Metro Vancouver. At over 2.5 million residents, Vancouver represents both a major draw for domestic visits but also serves as a fantastic hub from which to draw travelers. Furthermore, the area from Seattle, WA up to the Canadian border is home to millions of additional nearby residents of the U.S. The combination of both major metro areas represents a real opportunity for BVMR. Millions of both domestic and international travelers use the Trans-Canada Highway to access locations in BC as well. Proximity matters, especially for guests with limited time and/or challenges with traveling far from their main hub.

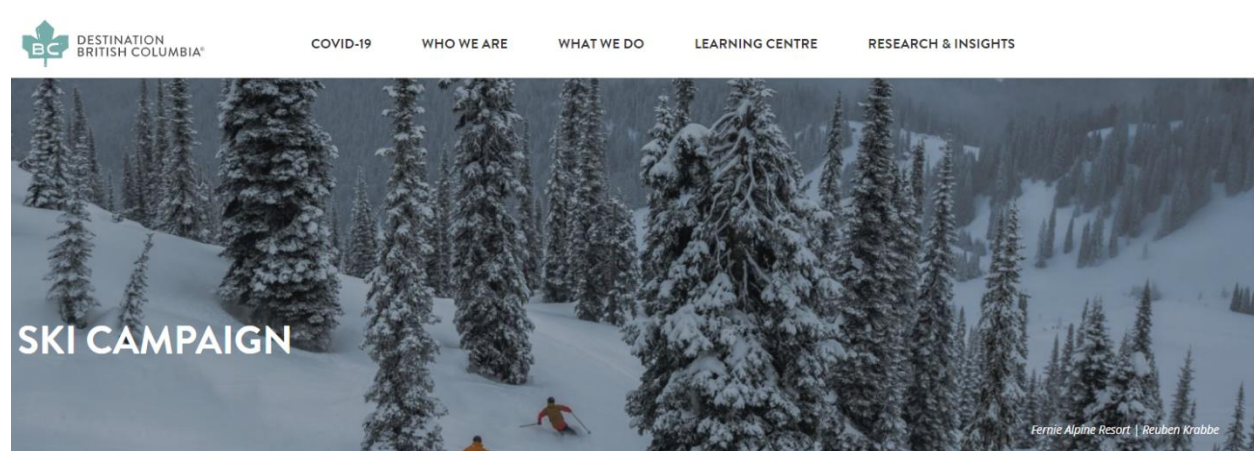
Outside of Whistler Blackcomb, some select ski areas are in closer proximity to Vancouver compared to BVMR; however, these areas are not well-equipped to compete for the same market. Cypress Mountain, Mount Seymour, and Grouse Mountain are three smaller, locally focused areas that compete for Vancouver residents. While these locations may draw from the existing resident base, their offerings and amenities are not at the same level proposed as BVMR. Thus, they are competition, but not directly, as smaller resorts are not likely to pull the same type of visitors for the same purposes.

Sasquatch Mountain Resort is likely competing for some of the same market and is proximate to Vancouver, but lacks in the variety of amenities, lodging options, and ease of access compared to BVMR. The road to Sasquatch is challenging and may turn off

some visitors from accessing. Furthermore, the drive time is longer than going to BVMR. For other retrendsasons outside of just proximity, Sasquatch does provide some competition to BVMR, but it is harder to access and does not offer the same type of expected experience.

Further Cementing BC as an International Ski Destination

A few destinations across the world have had success in earning an international recognition for skiing and snowboarding, BC being one of them. Colorado, The Alps, and Japan are a few additional destinations that have positioned themselves to attract visitors from across the globe. While BC is already in that category, much of the attention is driven by BVMR's primary competition, Whistler Blackcomb.



Source: Destination BC

BVMR can offer a new experience to further create interest in BC as an international snowsports destination. Visitors intending to ski could benefit from having a second large, destination resort to choose from when traveling. Visiting multiple resorts has been the aim of many of the multi-mountain passes such as Ikon and Mountain Collective. People are more willing to visit a new resort if it is on their multi-mountain pass already.

Overcrowding and Opportunities for BVMR

Visitation to outdoor recreation areas has been on the increase across Western Canada and the U.S. Popular locations have felt the pressure of increasing visitation especially during COVID. In BC, Whistler had massive lift lines in 2020 due to the perfect storm of COVID restrictions on gondola and lift capacity, and more visitors looking to get outdoors. For BVMR, this is somewhat a double-edged sword, but crowding in similar areas can be an opportunity.

Massive Whistler lineups worry some skiers during COVID-19 case spike



Megan Devlin | Feb 1 2021, 5:56 pm



The gondola lineup at Whistler on December 28, 2020 (EB Adventure Photography/Shutterstock)

Being proximate to a major metro area like Vancouver has its pros and cons. While a metro area provides a steady flow of visitors, the desired experience can be negatively impacted by too much visitation. Long lines, wait times, and parking frustrations can lead to visitors deciding to do something else or feel as if the price they paid was not worth it. Large destination resorts felt some of that pressure this year, with Whistler being one of those resorts. Even with a reservation system for tickets in 2020, Whistler saw many weeks of extremely long lines and overcrowding issues. This same scenario played out in other areas such as Vail, CO.

For BVMR, overcrowding issues at places like Whistler is a sign of demand exceeding supply. Although Whistler is highly regarded as a resort, visitors may get frustrated if crowding issues continue. For some, choosing a new resort may end up being the answer. At present, a resort with similar amenities is not highly accessible to Metro Vancouver residents – a gap that BVMR is poised to fill.

In recreation, a phenomenon called “place attachment” can influence whether a visitor chooses to continue going to their favorite or common resort/destination. Place attachment is an emotional connection people form with places due to the type of

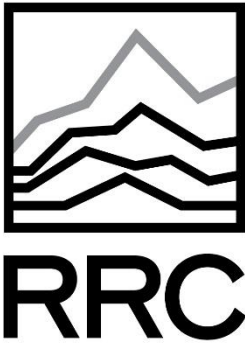
experience it provides. For instance, some people get attached to a specific park such as Banff due to positive childhood memories, or because it has been their primary vacation spot for decades. If there are no substitutable places, the visitor may be “dependent” on the place. Even if another resort exists, the experience offered may not be the same. Thus, the person becomes dependent on their favorite resort because no other location offers the same experience. This topic ties into the overall need for BVMR to offer a similar experience as a resort like Whistler, while exceeding the experience from other small resorts.

Conclusion

Given a variety of factors, including population growth, high interest in outdoor activities in both winter and summer, growing tourism levels in BC, and other trends, it appears that BVMR has many opportunities to succeed as a year-round mountain resort. Some competitive pressures exist, and will potentially present challenges to BVMR, but the market potential of both local population and regional/destination visitors for BVMR remains high.

About RRC Associates

RRC Associates is a consulting and research firm founded in 1983 and based in Boulder, Colorado. We specialize in providing services to the tourism and hospitality industry. We have completed hundreds of survey projects years for tourism clients including Vail, Beaver Creek, Denver, Boulder, Breckenridge, Aspen, Steamboat, Fort Collins and other communities and resorts beyond Colorado. For each client, we leverage the most appropriate research methodology, including surveys (Internet, mail, telephone, and intercept), focus groups, one-on-one interviews, panel research, and other strategies. The extent of our work often extends beyond research to include analysis, interpretation and strategic consulting.



Customization of work to meet the client's needs is an important part of our company's philosophy. We work closely with our customers to create research programs that fit their needs, and our history of long-term involvement with clients speaks to our ability to satisfy needs over time.

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