RV Park & Campground
Market & Location Analysis

for the *Township of Red Rock*

McSWEENEY

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For the Township of Red Rock

January 2022

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The views expressed in this document are the views of the Recipient and do not necessarily reflect those of NOHFC, FedNor or the Government of Ontario.

LAND ACKNOWLEDGEMENT

The Township of Red Rock hereby acknowledges that we are on the traditional territory of the Robinson-Superior Treaty and that the land on which we gather is home to the Red Rock Indian Band, the Anishinabek, and the Metis people.

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INTRODUCTION

This Market and Location Analysis is designed to set the stage for the Recreational Vehicle (RV) Park and Campground Business Case. The remainder of the business case will include an assessment of design options, a marketing assessment, a SWOT and risk assessment for the proposed campground, and financial analysis accompanying a business model report. To appropriately set the stage for the remainder of the project, this report is broken into five sections.

The first section assesses overall market trends for the RV park and campground sector. Considerations assessed include:

- Socio-economic demand factors that impact demand for campsites;
- RV manufacturing production and demand; and
- Strengths and weaknesses of the sector.

The second section outlines campground demand within Ontario within a Canadian context, then narrows the scope to focus on the specific supply of RV campgrounds and campsites within a 2-hour drive of The Township of Red Rock (Red Rock).

The third section describes RV owner demographics that are driving the demand for campsites, the amenities they desire, campsite demand with a particular focus on the Red Rock market area, and a regional RV campsite demand outlook.

The fourth section indicates the location of the proposed campground, lists some of the local tourism assets, provides an analysis of site attributes, followed by an assessment of the specific advantages and disadvantages of the proposed campground site.

The fifth section concludes the key points of the market and location analysis and provides recommendations for a market focus for consideration.

Appendix A provides an overview of the most popular RV types and Appendix B provides an overview of RV parks, campsites, services/amenities, and length of stay.

1. RV PARK & CAMPGROUND MARKET TRENDS

Underlying demographic, consumer, industry, and tourism data suggest that the RV park and campground sector is poised for a strong medium-to-long-term outlook. This section begins by outlining factors that impact demand for RV parks, campgrounds and sites and assessing the impact of those factors on future demand. It then profiles industry trends for the sector before outlining the strengths and weaknesses of the RV park and campground sector[1].

1.1. Socio-Economic Demand Factors Affecting RV Parks/Campgrounds[2]

1.1.1. Total Population Figures (Number of Adults 20 to 64 and Number of Adults 65 and over)

Population growth among adults (both 20 to 64 and older adults, 65+) will help drive demand for recreational vehicle parks because these demographics are more likely to travel by RV. Historically, older adults were more likely to travel by RV, however, a recent study by GO RVing has found that the number of individuals ages 18 to 34 years travelling by recreational vehicle has increased substantially[3]. In 2021, this younger demographic was responsible for approximately 22% of the market for the rental or purchase of an RV.

Canada's population growth rate for those over 20 is projected to continue at a rate of approximately 1.2% over the next five years while Ontario's is projected to grow at 4.7%. This population growth across the country and province will help RV dealers and parks support a stable consumer base.

1.1.2. Per Capita Disposable Income

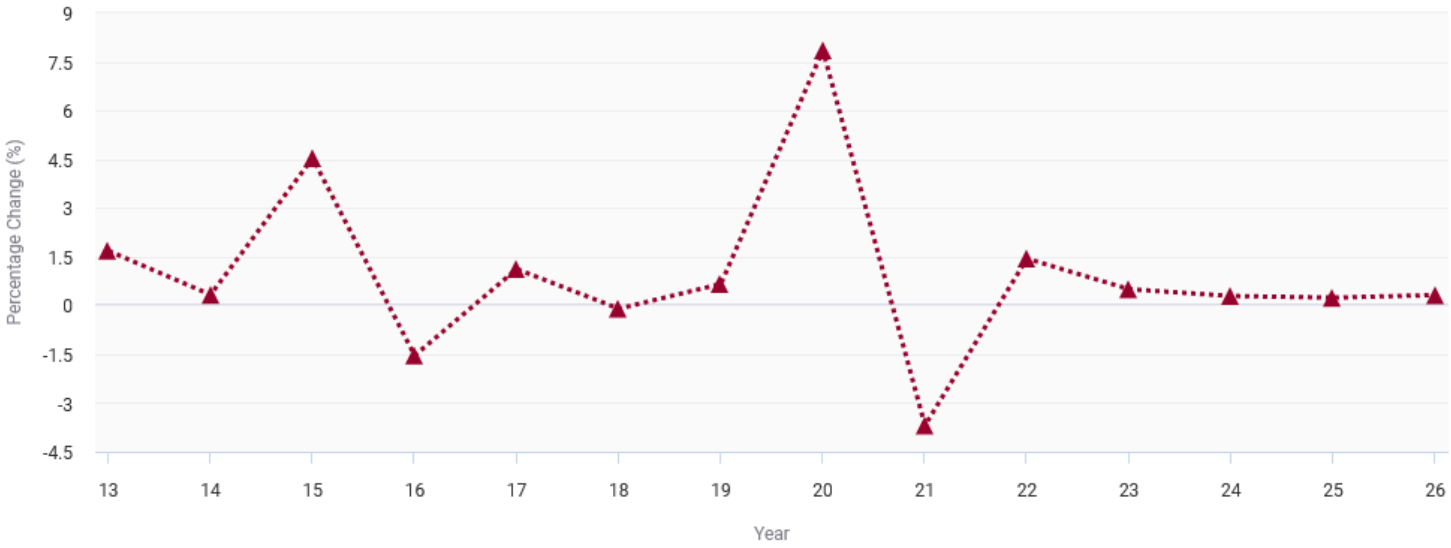
Per capita, disposable income is critical to discretionary purchases such as recreational vehicles, as this measure assesses income after payment of taxes and other necessary expenses. Businesses that rely on the sale of non-necessary goods are more subject to market volatility related to per capita disposable incomes and consumer confidence as they rely on consumers' willingness to spend on non-necessity goods.

Through multiple shocks in the last twenty years (the financial crisis and COVID-19), per capita, disposable income has been successfully propped up through a combination of overall growth and government spending. After stimulus spending directed at supporting an economic recovery during the COVID-19 pandemic subsides, the Bank of Canada began quantitative tightening in 2021. This shift will likely lead to a short-term decrease in disposable income (see Figure 1 below,

[1] For definitions of the most popular RV types and an overview of RV parks, campsites, services/amenities, and length of stay, please see Appendices A and B.
[2] Demand factors and assessments in this section largely rely on IBIS World Industry Reports.
[3] GO RVing. Roadsigns 2021 Forecast Recap. https://www.gorving.com/newsroom/rv-industry-association-manufacturing-statistics

2021 data), however, the overall outlook over the next five years is still strong, projecting average annual increases of 0.8% in per capita disposable income from 2022-2025. On the other hand, the pandemic severely limited holiday travel, and reduced other personal expenses (clothing), resulting in higher than normal savings. This will likely lead to very strong vacation spending for several years once the ability and confidence to undertake vacation travel returns.

Figure 1: Year-Over-Year Percentage Change, Per Capita Disposable Income, Canada



Source: IBIS World.

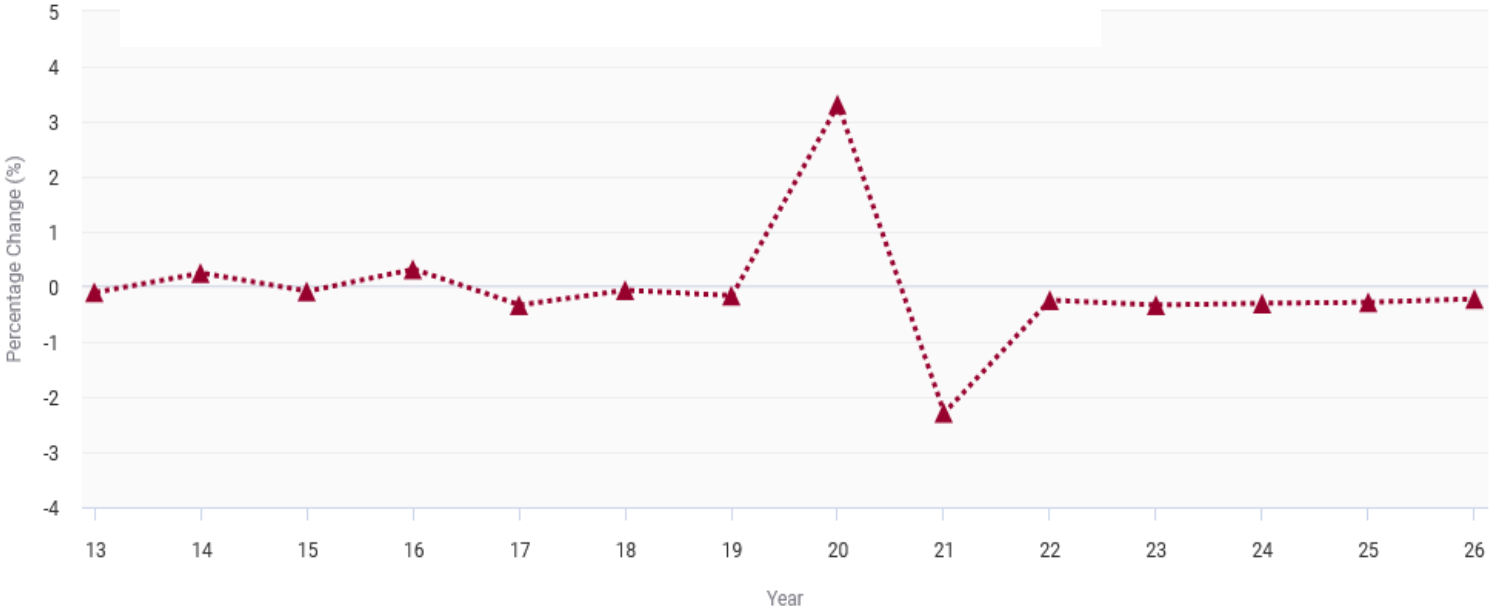
1.1.3. Leisure Time/ Remote Work

Leisure time is directly correlated with the ability of Canadians to travel and book RV and tent campsites. In the event that an individual or family does not have leisure time, they will be unable to travel and correspondingly book campsites.

The pandemic significantly increased the amount of leisure time for many Canadians; however, this was a short-term adjustment. The economic recovery has reduced unemployment substantially and over the next five years, leisure time is expected to largely remain the same or decrease slightly compared to pre-pandemic levels. In the medium to long term, however, Canada's ageing population is likely to stimulate growth in the average number of hours spent on leisure, as more Canadians transition to retirement.

It is expected by many that the pandemic will result in permanent changes in where people work from, with much more time spent working from home or remotely than was the case before the pandemic. This would suggest that a greater percentage of campers will be looking for strong Wi-Fi and cellular services to support spending part of their "camping time" working remotely.

Figure 2: Year-Over-Year Percentage Change, Leisure Time, Canadian Residents



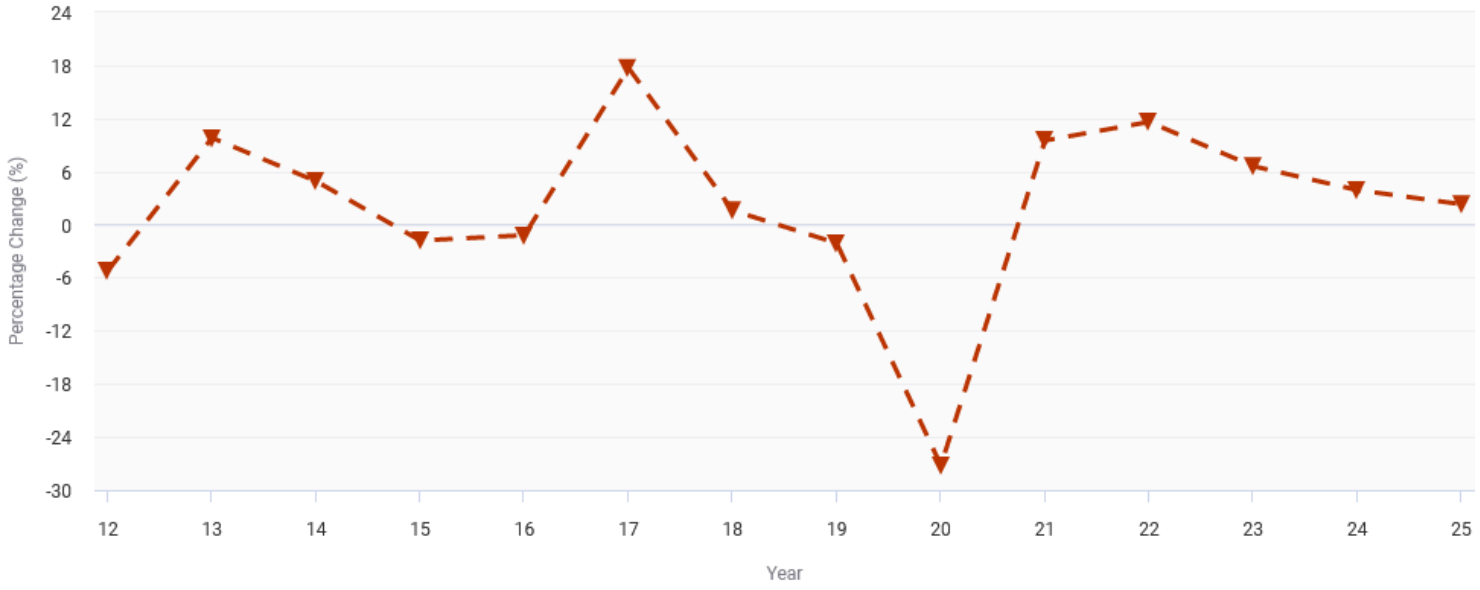
Source: IBIS World.

1.1.4. Consumer Confidence Index

Consumer confidence is a secondary driver of RV park success because the index impacts RV sales which then correlate to RV park bookings. Specifically, the more confidence consumers have in the general outlook of the economy, the more likely they are to spend money on discretionary purchases (i.e., recreational vehicles).

The COVID-19 pandemic led to a significant shock to the consumer confidence index which declined 30% from 2019 to 2020. However, outside of the pandemic's impact, consumer confidence has been on the rise, a trend that is projected to continue to improve in 2022 and through the next decade. As can be seen in Figure 3 below, after a period of instability, consumer confidence is expected to rise annually at a rate of between 2% and 6% from 2023-25.

Figure 3: Year-Over-Year Percentage Change, Consumer Confidence Index, Canada



Source: IBIS World.

1.1.5. Pandemic Influence

The continuing COVID-19 pandemic is having several impacts on camping[4]:

- The proportion of first-time RV and tent campers have exploded in 2020 and 2021 and the trend is expected to continue;
- Camping is seen as a safer way to vacation during the pandemic. Specifically, Go RVing found that approximately 60% of new RV owners state that they believe an RV is the safest way to travel during the COVID-19 pandemic;
- Given the opportunity, not only are more people camping, but they are also camping more often;
- Couples with children (Family Campers) are driving the enthusiasm and interest in camping, at least partially because there are few travel options available, and because camping is seen as a COVID safe vacation option;
- Many first-time campers are looking for a "glamping" experience (a camping experience that has more of the everyday amenities/conveniences and involves less effort than traditional camping experiences);
- RV parks and campgrounds in Northern Ontario once had a substantial clientele from the U.S. With the pandemic, cross-border traffic was severely restricted, but countering this was strong growth in campground use by Canadians and specifically Ontarians. When the

[4] 2021 Topline North American Camping Report

borders fully re-open, demand will surge beyond its current peak as RV use has significantly increased in the U.S. as well as Canada;

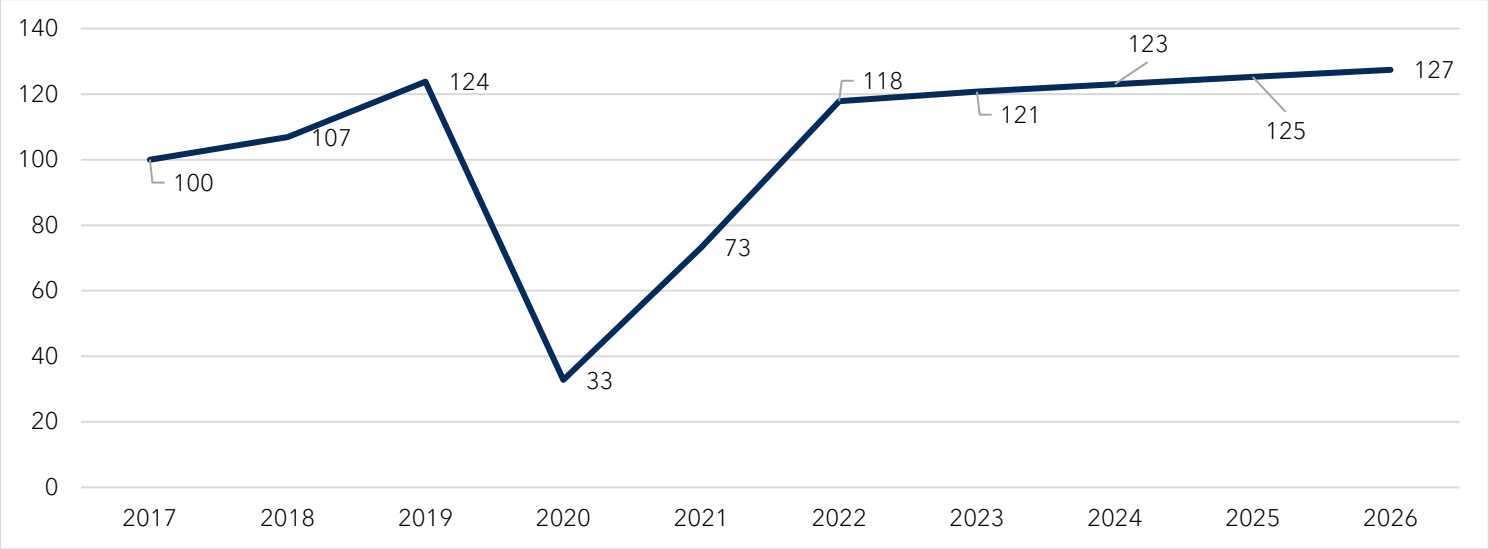
- Encouraging more local travel, including the introduction of a 2022 "staycation" tax credit for Ontario residents;[5] and
- Growth in remote work and schooling makes access to technology at the campsite more important.

1.1.6. Overall Demand Impacts

Each of the preceding demand factors projects trends that appear positive for the RV park and campground sector. Rising population (in both younger and older adult age groups) and consumer confidence index alongside increasing per capita disposable income and leisure time suggest the sector is poised for notable growth between 2021 and 2026.

To that end, after seeing projected revenue declines of 73.5% during 2020, the sector is projected for rebounding growth figures of 123.2% in 2021, 61.0% in 2022, and then consistent growth between 1.72% and 2.5% between 2023 and 2026. Figure 4 presents projected revenue figures projected to 2017 values (i.e., a value of 100 represents the same expected total revenue as the sector saw in 2017)[6].

Figure 4: Projected Annual Revenue Benchmarked to 2017, RV Park and Campgrounds, Canada



Source: IBIS World.

[5] https://www.ontario.ca/page/ontario-staycation-tax-credit
[6] IBIS World RV Park and Campgrounds Industry Report.

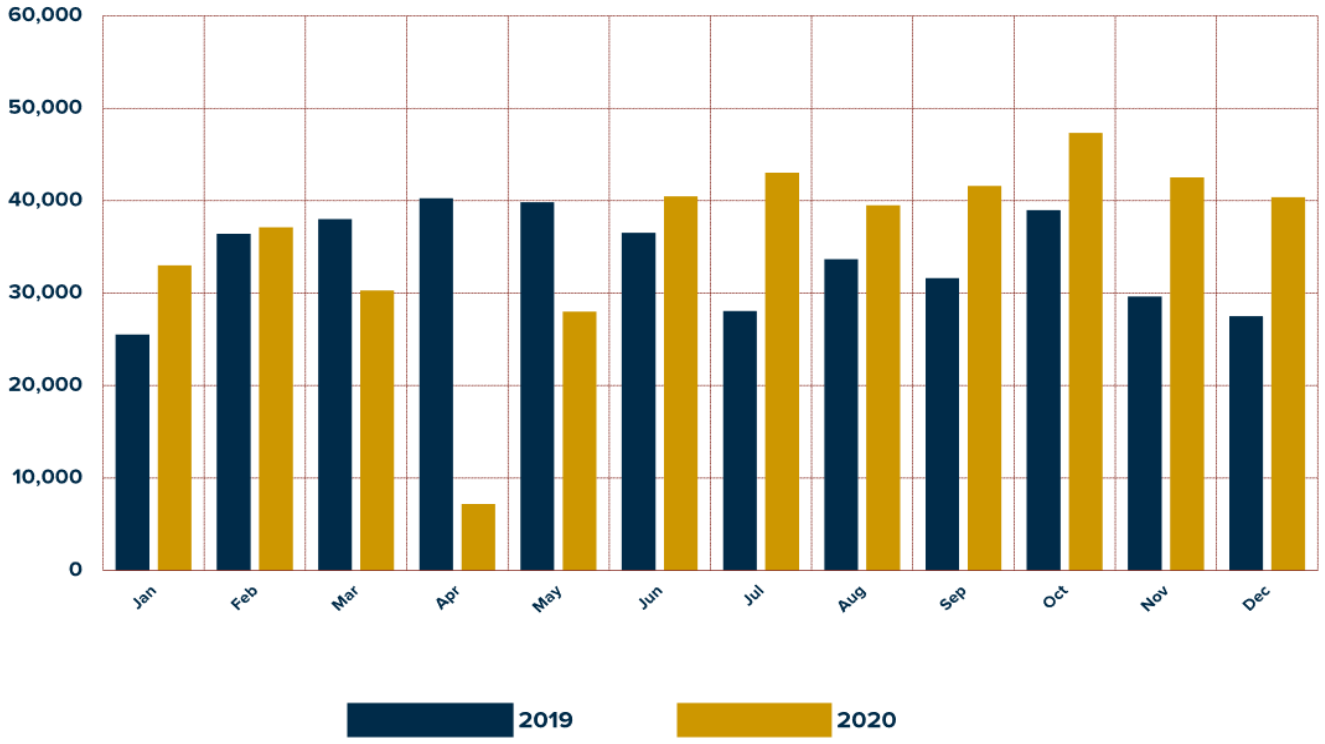
1.2. RV Production and Demand

1.2.1. General Industry Trends

In the U.S., the RV sales market was valued at $26.7 billion (USD) in 2020 and is projected to reach $35.7 by 2026[7]. This increase projects to a sizable yearly valuation increase of approximately 5%. Though the pandemic initially slowed down industry supply (due to manufacturing and retail site shutdowns), consumer demand accelerated. Specifically, the RV Industry Association's 2020 Annual Report suggested that first-time RV purchases during the pandemic had increased as much as 170% year-over-year[8].

As RV manufacturers seek to catch up to demand, wholesale shipments of RV units have increased substantially. To this end, Figure 5 presents total monthly shipments of RVs in 2020 and 2019. At the start of the pandemic (March, April, and May 2020) supply was noticeably lower than it was in 2019. However, over the remaining seven months of 2020 RV supply recovered and exceeded previous highs in the face of significant demand increases.

Figure 5: Monthly Shipments, RV Wholesale Units, 2019 and 2020

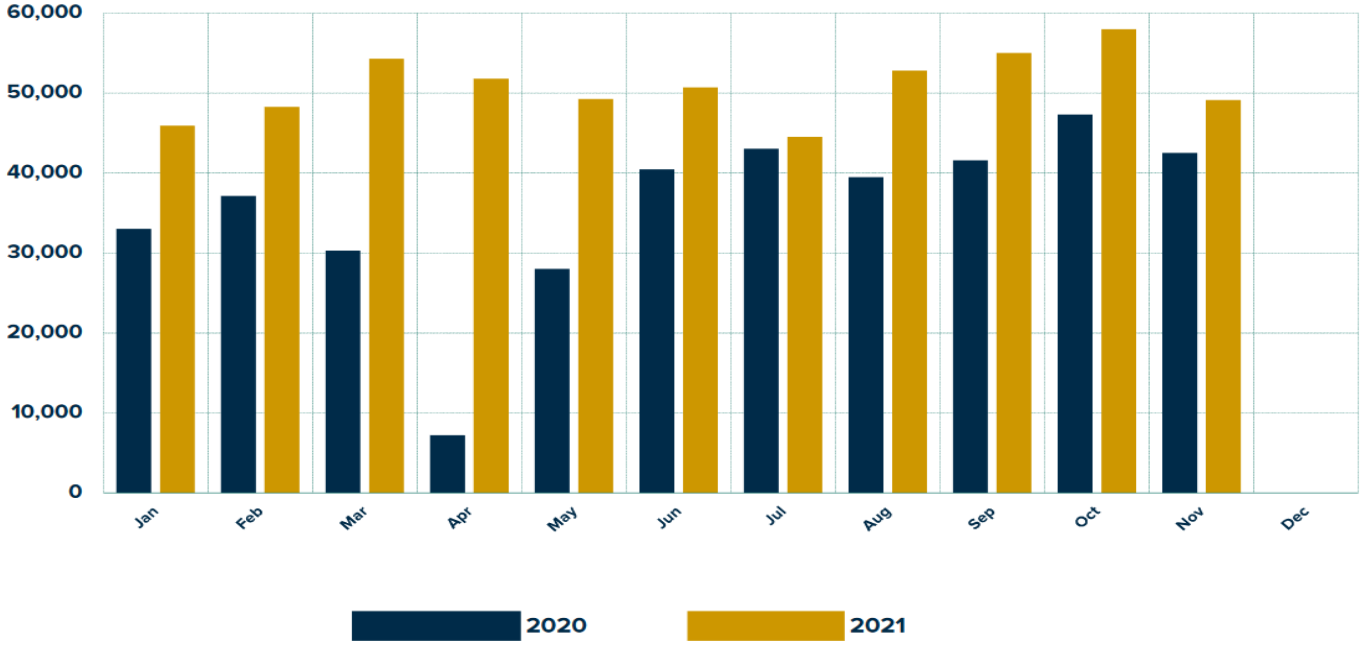


Source: RV Industry Association Wholesale Recreation Vehicle Shipments. December 2020.

[7] Mordor Intelligence. North America Recreational Vehicle Market – Growth, Trends, COVID-19 Impact, and Forecasts (2021-2026). 2021.
[8] RV Industry Association. 2020 Annual Report.

When comparing 2020 to 2021 it becomes clear that the increased demand and subsequent increase in supply have not yet slowed down, as of the end of November 2021. Instead, every month in 2021 saw substantial year-over-year increases in shipped RVs, compared to 2020 (Figure 6). This increase is similarly expected to sustain itself through 2022, with projections for over 600,000 RV units being shipped in both 2021 and 2022[9].

Figure 6: Monthly Shipments, RV Wholesale Units, 2020 and 2021

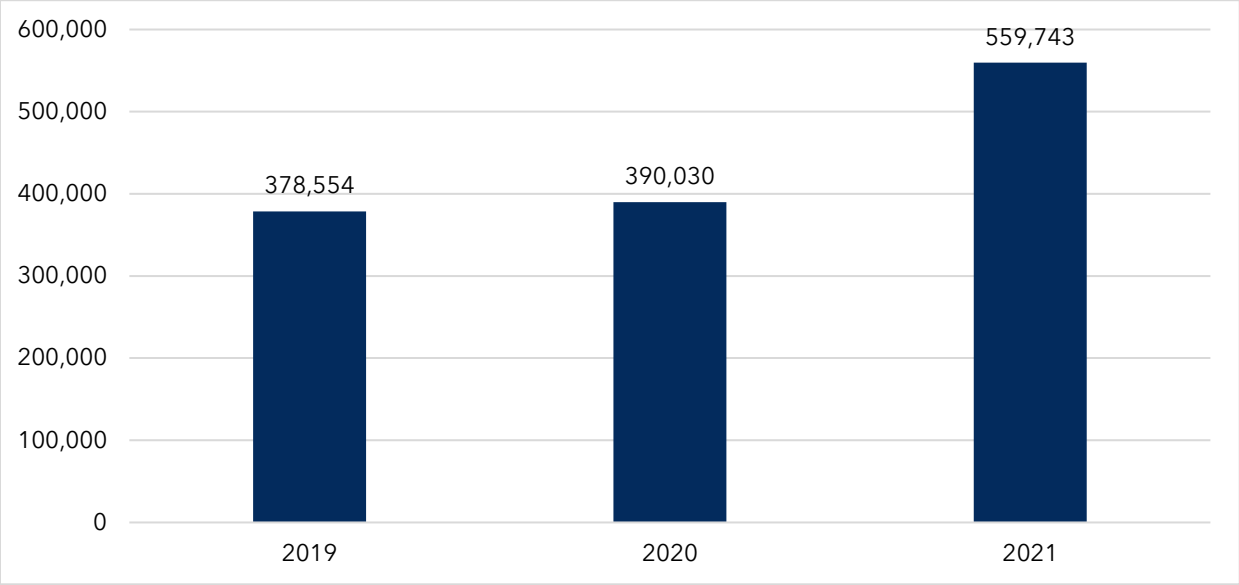


Source: RV Industry Association Wholesale Recreation Vehicle Shipments. November 2021.

Finally, we are able to assess year-to-date figures for North American RV sales from January to November in 2019, 2020, and 2021. In 2019, from January to November, 378,554 wholesale RV units were shipped. In 2020 shipped units rose to 390,030, an increase of 11,476 (3%). In 2021, this increase grew exponentially, with shipped units over the first 11 months increasing by 169,713 RVs (44% increase), to 559,743 total RVs shipped (see Figure 7).

[9] ITR Economics. RV Roadsigns. Winter 2021.

Figure 7: Monthly Shipments, RV Wholesale Units, 2019 and 2020



Source: RV Industry Association Wholesale Recreation Vehicle Shipments. 2019-2021.

1.2.2. Canadian Trends

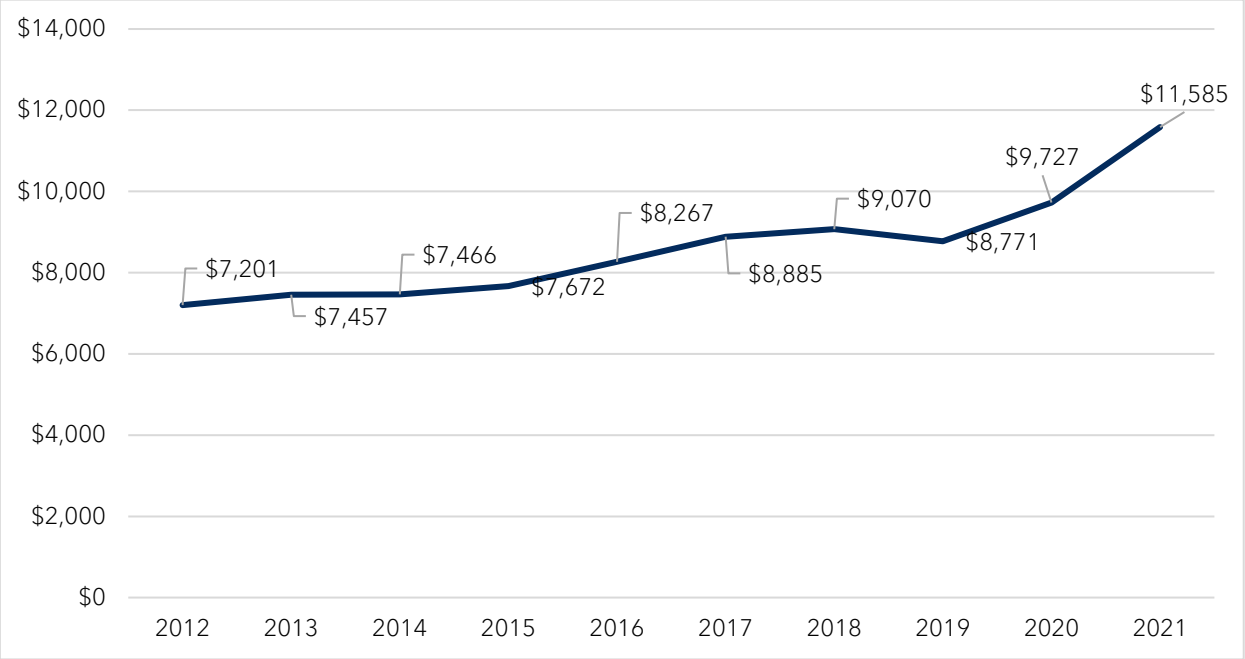
Similar trends can be seen in Canada, with a downturn (after eight years of consistent growth) at the beginning of the pandemic in both the sales of manufactured RVs (to retailers/wholesalers) as well as the value of new orders from RV dealers (see Figures 8 and 9). However, following that initial downward spike, both markets have quickly rebounded to continue the upward trajectory seen since 2015.

Sales at RV, Motorcycle and Boat Dealers

Sales from *other motor vehicle dealers*[10], which includes RV dealers, have increased substantially since 2012. From 2012 to 2018 sales rose approximately $1.9 billion, from $7.2 billion to $9.1 billion. Since 2018, however, sales have increased by over $2.5 billion to a prorated total of $11.6 billion in 2021.

[10] NAICS 4412 – This sector includes recreational vehicle dealers as well as motorcycle and boat dealers. Data on strictly RV dealer sales are unavailable from Stats Canada, however the trend is expected to be similar.

Figure 8: Sales, Other Motor Vehicle Dealers, Canada, 2012-2021 (in $ Millions)

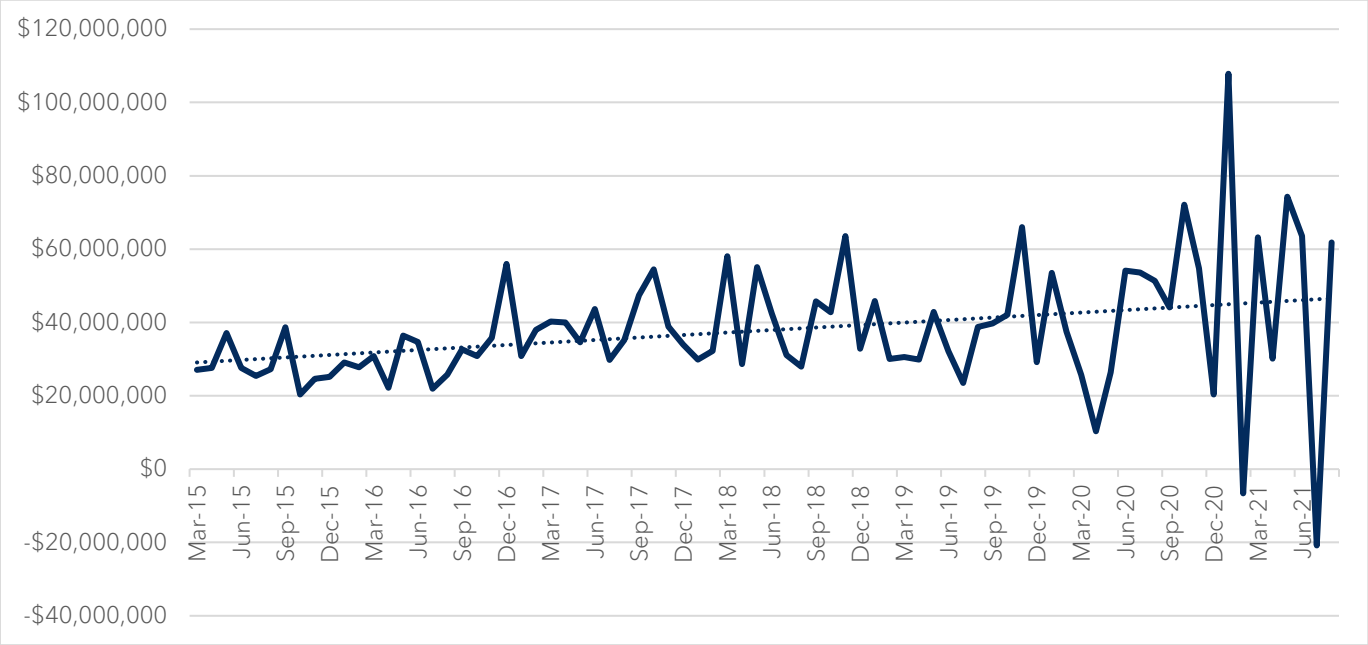


Source: Statistics Canada. Table 20-10-0078-01 Retail sales, price, and volume, seasonally adjusted (x 1,000,000)

Canadian RV Manufacturing

Please note, in the below figures the data is **not** seasonally adjusted. RV sales are inherently impacted by seasonality, meaning that unadjusted overall data ebbs and flows significantly. As such, the trendlines (dotted lines) are more impactful than individual data points and show a clear trend upward in sales and orders. Figure 9 presents the value of sales of manufactured RV goods in Canada from January 2015 through August 2021. As can be seen, though the pandemic has led to significant volatility within the sector, the overall trendline shows a clear continued increase in the average monthly value of sales of manufactured RV goods.

Figure 9: Value of Sales of Manufactured RV Goods, Canada, 2015-2021

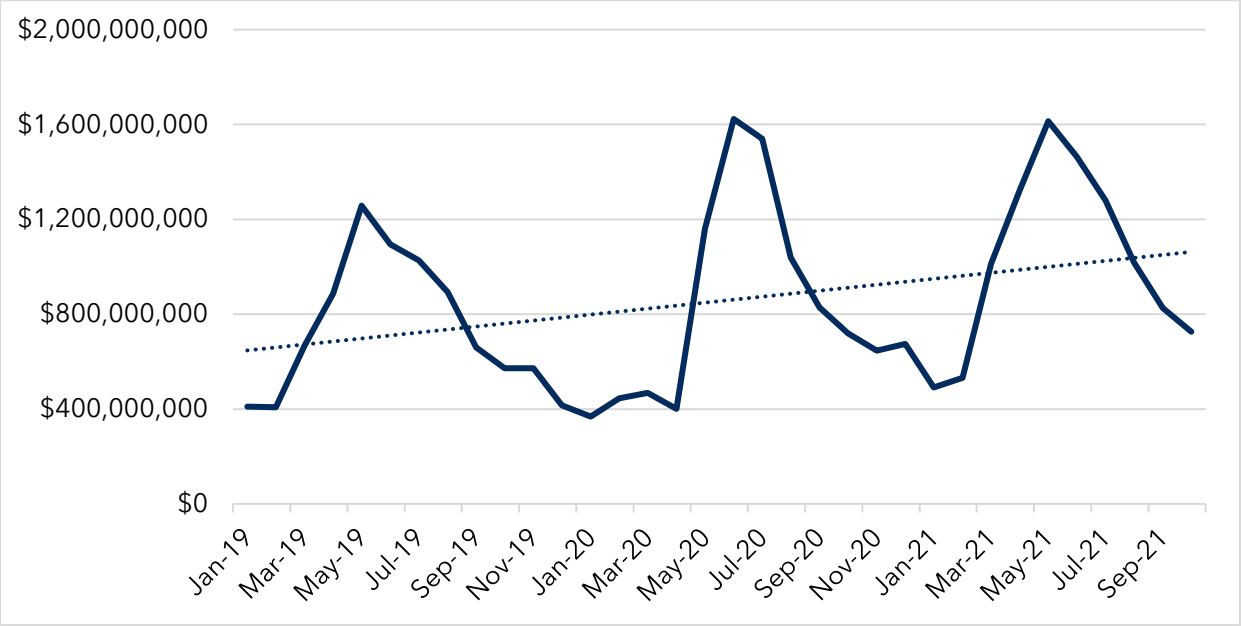


Source: Statistics Canada. Table 16-10-0047-01 Manufacturers' sales, inventories, orders and inventory to sales ratios, by industry

We are further able to measure RV retail sales (i.e., sales to the end consumer) since January of 2019. Once again, this data is not seasonally adjusted, suggesting that the decline period in the fall and winter is expected given the nature of the RV sector. That being said, it is clear that for Canadian RV sales, the 2020 season began later than in 2019. In 2019 a noticeable uptick began in March, while in 2020 it did not begin until May (after COVID retail closures lifted). Once sales rebounded in 2020 and 2021, however, peak sales were noticeably higher than in 2019.

Once again, due to the seasonal nature of RV sales, the overall trendline is more impactful than any individual data points. The trendline in Figure 10 rises abruptly from approximately $600,000 in January of 2019 to over $1.0 million in June 2021, noting significant year-over-year increases in retail RV sales.

Figure 10: Value of RV Retail Sales, Canada, 2019-2021



Source: Statistics Canada. Table 20-10-0017-01 Retail commodity survey, monthly retail sales

At the retail level, anecdotal evidence in speaking with RV dealers is that RV inventories at dealerships through most of 2020 and currently, are at all-time lows. In response, retail prices have risen substantially for both new and used RVs.

This subsection makes clear that the RV manufacturing and retail markets across North America and within Canada specifically have all seen healthy increases through 2020 and 2021. Although the initial shock of the pandemic led to a relatively slow spring of 2020, sales, orders, and manufacturers of RVs have since recovered and exceeded previous figures.

Moreover, though some may see this as entirely pandemic-driven and perhaps unsustainable into the future, trendlines for the Canadian RV supply, manufacture, and retail sectors all suggest that these are a continuation (and acceleration) of pre-pandemic growth trends. To that end, future projections by ITR Economics further suggest that this trend will continue through 2022.

Though RV sales are not a perfect predictor of RV trips (as many purchasers may not make use of their RVs as often as expected, and the limited availability of campsites has likely constrained the number of camping nights/trips possible). However, other sections of this report do note that the number of trips taken by RVers did increase during 2020 and 2021.

1.2.3. Future RV Demand

In the short term, the backlog of unfilled RV manufacturing orders is an indicator of future retail sales. The value of unfilled orders for Canadian manufactured motor home, travel trailer and camper units[11]:

- Averaged $43.7M in unfilled orders per month in 2019, similar to most previous years;
- Averaged $110.4M in unfilled orders per month in 2020;
- And averaged $200.5M in unfilled orders per month in the first five months of 2021, which is approximately five times greater than the same period in 2019 and previous years. And this is despite the fact that the average monthly orders shipped in this five-month period of 2021 exceeded the monthly shipments in 2020 by approximately 28%.

This building of a backlog of orders despite higher production supports the expectation that sales will continue to be strong in the near future. The continuing pandemic will also continue to drive more consumers into the RV market in 2021.

1.3. Strengths and Weaknesses of the Campground Sector[12]

1.3.1. Strengths

High Demand

- The COVID pandemic has pushed a lot of people into the RV/tent camping market as they seek low-risk vacationing not involving international travel. Over the years, campsite supply has not kept pace with the growth in demand, resulting in strong demand for all available campsites. Demand is likely to remain strong for a number of years, as high RV sales continue, and people seek to benefit from their RV investment. Campground occupancies will likely remain very high until supply increases.

High revenue per employee

- Though initial capital requirements are high (see weaknesses), once an RV campground is established the employee costs relative to revenue are typically quite low, as minimal maintenance and oversight are needed on a day-to-day operating basis relative to revenues.

[11] Statistics Canada. Table 16-10-0047-01 Manufacturers' sales, inventories, orders and inventory to sales ratios, by industry (dollars unless otherwise noted). It should also be noted that the vast majority of RVs sold in Canada are manufactured in U.S. and 80% of those are manufactured in Indiana.
[12] Strengths and Weaknesses of the sector rely on IBIS World Industry Reports.

Low customer class concentration, large market area

- Customer class concentration refers to how dependent businesses are on single customers (or a small number of customers). For example, if a single buyer accounts for 20% of a business's revenue, they have very high customer class concentration. High customer class concentration leaves businesses highly dependent on individual consumers and greatly increases risk. Diversifying a customer base through low customer class concentration helps businesses lower their overall risk and makes the business model more sustainable. As such, the low customer class concentration for the RV park and campground sector is a significant strength.

1.3.2. Weaknesses

Low levels of assistance

- The RV campgrounds sector receives little in the way of governmental support and incentives, meaning businesses within the sector are largely left to adapt to challenges on their own. This leaves the sector more vulnerable to potential exogenous shocks than other industries that see more assistance from different levels of government.

Low profit compared to broader travel sector

- The appeal of RV camping to many travellers is the lower cost of travel; typically, staying at an RV campground is significantly less costly than a hotel for travellers. As such, though RV campgrounds and parks do not have to invest as much in staffing and other operating expenses compared to other travel sectors, the revenues they receive are also lower, meaning the profits associated with this subsector are proportionally smaller as well.
- Tent camping especially is expected to be low cost by consumers. Given the lack of initial investment compared to RV ownership many tent campers rely on this method as budget-friendly camping. As such, they expect to be charged less for sites than the fully equipped RV sites and the subsequent profit for tented campsites is lower than the RV campground sector more broadly.

High initial capital requirements, barrier to market entry

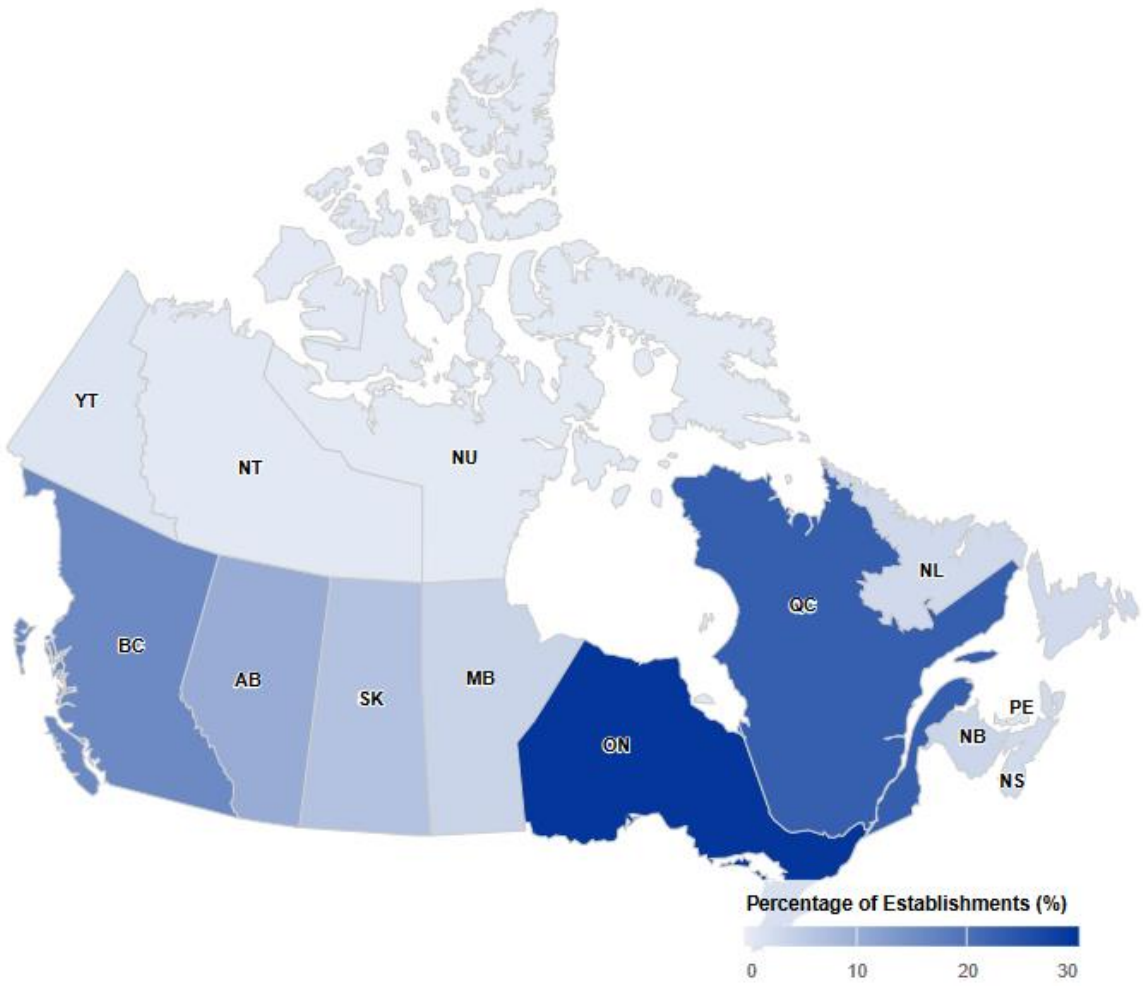
- The high initial capital requirement to build an RV park and campground to meet current demands of RVers requiring access to services and amenities is a significant upfront investment, and therefore a barrier to market entry. This reality, coupled with the lower annual profits noted above, can extend the length of time between the initial investment and when owners can expect to see strong positive returns on that investment after debt repayment considerations.

2. RV PARK & CAMPGROUND SUPPLY

2.1. Ontario RV Campground/Campsite Supply

Ontario houses the largest number of RV and tent campgrounds and campsites in Canada, accounting for 27% of all establishments and 36.5% of sites within the sector in 2021 (approximately 1,144 campgrounds and 154,604 sites)[13]. As can be seen below, Quebec and Ontario house the highest percentage of RV/campground establishments. Correspondingly, these provinces also account for the two most visited provinces by RVers, combining for over 50% of all RV park/campground stays across Canada[14].

Figure 11: RV Park and Campground Distribution by Province/Territory



Source: IBIS World

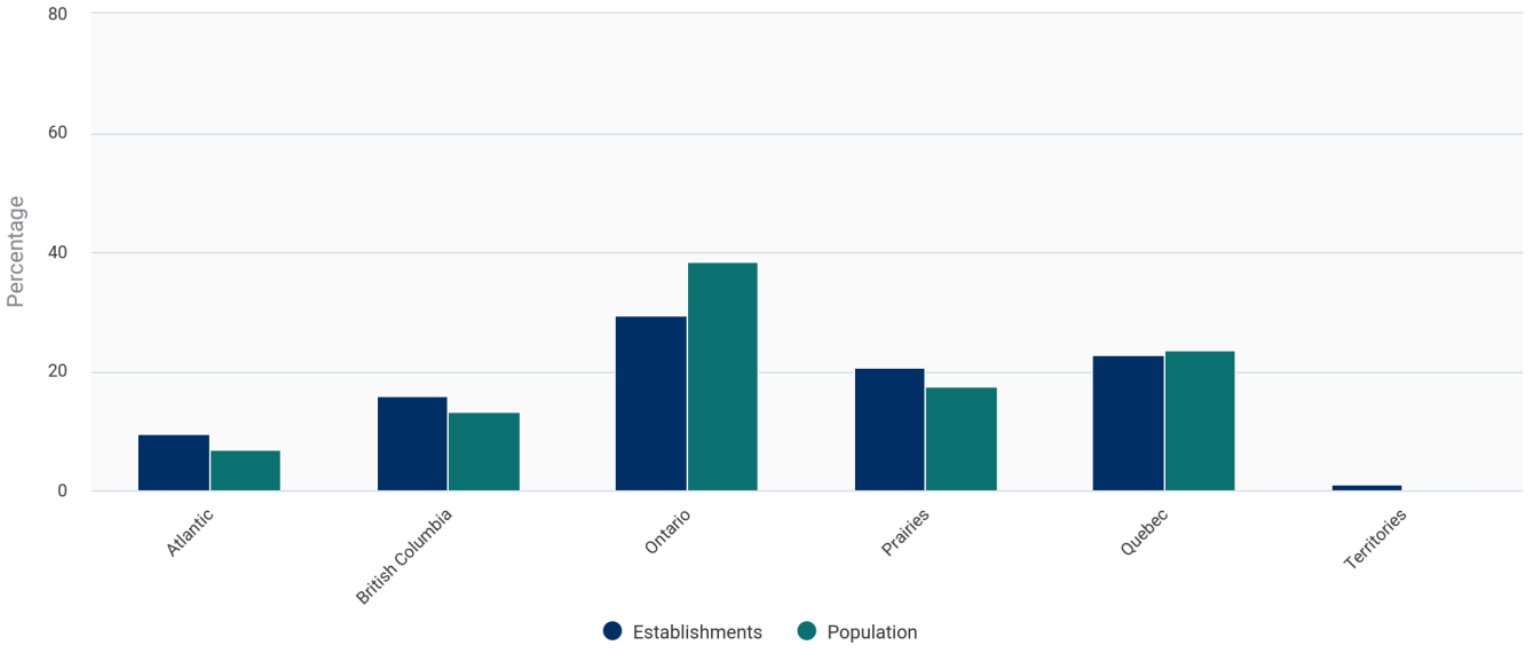
[13] Canadian Camping and RV Council. *Camping Industry Portrait in Canada and Ontario* and Stats Can Q4 2021 population estimates
[14] Ibid.

Although Ontario has the largest number of RV parks/campgrounds/campsites of any geographic Province/Territory in Canada:

- Ontario has 8 campgrounds per 100,000 population (vs. Canada's 11; Quebec's 10);
- Ontario has 1,036 campsites per 100,000 population (vs. Canada's 1,101; Quebec's 1,338)

As noted above and in Figure 12, while Ontario has 27% of RV parks/campgrounds (and 36.5% of campsites) in Canada, its population accounts for 39% of the national total. This data would therefore suggest that there is still room for growth in the number of RV parks and campsites in Ontario. Using the Canadian average, Ontario would have an additional 498 campgrounds and 9,651 campsites.

Figure 12: RV Parks and Campground and Population Percentages by Geographic Region



Source: IBIS World.

Site Hookups

Sites across Ontario can be broken down into "no services/tent-accommodations", "one service", "two services" and fully equipped "three services" sites. In 2014, the distribution of sites across Ontario campgrounds by the number of services available was:[15]

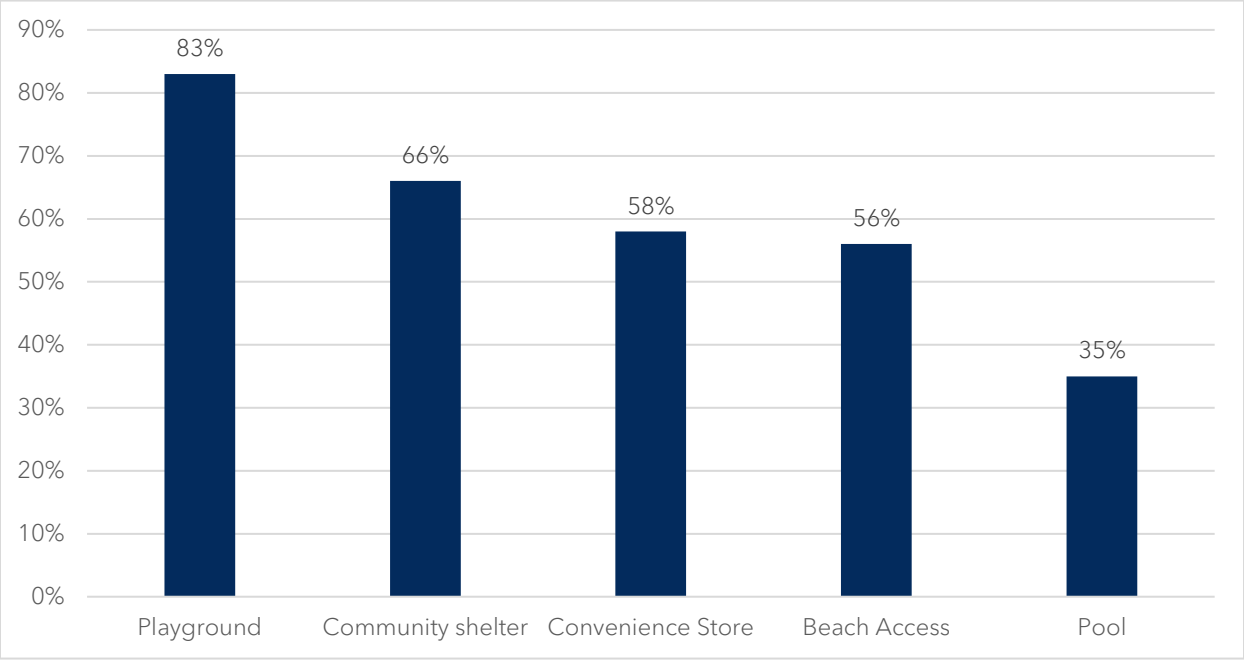
- 32% with no services/tent-accommodations;
- 15% with one service;
- 22% with two services; and,
- 31% with three services.

Typically if one service is supplied, it is electrical, two services are typically water and electrical, three services include electrical, water and sewer hookups.

Communal Amenities

Finally, regarding communal infrastructure, Ontario campgrounds typically house a playground (83% of campgrounds offer this amenity) and a community shelter in some form (66%). A convenience store (58%) and beach access (56%) are also offered at over half the campsites in Ontario. Finally, a pool is offered at approximately 1 of every 3 campgrounds (35%)[16].

Figure 13: Campground Asset by Percentage of Ontario Campsites Housing the Amenity, 2020



Source: Canadian Camping and RV Council

[15]Canadian Camping and RV Council. *Camping Industry Portrait in Canada and Ontario*.
[16] Canadian Camping and RV Council

2.2. Regional Competitive RV Park/Campsite Supply

The north shore of Lake Superior offers campers/travellers from Canada and the United States a variety of multi-day tour experiences (i.e., Group of Seven and Lake Superior Circle "Tours"). These self-guided tours offer scenic vistas, roadside attractions (i.e., the Terry Fox Monument) and unique events (i.e., Red Rock's Live from the Rock Folk Festival). Local natural assets (discussed further in Section 5) including hiking trails and water-based activities make this area a desirable destination. This section profiles the competing RV campgrounds within the area to summarize the current supply.

The geographic range for comparative and competitive RV parks has been determined as any campground accommodating RVs within a 2-hour drive from Red Rock. Research conducted has identified 15 relevant campgrounds within this geography. The size, site hookup, and amenities offered at each of the campgrounds varies considerably, which include both private and public campgrounds. Campsites typically open in May and close in October.

Table 1: List of Competing Campgrounds within 2 hours of Red Rock

Campground	Public or Private
Chippewa Park	Public
Fort William Historical Park	Public
Happy Land RV Park	Private
Kakabeka Falls Provincial Park	Public
KOA Holiday Thunder Bay	Private
Mirror Lake Resort and Campground	Private
Nipigon Marina	Public
Rossport Campground - Rainbow Falls Provincial Park	Public
Sleeping Giant Provincial Park	Public
St Urhos Campground	Private
Stillwater Tent and RV Park	Private
Superior Shores RV Park	Private
Trowbridge Falls	Public
Whitesand Lake Campground - Rainbow Falls Provincial Park	Public
Wolf River Park	Private

Source: McSweeney and Associates Custom Research

Combined, these campgrounds offer 1,427 individual sites. Information regarding booking status was available for 1,358 of those sites. For the 1,358 sites:

- 1,128 (83.1%) are for transient/overnight camping;
- 230 (16.9%) are seasonal (i.e., they are booked for extended periods, typically the entire season).

Table 2: Overnight and Seasonal Campground Data, Red Rock Competitive Area

	Overnight	Seasonal	Total
Campsites	1,128	230	1,358
Percentage	83.1%	16.9%	

Source: McSweeney and Associates Custom Research

Of the 1,427 RV sites, almost two-thirds (928, 65.0%) have at least one service. Campsite owners have indicated that many of the current unserviced sites are either newly cleared (and soon-to-be serviced) or are designed as multi-purpose spaces (i.e., used as concert space when needed and campsite when no other activities were taking place). Though these sites are used for tent camping, the demand is not as high for this style of camping when compared to RV campsites. Discounting "informal campsites", the percentage of dedicated campsites that have at least one service is closer to 75%.

Of the total campsites, 272 offer 3-way hookups, 247 offer 2-way hookups (water/electrical), and 409 offer dry hookups (electrical only). Typically, dry hookups offer only 15 to 30-amp electrical hookups. Comparatively, 2 and 3-way hookups typically provided at least 30/50-amp service. Finally, 499 sites were unserviced, offering dry camping or tent camping opportunities.

Table 3: Site Services Data, Red Rock Competitive Area

	3-way	2-Way	Electric Only	No Service or Tent Camping	Total
Available Sites	272	247	409	499	1,427
Percentage of Total Sites	19.1%	17.3%	28.7%	35.0%	

Source: McSweeney and Associates Custom Research

Noteworthy is the fact that sites in this area offer a lower level of services at campsites than the Ontario average (for example 19.1% of sites have 3-way services vs. Ontario's 31%). Given the existence of many bike paths and tours within the area, it is potentially due to a higher interest in tent camping compared with the broader province. Though demand for tent camping space is decreasing relative to RV sites, it is likely changing at a slower rate than the provincial totals.

Of the 15 campgrounds surveyed, all have available communal toilets, water, and showers for campers, though the quality (i.e., indoor facilities vs. outdoor privies) differs significantly between campgrounds. Reviews for campgrounds with outdoor privies were less positive, with customers frequently suggesting the washrooms needed improvement or upgrade. Regarding other amenities:

- 13 of the 15 campgrounds (86.7%) have laundry amenities
- 6 of the 15 have Internet available (40.0%)
- All 15 have on-site (or very close by) solid waste disposal
- 3 of the 15 (20.0%) offer a swimming pool (though many others had access to a lakefront)
- 11 of 15 (73.3%) offer a playground.

Table 4: Communal Campground Amenities Offered, Red Rock Competitive Area

	Water	Toilets	Showers	Laundry	Internet	On-Site Dump	Swimming Pool	Playground
Campgrounds with Service	15	15	15	13	6	15	3	11
Percentage of Campgrounds with Service	100.0%	100.0%	100.0%	86.7%	40.0%	100.0%	20.0%	73.3%

Source: McSweeney and Associates Custom Research

3. RV PARK & CAMPGROUND DEMAND

3.1. RV Owner Demographics

The RV Industry Association outlined seven broad demographic clusters for RV owners in its 2021 GoRVing RV Owner Profile, noting that *casual campers* and *family campers* clusters make up 72% of all RV owners. These two cohorts are more likely to use their RV for only a handful of days/weeks per year and tend to only do so in hotter months[17].

While *casual campers* are typically older (82% over the age of 55) and therefore have more scheduling flexibility, *family campers* are typically restricted to summer months due to school and other scheduling constraints. Table 6 presents the seven demographic clusters as well as key relevant sociodemographic details of each cluster.

These demographic clusters further buttress the analysis presented in Section 1; the most important age groups are those 20+ (split into two distinct cohorts, those ages 20-54 and those 55+). Given this information, it is no surprise that the gradual ageing of the Canadian population has increased demand for RVs and consequently, RV parks and campgrounds. Additionally, and again as noted in Section 1, the number of adults in the 55 and older age cohort is expected to increase, generating even more substantial demand for RVs, campgrounds, and their services[18].

Table 5: Demographic Clusters and Socioeconomic Information for RV Owners

Demographic Cluster	% of Total RV Owners	% of cluster over 55	% with children (under 18) living at home	% with Average Income over $65,000	Average number of days spent RVing annually	Percentage of vacation time spent RVing
Casual Campers	39%	82%	10%	47%	16	51%
Family Campers	33%	0%[19]	64%	58%	30	49%
Escapists	16%	54%	31%	60%	55	67%
Avid RVers	6%	62%	22%	49%	111	73%
Happy Campers	3%	67%	16%	50%	180	75%
Full Timers	2%	35%	89%	28%	365	90%
Adventure Seekers	1%	56%	19%	47%	200	71%
Total for all RV Owners	100%	48%	34%	53%	46.3	56%

Source: GO RVing

[17] Go RVing Owner Demographic Profiles. https://www.rvia.org/go-rving-rv-owner-demographic-profile
[18] IBIS World Industry Profiles and Go RVing Owner Demographic Profiles.
[19] Family campers cluster: 52% are aged 18-34; 48% are aged 35-54)

RV Regional Demographics of RV Purchasers

We consulted with Ben Hettrick (former Red Rock resident), General Manager of Smith's RV Centre, Thunder Bay's largest RV dealer, who confirmed sales growth due to COVID, and RV sales demographics as follows:

- Approximately 60% of sales are to 30-50 year old people, overwhelming for family use, purchasing mainly trailers in the 26' – 32' range (family camper demographic);
- Approximately 30% of sales are to younger people (casual campers demographic, but younger and without children). This segment has grown as financing is easily available, savings have accrued due to travel limitations of COVID. They are purchasing light weight RVs (less than 22') which are largely towable by SUVs;
- Approximately 10% of sales are to retirees (casual campers plus happy campers demographics), who typically buy larger (30') fifth wheel luxury trailers.

RV Type by RV Owner Demographic

Table 7 presents the top three RV types used by each of the demographic clusters.

Table 6: Typical RV Usage by RV Owner Demographic Cluster

Demographic Cluster	Types of RVs used most often
Casual Campers	1. Conventional Travel Trailer (48%) 2. Fifth Wheel Travel Trailer (14%) 3. Folding/Pop-Up Camping Trailer (9%)
Family Campers	1. Conventional Travel Trailer (26%) 2. Expandable Trailer (11%) 3. Sport Utility/Toy Hauler (8%)
Escapists	1. Conventional Travel Trailer (38%) 2. Fifth Wheel Travel Trailer (23%) 3. Class A Motorhome (9%)
Avid RVers	1. Conventional Travel Trailer (38%) 2. Fifth Wheel Travel Trailer (26%) 3. Class A Motorhome (12%)
Happy Campers	1. Fifth Wheel Travel Trailer (41%) 2. Conventional Travel Trailer (28%) 3. Class A Motorhome (10%)
Full Timers	1. Fifth Wheel Travel Trailer (45%) 2. Conventional Travel Trailer (31%) 3. Class A Motorhome (9%)
Adventure Seekers	1. Fifth Wheel Travel Trailer (44%) 2. Conventional Travel Trailer (22%) 3. Class A Motorhome (9%)

Source: GO RVing 2021 RV Owner Demographic Profile

These demographic clusters have significantly different interests (i.e., different local assets will be appealing to different clusters), campground needs, and travel in different RV classes. For example, *escapists*[20] are more typically interested in embracing non-physical assets, relishing the opportunity to experience the natural amenities offered at or near a campground, compared to *family campers*, who are often more interested in making use of campground's physical assets (i.e., a swimming pool, playground, beach).[21]

Though there is overlap in interests and needs of these clusters, it would be wise for campground owners to understand their customer base in an effort to match amenities offered with the interests of the demographic clusters being served.

3.2. Broader RV Campsite Demand

The 2021 GoRVing RV Owner Profile study noted: *"RV ownership has increased over 62% in the last twenty years, split almost equally between those over and under the age of 55, with significant growth among 18-to-34-year-olds, who now make up 22 percent of the market. Additionally, an incredible 9.6 million households intend to buy an RV within the next 5 years. Among current RV owners who plan to buy another RV in the next five years, the numbers for Millennials and Gen Zers stand out, with 84% of 18-to-34-year-olds planning to buy another RV.*

"The main reason people purchase RVs is because it allows families a way to go camping that is easier than traditional camping options."[22]

3.2.1. RV Ownership and RV Economic Impact

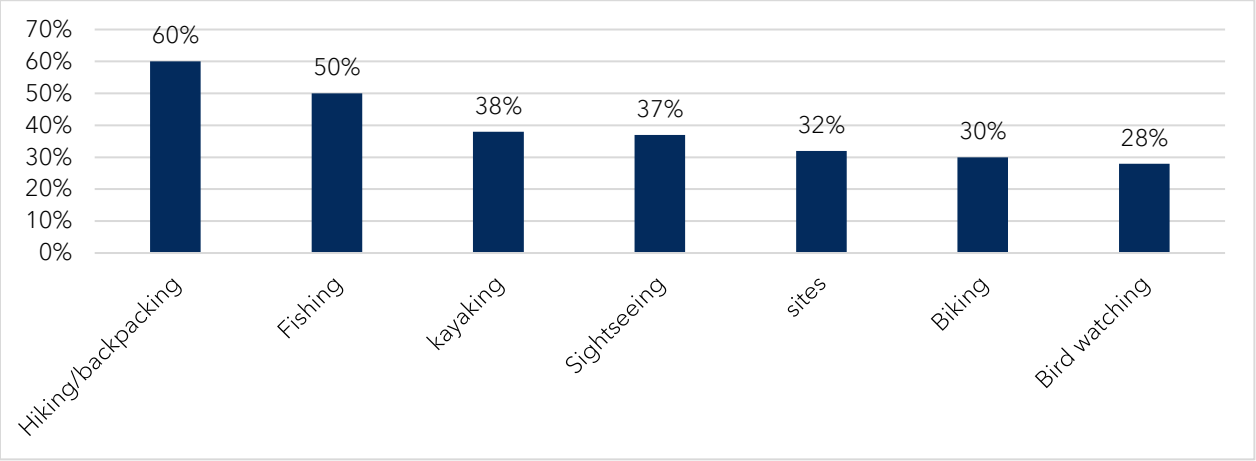
In Canada in 2019, approximately 2.1 million households (13%) owned an RV (vs. 9% in the U.S.). Additionally, nationwide owned or rented RVs were used for an estimated 8 million vacations.[23] RV tourism in Canada was responsible for an estimated $3.4 billion to the Canadian economy in 2020, supporting approximately 33,400 jobs nationally[24].

3.2.2. RV Campers' Amenity Preferences

Of those Canadians who make use of RVs, nine out of 10 leave their campground in search of activities[25]. When noting favourite or preferred excursions, campers were most likely to reference hiking/backpacking, fishing, and canoeing or kayaking. As such, proposed campgrounds are best located in close proximity to these natural excursion opportunities.

[20] Escapists often travel as a family for up to two months annually, enjoying water-based activities and areas with natural beauty.
[21] Go RVing Owner Demographic Profiles. https://www.rvia.org/go-rving-rv-owner-demographic-profile
[22] 2021 Topline North American Camping Report
[23] The Portage Group. Economic Impact of the Canadian Recreation Vehicle Industry. 2020.
[24] IBID.
[25] Canadian Recreational Vehicle Association. Camping Behaviour Statistics. https://crva.ca/3459-2/

Figure 14: Favourite or Preferred Excursions, RVers, 2020



Source: Canadian Recreational Vehicle Association

3.2.3. RV Campsite Demand

Canada's RV sector has benefited from an ageing population, the pandemic, and changing vacation preferences. COVID-19 restrictions led to many individuals wanting to "reconnect with nature", looking for a "safe vacation" while finding themselves unable to travel internationally, and leading to more Canadian consumers interested in exploring more broadly within their province through camping.

The RV campground industry has seen several relevant market shifts, impacting the services RV parks and campgrounds should consider offering:

- Sales of new RVs are typically larger than in the past, and large RVs require pull-through sites vs. back-in sites[26].
- Larger RV units require 50 amp power. Smaller units require 30 amp power.
- As work-from-home/work remotely is more commonplace, especially as a result of COVID-19, the demand for Wi-Fi and high bandwidth Wi-Fi at campsites has increased greatly.
- RVers typically have higher expectations regarding services available on-site or at the campground compared to campers/travellers of the past. Campers now expect 3-way hookups and a wider range of well-kept amenities to be offered.
- Many campgrounds are not equipped with the services or amenities currently desired by RVers. The four most common in-demand services that campers wanted but did not have access to at the campground they stayed at in 2020 were:
    - Wireless Internet
    - Pool

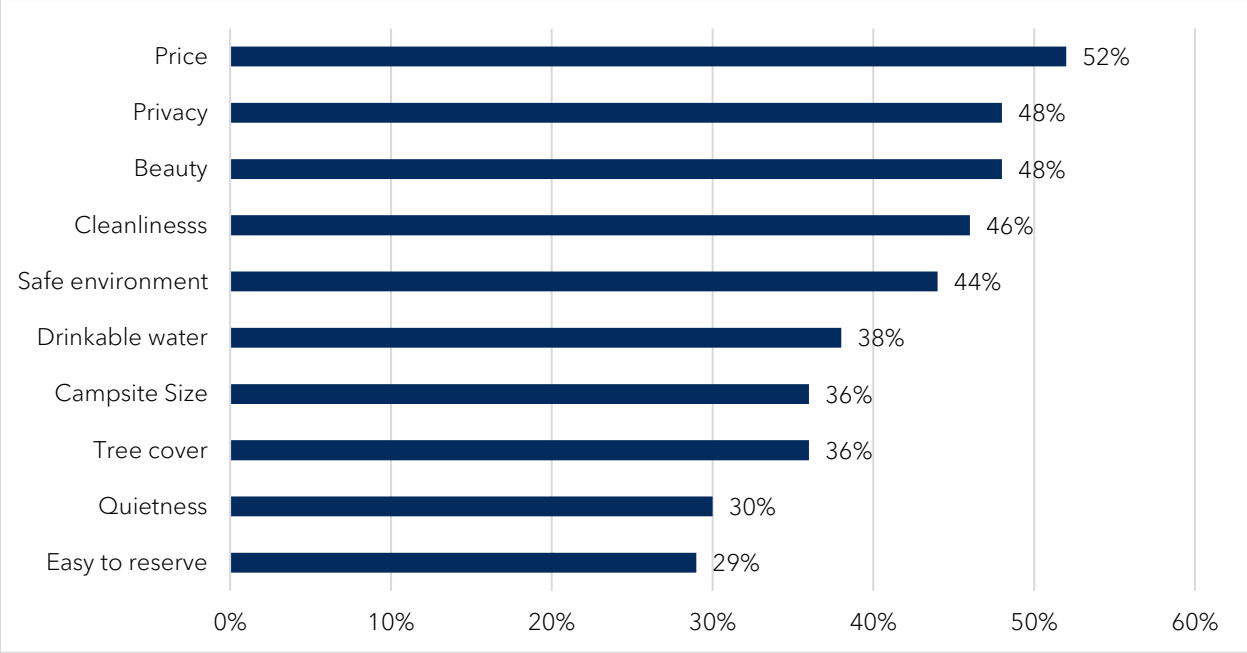
[26] Economic Planning Group of Canada

- Better electrical grid
- Additional (or better) comfort stations (i.e., indoor washrooms, showers)[27]

While additional amenities are valued by RV campers, 2020, 2021, and 2022 are marked by campers "booking whatever we can get". There are numerous media reports of campers being frustrated by not being able to book Ontario Parks campsites[28] as the demand far outstrips available supply.

Should market balance return to Ontario, Ontario residents will return to selecting their site by assessing the price, privacy, beauty, and cleanliness of the site (see Figure 12). Therefore, campgrounds must balance offering affordable prices and maintaining the natural beauty of their location with the potential benefits of offering increased amenities and site-specific services.

Figure 15: Most Important Criteria Used to Select a Campground for Ontario Residents



Source: Canadian Camping and RV Council

[27] Camping Industry Portrait in Canada and Ontario: Campground Market. https://ccrvc.ca/resources/marketing-statistics/
[28] A few samples include: https://www.cbc.ca/news/canada/kitchener-waterloo/camping-reservation-bots-ontario-parks-1.5973099; https://www.ctvnews.ca/canada/here-s-why-it-s-so-hard-to-get-a-campsite-in-ontario-parks-1.5366507; https://cottagelife.com/general/are-bots-to-blame-for-ontarios-disappearing-campsites/; https://www.blogto.com/travel/2021/03/scalpers-are-now-reselling-ontario-parks-reservations-demand-camping-skyrockets/; https://www.theglobeandmail.com/canada/article-booking-a-camping-spot-in-ontario-has-become-an-impossible-task-due-to/

The Kampgrounds of America's 2021 Camping Report indicated that the proportion of first-time campers at their sites in 2020 was five times the rate in 2019. Those who have previously camped are similarly increasing their RV trips, both camping more often and spending more nights per trip relative to pre-COVID trips[29].

These assessments make clear that the RV sector has seen substantive growth over the past decade, and in particular during 2020 and 2021. Further analysis regarding industry trends (outlined in Section 1) suggests that this trend is unlikely to change over the short- to medium-term.

The demand that will be generated by the existing number of both RV owners and renters in Canada is more than sufficient to exhaust the limited supply of campsites in 2022 and beyond. However, further exasperating the current supply limitations will be the high number of new RV owners that will enter the market in 2022 and beyond. As such, demand for suitable campsites will also continue to grow and continue to exceed supply.

3.3. Regional Consultations

3.3.1. Overall Local Demand

Consultations with local park owners and managers within two hours drive of Red Rock suggest there is ample demand for RV and tent campsites across the entire geographical area.

Seasonal Demand

Demand for seasonal sites (RV only) for the campgrounds surveyed is so high that multiple local campgrounds offering this service have waitlists that are long enough to leave campers on the list for multiple years. To take advantage of this pent-up demand, and as demand has increased in recent years, some local campgrounds have expanded their number of sites. Those who have done so have found they are immediately able to fill those spaces, suggesting even these increases are not enough to satisfy demand.

Regarding consumer expectations and demand, seasonal campers typically expect a greater number of services available directly at the site so that the RV does not need to be moved during the season. In this regard, one camp owner stated that "no camper would find an un-serviced site acceptable when they were camping for an entire season; we would not even try to market a site without providing all services." Therefore any campground looking to market their campsites for seasonal camping should provide 3-way services at each site.

[29] Kampgrounds of America North American Camping Report

Overnight Demand

Overall use relative to capacity for overnight campsites is high, though not as high as seasonal sites. This is to be expected given that seasonal sites are booked for an entire season, while overnight bookings lead to some natural inefficiencies (e.g., midweek vacancies). At the same time, campground owners with overnight sites suggested they are typically 80% full through a season, suggesting ample demand. To be considered is that much of the vacancy is mid-week at the beginning and end of season versus during mid-season.

This 80% estimate is buttressed by data from Ontario Parks. Specifically, in 2020 the three local provincial parks (Kakabeka Falls, Rainbow Falls, and Sleeping Giant) saw camping occupancy rates at 79.6% of capacity during the peak summer months. That is, of the 136,378 total possible camper "nights", 108,533 were booked[30]. Of note, this reflects *occupancy rates*, not *booking rates*. Consultation information from RV campgrounds and users suggests that no-show rates are frustratingly high for campgrounds during peak periods. Specifically, many RV campers are willing to book extra days or weeks to guarantee that they will have an available space during the days they most want to camp. This phenomenon of "no-show" campers is growing as RV travel becomes more popular[31]. As such, an 80% occupancy rate suggests a booking rate much closer to 100%.

2019 visitor data for Rainbow Falls Provincial Park reveals that campers are split with approximately 65% using some form of RV while 35% were tent campers. The average length of stay is approximately 2 nights.

Campground owners noted that RVers choosing to camp overnight typically expect fewer services to be provided when compared with seasonal campers. This is especially true for tent campers, who occasionally need electric-only hookups (often to recharge phones or other small technology) but typically need no services. Though "demand for serviced sites compared to non-serviced sites is still higher," having no services is not as much of a deal-breaker as it is with seasonal campsites.

[30] Ontario Parks Visitation Statistics, 2020. https://data.ontario.ca/en/dataset/visitation-to-provincial-parks
[31] RV Travel. 2021. https://www.rvtravel.com/phantom-campers-stealing-campsite-1013b/

3.3.2. Camper Origin

To appropriately identify the target market, we are able to rely on visitor origin data from Rainbow Falls Provincial Park from 2019. We are relying on 2019 data as this is the most recent data available prior to the beginning of the COVID-19 pandemic. Due to public health measures restricting travel, more recent data will be too skewed towards Ontario travelers to be of relevance post-pandemic.

Table 7: Visitor Origin Data for Rainbow Falls Provincial Park, 2019

Visitor Origin	Percentage of Total Camper Nights
Ontario	52%
USA	22%
Alberta	6%
British Columbia	6%
Québec	6%
Manitoba	4%
Saskatchewan	2%
New Brunswick	1%
Nova Scotia	1%
Other	1%

Source: Government of Ontario. Visitor Data, Ontario Provincial Parks.

The above 2019 visitor origin data shows that more than half (52%) of all campers staying at Rainbow Falls Provincial Park lived in Ontario. As such, the intra-provincial travel market is a significant driver of campground activity. The second largest demographic (responsible for 22% of total camper nights) were those travelling from the United States, suggesting that the opening of the border post-pandemic will be a very large positive for RV campgrounds in the area. The only remaining locations of origins representing more than 5% of campers were Alberta, British Columbia, and Québec.

3.3.3. Demand Themes

Through consultations with local campground owners, three further distinct themes regarding demand emerged.

Theme 1: The List of Typical Amenities Expected by Consumers is Expanding

Campgrounds spoken to all agreed that today's RVs are larger than previous iterations, RVers demand more complete service hookups, and that camper expectations are higher regarding the available amenities at their campground. Multiple campgrounds referred to RV camping as being closer to "glamping, nowadays" compared to years past. This interest in a more glamourous form of RV living over tent camping or minimalist RV camping means that campsites need to keep up with shifting trends and higher expectations to please consumers.

To this point, one campground spoken to noted that they had taken their current sites "off the market" until they were able to service each specific site because they were not attracting enough customers to non-serviced sites due to rising expectations. As such, this campground (which currently offers no services outside of basic showers, toilets, and laundry) is undergoing renovations and is only open to campers who reach out directly to the owners.

Theme 2: The Pandemic Increased Demand Substantially

There was unanimous agreement among campground owners that the pandemic has increased demand for RV camping. Those consulted noted that while they had been seeing stable growth over the past decade, the pandemic had certainly accelerated this increase as people "sought to get back to their roots" and "appreciate nature more" during COVID-19. However, those consulted were split as to whether they believed the increase in demand would remain after the immediacy of the pandemic subsides.

For those who argued that demand would remain high, the suggestion was that the increased interest during the pandemic would introduce more people to the RV lifestyle and they would subsequently remain interested. One campground noted that while they had traditionally relied on a solid base of support from American travellers, during the pandemic they had noticed an influx of Canadian travellers who were unable to leave the province. This campground manager believes American travellers will return after the pandemic, but the newfound Canadian market will remain, increasing demand further.

In contrast to this, other camp owners suggested that the newfound increase in demand would subside quickly after the pandemic was over. They believe this to be the case because they expect those who previously took other forms of vacation would prefer to return to those methods. As such, they expect demand to return to a more stable pre-pandemic level, with perhaps very slightly elevated demand (the investments made by campers in RVs in 2020 and 2021, as well as continued growth in RV orders, would suggest this is not the case).

Theme 3: Proximity to and Visibility from the Trans-Canada Highway is a Very Important Factor

This theme was especially pronounced when discussing overnight camping, due to the more transient nature of overnight campers and the higher importance of ease of access. Proximity and visibility from the Trans-Canada highway were seen as valuable for two main reasons.

Proximity is important because the majority of travellers in northern Ontario use Highway 11/17 (Trans-Canada Highway) and would prefer to not have to venture significantly off course to find a place to stay. Having a campsite within 10 to 15 minutes of the highway lessens the "wasted drive time" for those travellers and is significantly more appealing to those who have already likely been on the road for significant parts of the day, compared to a campsite an hour off the highway. As such, for those campsites that are off course by more than 45 minutes, they typically do not get visitors for short periods (i.e., a weekend) but instead typically see visitors for at least "two to three weeks".

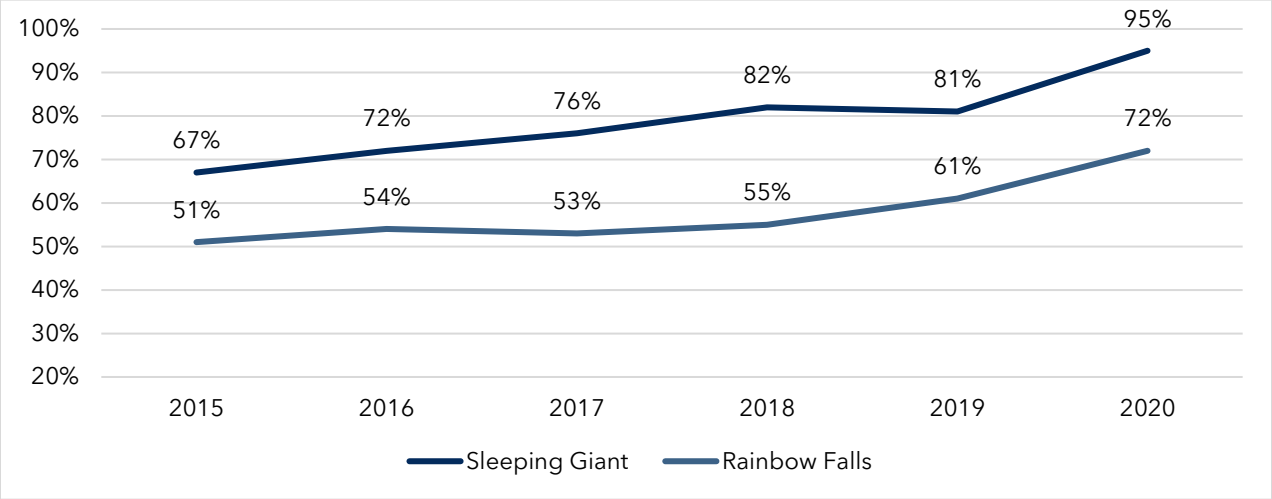
Visibility is important for two reasons. First, one campground noted that they often get bookings from people who saw their campsite sign the year prior and wanted to "give it a try, because it looked interesting." The marketing provided by a billboard or view of the campgrounds from the highway was a significant driver of interest in their campground. Second, though the majority of overnight sales come from pre-reserved bookings, visibility along Highway 11/17 did allow for the recruitment of some people who did not have a site reserved and were just driving until they found a suitable campground. For those who cannot be seen directly from the highway, this option is not available, lowering their overall revenue opportunities.

3.4. Regional RV Campsite Demand Outlook

Through consultations, it was noted that northern provincial parks ten years ago were regarded by provincial officials as "places where travelers who were booking after the main [southern] campgrounds had been fully booked only traveled to as consolation." This is clearly not the case now. There are very strong July and August campground occupancy rates for the two closest Ontario Parks campgrounds - Sleeping Giant and Rainbow Falls.

While Rainbow Falls had occupancy rates of only 51% in 2015, by 2020 that number had risen to 72%, an increase of 21% in only five years. Occupancy rates at Sleeping Giant Provincial Park similarly rose from 67% in 2015 to 95% in 2020, a staggering 28% increase over five years. Moreover, while 2021 data has not yet been released publicly, provincial officials indicate that 2021 saw another significant increase in overnight stays over 2020.

Figure 16: Summer Occupancy Rates, Sleeping Giant and Rainbow Falls Provincial Parks, 2015-2020



Source: Government of Ontario. Ontario Parks Statistics, 2015-2020.

The above provincial data for July and August match trends identified through the data in previous sections as well as through consultations with local private campground owners. In all, seasonal and overnight sites both sell out exceedingly quickly once opened, and lengthy waitlists exist for campsites in the area. While exact figures have not yet been released, 2021 Ontario Parks occupancy rates increases were similar to 2019 and 2020 increases. Booking demand to date in 2022 is similar to 2021.

The difficulty of obtaining camping permits in Ontario Parks due to high demand for a limited supply of campsites has been well documented in the media. Booking sites with electrical service (water and sewer services are not available in Ontario Parks) are particularly difficult. Bookings can be made starting exactly at 7:00 am, 5 months prior to the first desired date, and most sites are booked within the first seconds of opening.

For the above two campgrounds, a check mid-day on February 25, 2022, for a mid week one night stay on July 25, 2022, revealed:

- Sleeping Giant had 4 available electric sites from a total of 240 developed campsites;
- Rainbow Falls had 21 available electric sites from a total of 133 developed campsites.

The socio-economic demand factors, the growth in RV shipments and orders, the continuing pandemic, continued population growth in Ontario, evolving demographics, and continuing unprecedented demand for campsites are all factors supporting a strong outlook for campgrounds and campsites along the north shore of Lake Superior.

At the same time, with increasing growth in RV camping, the demands from campers related to larger RVs and available amenities have also increased. Specifically, RVers typically expect 3-way services and are placing greater importance on internet access. Moreover, RVers are requiring larger spaces (preferably pull-throughs) and electrical outlets capable of hosting 30 and 50 amp power service.

These trends and new realities suggest that there is no shortage of demand for new (or newly renovated) campsites within the RV park/campground industry. Campground owners wishing to develop new campgrounds/sites should be prepared, however, to invest significant financial resources in developing sites to accommodate the needs associated with today's RVers.

4. RED ROCK LOCATION ANALYSIS

The Township of Red Rock initiated a Waterfront Master Plan study in 1991, leading to the implementation of a number of waterfront developments in Red Rock, including a Red Rock Marina Interpretive Center. At this time, and to build on previous successes, the Township is considering developing the existing Red Rock Marina property into a fully serviced RV Park and Campground (see Figure 17).

The initial proposal for the site was to host 29 serviced RV sites and 10 non-serviced sites, accommodating RVs up to 50' in length, with ample foliage cover between sites and a communal area in the centre of the campground. This section profiles Red Rock's location, local assets available to leverage, and analysis of the campground location.

4.1. Red Rock Location

Red Rock is located one hour east of Thunder Bay, and five minutes south of the Trans-Canada Highway (Highway 11/17). Red Rock's location on Nipigon Bay along the north shore of Lake Superior presents a unique opportunity for campers. Specifically, the Township sees many visitors completing the Lake Superior Circle Tour, travelling between Eastern Canada to Western Canada, or visitors to Northern Ontario. The Township has significant natural amenities to offer campers, as it overlooks Lake Superior's Nipigon Bay, providing breathtaking vistas of both red coloured cliff faces surrounding the community and Lake Superior.

Figure 17: Red Rock Location Maps

Source: Google Maps

4.2. Local Tourism Assets and Amenities

The Township of Red Rock boasts many valuable local amenities for campers, both physical (i.e., human-created) or natural (i.e., hiking trails and vistas) and onsite (i.e., the Red Rock Marina Interpretive Centre) or just offsite (i.e., the Red Rock Recreation Center).

4.2.1. Local Assets

Red Rock Recreation Center

Red Rock's local recreation center features the Gyven Boudreau ice rink, a four-lane bowling alley, and a fitness center. A gymnasium is also available for rental use and has the option to be used for pickleball, basketball, or other activities.

Red Pebbles Café

Red Rock's Red Pebbles Café offers customers the opportunity to enjoy a delicious meal. The Café has a substantial menu offering coffee/tea and snacks as well as larger meals including fish and chips, chicken wings, and other classic favourites. Having a local café rather than forcing RVers and tent campers to eat only food prepared within their campsite is a significant local benefit.

Saunders Foodland and Dampier's Offshore Variety Store

Saunders Foodland offers travellers access to typical grocery store amenities including fresh meat, produce, and other foods (Saunders Foodland is also an authorized LCBO agency store). For RVers who are on the road for an extended period of time, having access to a grocery store close to the campground is a significant plus.

Similarly, Dampier's Offshore Variety Store offers various products that RVers may find useful as they travel along the north of Lake Superior. Available goods include drinks and snacks, fishing tackle, camping supplies, home and personal care essentials (i.e., paper towel, shampoo and conditioner, etc.), and basic groceries once Saunders Foodland is closed.

Red Rock Inn

Tent campers may wish to book a room at the Red Rock Inn during inclement weather. The historic building is also home to a conference room and dining room, as well as a large lounge with games, pool and foosball tables, darts, and a fireplace. Local artists perform live in the Red Rock Lounge, providing opportunities for visitors to view live local shows.

Red Rock Marina Interpretive Centre

The Red Rock Marina Interpretive Centre offers a host of exhibits (including on the history of Red Rock's Prisoner-of-War camp, the original pulp and paper mill, and an interactive fish species presentation). The Interpretive Centre is also home to a virtual underwater submarine tour of Lake Superior's National Marine Conservation Area that will appeal to families.

The Interpretive Centre also offers showers, bathrooms, and laundry service to visitors as well as a multipurpose room available for rent.

North Shore Golf Course

For RVers interested in golfing, the North Shore Golf Course is only 12 minutes away from the proposed grounds. The course is a nine-hole golf course offering spectacular views of the Red Rock/Nipigon area and measures 6,500 yards when played as a traditional 18-hole course.

4.2.2. Natural Assets

The area surrounding Red Rock hosts a large number of easily accessible trails for all levels of hikers. These trails offer visitors incredible views and an abundance of wildlife, perfect for RV and tent campers interested in exploring the natural beauty Red Rock offers.

Accessible local trails include:

- *Nipigon River Recreation Trail* (length: 10.1 kilometre trail)

This trail meanders along the Nipigon River from Red Rock to Nipigon and offers many waterfront viewing platforms.

- *Red Rock Mountain Trail* (7 km trail)

The Red Rock Mountain Trail offers both bikers and hikers a pathway to the top of the mountain, offering full 360-degree views of the surrounding region.

- *Clearwater Loop* (1 km trail – access point in Nipigon)

This short hiking route is traversed by significant numbers of wildlife, offering a family-friendly option for those looking to experience the natural beauty of Red Rock's surrounding area.

- *Baldspot Trail* (2.8 km loop – access point in Nipigon)

The Baldspot Trail leads hikers over ridge top lookouts of the Nipigon River and is home to unique rock formations formed by prehistoric glacial patterns.

- *Crew Trail* (1.4 km loop – access point in Nipigon)

This trail is a relatively short, newer trail that offers a peaceful hike among shaded woodland areas near Red Rock.

- *Deer Lake Mountain Trail* (6.6 km loop – access point between Red Rock and Nipigon)

The Deer Lake Mountain Trail gradually rises to the top of a cuesta (a hill with a gentle slope on one side and steep slope on the other) and offers views in all directions overlooking Nipigon Bay, Nipigon River, Deer Lake, No Good Lake, Lofquist Lake, and Black Bay.

- *Mazukama Falls Trail* (3.1 km or 6.7 km trails available – access point east of Nipigon)

There are two separate trails at this site which allows for hikers to choose a shorter or longer option depending on skill level. These trails are both considered difficult hikes, but the rewarding views of Nipigon Bay and Mazukama Falls are well worth the challenge.

- *Kama Cliffs Trail* (7.3 km – access point east of Nipigon)

As the name suggests, this trail rises over the top of the Kama Cliffs and provides incredible views and a perfectly situated picnic area with a view over Lake Superior.

- *Rendezvous Cross Country Ski Trails* (13 km loop – access point between Red Rock and Nipigon)

Hikers during non-winter months can travel over a series of trails groomed and track-set for skiers during the winter. These trails allow hikers to view spectacular scenery across the valley between Nipigon and Red Rock.

- *Portage Trail* (4 km – access point in Nipigon)

The Portage Trail (accessible on foot or by bike) loops through the Township of Nipigon, around the lagoon, over the Nipigon River Bridge, and through Nipigon's Main Street.

4.2.3. Events

Local events during the spring, summer, and fall include:

Red Rock Fish and Game Club Trout Derby (June)

The Red Rock Fish and Game Club host an annual trout derby in June, offering a grand prize of $1,000 for the largest lake trout caught over the trout derby weekend.

Red Rock Fish and Game Club Kids Fish Derby (June)

The Red Rock Kids Fishing Derby is a two-day fishing tournament held at the Red Rock Marina. Multiple prizes and children's games take place all weekend, as well as free boat launches.

Canada Day Celebration (July 1)

Canada Day celebrations in Red Rock have included slow pitch tournaments, a fun run, a brunch at the local legion, local barbecue and cook-offs, a children's bike parade, and other family-friendly events.

Paju Mountain Run (August)

The Paju Mountain Run is an 11.2 km race up and down the 715-foot Paju Mountain, done in coordination with the Live from the Rock Folk Festival. The challenge can be completed as a competition or as a leisurely walk/jog.

Live from the Rock Folk Festival (August)

The "Live from the Rock Folk Festival" is an annual music and arts festival located on the beautiful shore of Lake Superior in Red Rock, Ontario. Since the Live from the Rock Blues & Folk Society held the first festival in August of 2003, Live from the Rock has become an annual tradition for over

2,000 music lovers on the north shore of Superior. The festival offers world-class music on four daytime workshop-style stages, as well as an evening festival concert stage.

4.3. Campground Location Assessment

The location proposed for the campground is in Red Rock, between the Marina Interpretive Centre and the marina, and is outlined in red below.

Figure 18: Red Rock Marina Proposed Site

Source: Hatch 2019 RV Park Development Study Report

Following is a location assessment of the proposed site.

Location Analysis Factor	Comment
Property size	Four hectares (0.7 hectares for tenting area, 3.3 hectares for RV area).
General location characteristics	Located in Red Rock, between the Marina Interpretive Centre and the marina.
Property ownership	Township of Red Rock.
Official Plan designations, zoning	A campground is permitted under the current zoning status.
Topography	The topography is relatively flat, although there is a swale that drains part of the site into the bay. Some of the land proposed for development may need to be raised, and/or drained. Drainage of the site would need to be formalized. There is some vegetation on the site. It is understood that the site has been mostly filled with organic materials.
Visibility	The proposed site is not visible from Highway 17. The site does however have excellent visibility to the marina and Lake Superior.
Ease of access	Access to the site is excellent via Park Road.
Adjacent uses	The Marina Interpretive Centre is to the west of the site, the Marina is to the north of the site, Nipigon Bay is to the east of the site, and Park and Baker Roads are to the south of the property.
Wastewater treatment servicing constraints:	The site would need to be gravity-fed to a sewage pumping station to be constructed and connected by a forcemain to an existing forcemain southwest of the site.
Storm water requirements:	Storm water would likely need to be managed onsite with some overland flow into Nipigon Bay as it does now.
Water service requirements	There is a water main of sufficient size at the Interpretive Centre which can be extended to provide water service to the site.
Electrical energy supply	Single-phase 120 V power can be supplied from the marina building while 3 phase 240 V power can be supplied via a transformer from a local distribution line at the south end of the site along Baker Road.

The specific locational advantages/disadvantages of the site include:

- While the site is not visible from the Trans-Canada Highway, it is a very short distance away. Road signage on the highway could ameliorate this weakness;
- The site is relatively flat but will require some fill and grading as well as drainage work. Whether or not the existing soil load-bearing capacity is sufficient to handle large RVs will require investigation.
- A great strength of the site is its location on Nipigon Bay, waterfront location, and co-location with the marina and Interpretive Centre. Views of the water are highly desirable for both tent and RV camping but rare in campgrounds;
- Well located for campers to access local and nearby assets of interest to visitors;
- One hour drive from Thunder Bay, and an intervening opportunity before reaching Rainbow Falls Provincial Park.
- Proximity to Thunder Bay residents who could easily fully occupy the campground on a seasonal basis – a safe backstop.
- Services are located at the site – no expensive and long extensions of services are required.
- The site is not overly large and can accommodate a relatively limited number of campsites, thereby impacting operating efficiencies. Careful planning and site design will be required.

5. CONCLUSION & MARKET FOCUS

5.1. Market and Location Analysis Conclusions

Socio-demographic factors that have supported, and will continue to support strong future demand in the RV and tent camping market include:

- A key age demographic in which RV ownership is popular is growing;
- There is growth of RV ownership in other age demographics;
- The positive effects of the COVID pandemic on the RV and tent camping market are not likely to dissipate soon, if ever;
- Campground revenues for both tent and RV camping are rising;
- The manufacturing and sale of RVs which experienced strong growth pre-pandemic, has leapt forward as a result of the pandemic, and the resulting increased demand for campsites is likely to hold for some time;
- The backlog in RV production orders despite increased production output is an indicator of strong future retail RV sales.

Ontario is underserved by campsites and would require 500 more campgrounds and 10,000 more campsites to match Canada's per capita averages. There are 1,427 campsites in 15 campgrounds within the area to be considered Red Rock's competitive campground market.

Increases in RV ownership and use alongside an increased interest in camping generally, particularly since the pandemic, have driven very strong demand in the Red Rock market area (and all of Ontario), with 100% of seasonal sites quickly selling out annually (and waitlists amounting to years of demand), and 80% occupancy of transient sites (including shoulder seasons). This demand will be further bolstered by the return of U.S. campers to the area once the borders become more porous. There will be no challenge in terms of sufficiency of demand for any number of campsites Red Rock can provide.

The proposed Red Rock RV Park and Campground is well located, is well supported by a number of tourism assets, and has a number of positive locational and site attributes.

If the Red Rock RV Park and Campground is developed with appropriate marketing and amenities and as envisioned in this report, Red Rock can expect a July – August occupancy rate of 70% – 90% after the first full year of operation. Similar to Rainbow Falls Provincial Park, Red Rock can expect approximately 65% of campers using some form of RV while 35% will be tent campers. The average length of stay is estimated to be between 1.5 and 2 nights.

5.2. Suggested Market Focus

As noted in this report, "Casual Campers" (82% over the age of 55) and "Family Campers" clusters make up 72% of all RV owners who make use of their RV 16 and 30 days per year.

While casual campers have more flexibility, family campers are typically restricted to summer months due to school and other scheduling constraints.[32] The casual camper cluster (owning 39% of RVs) will continue to grow in size as Gen X Canadians join the Baby Boomers in this 55+ cohort.

"Family Campers" comprise the second largest RV ownership group (33%). The number of RV owners in this cluster has been and will continue to grow in size as camping is seen as a COVID safe, travel friendly, and comparatively inexpensive vacation option for families.

It is recommended that the market focus for the Red Rock RV Park and Campground be on these two demographic clusters as they own 72% of RVs, and both groups are poised to grow in size.

These two demographic clusters utilize slightly different equipment:

- Casual campers largely use conventional travel trailers (48%) and fifth wheel trailers (14%);
- Family campers largely use conventional travel trailers (26%) and (expandable) hybrid travel trailers (11%).

Casual campers value access to hiking, sightseeing and other outdoor and water-based activities – typically these interests are satisfied in the campground or in the surrounding area. Red Rock is already well served in this respect. Red Rock is also well served in amenities offered to tent campers. Sites offering quick access to the surrounding natural beauty appeal to these campers and suggest that the tent camping area will see significant demand.

Family campers are often more interested in making use of a campground's physical assets (i.e., a swimming pool, playground, beach)[33]. Significant improvements to the playground and splashpad area, as well as the improvement and re-opening of the beach are man-made amenities that will be required to be attractive to family campers. The current work to refurbish and reopen a swimming pool by 2024 will be another draw. All of these assets provide an opportunity for interaction between local residents and visitors.

[32] Go RVing Owner Demographic Profiles. https://www.rvia.org/go-rving-rv-owner-demographic-profile
[33] Go RVing Owner Demographic Profiles. https://www.rvia.org/go-rving-rv-owner-demographic-profile

APPENDIX A: RV TYPES

For a growing number of Canadians, recreation vehicles (RVs) provide an important means to travel and enjoy the Canadian outdoors without enduring all the rigours of tent camping.

The COVID-19 pandemic has limited travel worldwide by air and by road to and from the U.S. As a result, Canadians and Americans seeking COVID safe vacations have driven up demand, sales and use of RVs in both Canada and the U.S., despite travel restrictions between the two countries.

RVs may be divided into two major categories:

- Motorhomes (self-propelled RVs);
- Towable RVs.

Motorhomes are self-contained units that have the living and sleeping quarters as well as vehicle operation contained within the vehicle. Comparatively, towable RVs are attached to and pulled by (tow) vehicles. This subsection provides a brief introduction to the major classes of motorhomes and towable RVs.

Motorhome RV Classifications

Class A Motorhomes

Class A motorhomes are typically the largest and most expensive motorhomes, ranging from 24 feet to 45 feet in length, requiring long turn radiuses. Class A motorhomes are custom-built bodies on a truck/coach manufacturer's chassis and driveline and many are higher than most towable RVs (except 5th wheel trailers). This class is frequently deemed "luxurious", and will often feature a significant number of amenities and higher-end furnishings, including mid to full-sized kitchen appliances, quality finishings, and sometimes multiple bathrooms, washers, and dryers.

Class A motorhomes are capable of sustaining campers for longer periods not connected to services (boondocking) due to typically larger gray, black, and freshwater holding tanks, and an on-board generator. Most Class A RVs, when hooked up to electrical outlets on-site, will require 30 or 50-ampere service.

Class B Motorhomes

Class B motorhomes, typically custom converted vans, have significantly less living space (they are typically no longer than 24 feet) than Class A or C motorhomes but are the most maneuverable of RVs. This class of motorhome typically has its onboard amenities in a space-saving format (sink and toilet in the shower area) and typically is used by no more than 2 people.

Class B RVs typically include cooking facilities, folding beds, and limited living space. Class B motorhomes have relatively small storage tanks, and therefore need to connect to services relatively frequently.

Class C Motorhomes

The Class C motorhomes are typically medium-sized motorhomes that range from 22 to 32 feet long, sleeping 4 to 8 people. The most economical to buy, and therefore a favourite with families, Class C motorhomes are custom built on a van chassis, driveline and cab (rear of van body cutaway) supplied by a manufacturer (frequently the Ford E-450). Shorter Class C RVs are quite maneuverable, but become less so as the length increases, with quite a long rear overhang on the longest models.

Many Class C motorhomes have sleeping quarters above the cab with additional space for sleeping elsewhere in the RV. Like Class A, many also have slide-out options to increase living space when parked. Finally, Class Cs are also typically equipped similarly to Class A motorhomes (i.e., a kitchen, 3-piece bathroom, onboard generator, heating and air conditioning). The size of the storage tanks is often commensurate with the length of the motorhome, although the length of time they can boondock is directly proportional to the number of people travelling and their water usage.

Towable RV Classifications

Towable camper classifications include *fifth wheel campers, travel trailers, tent/pop-up campers, ultra-lights and truck campers*. These are models that either sit on top of or are towed behind the owner's vehicle. These campers range in size (from fifth wheel campers that can be as large as Class A motorhomes, to very small and towable by cars or mid-sized SUVs).

Fifth Wheel Trailer

A fifth wheel trailer is the largest (and typically most expensive) type of camping trailer. Fifth wheel trailers have a hitch that connects into the bed of a truck rather than being hitched at the bumper. This moves the pin weight of the trailer forward over the rear axle of the truck permitting more weight and greater stability, particularly during emergency maneuvers and high winds. Many of these trailers are similar in "luxury" to the Class A motorhome but are also the tallest and heaviest trailer type, most requiring at least a 250/2500 class truck as a tow vehicle.

Travel and Hybrid Trailers

Travel trailers hitch to the rear of the car/truck. A travel trailer that is a similar length to a fifth wheel trailer will be longer when hitched to its tow vehicle, which can make backing long travel trailers into campsites more difficult. Most travel trailers are relatively economical (compared to motorhomes and fifth wheel trailers) and have more space than similar-sized motorhomes, and all/most the amenities of a typical motorhome except for the onboard generator. They also have lower overhead clearance than a fifth wheel or Class A motorhome. Power is typically provided by storage batteries or plugged into shore power.

Hybrid campers are travel trailers in which some of the beds extend out when parked in the same fashion as a tent trailer.

Tent/Pop-Up Trailer

This style of trailer is the least expensive, and quite popular with those just starting out RVing and with young families. These trailers close up for travel and create less wind drag and can therefore be towed by a wide range of vehicles.

Pop-up campers range in size from small models that are motorcycle-towable to large models with simple slide outs, a bathroom. Kitchen, and air conditioning.

Ultra-Light Trailer

This style of trailer is becoming more popular with couples and frequently takes an aerodynamic teardrop shape. These trailers are towable by vehicles that only have 1,500 pound tow capacity and are essentially contain bedspace that may fold up and a rear opening stand-up kitchen.

Truck Camper

Truck campers slide into the bed of a pickup truck. Truck campers range in size from small lightweight pop-up models that are low profile (less wind drag) to large heavy models with slides in them that rival the interior space of a small class C motorhome (although requiring a larger truck). The truck camper is relatively inexpensive and can typically reach further off-road than other RV types.

APPENDIX B: RV PARKS OVERVIEW

RV Campsite Design Considerations

Camping and recreational vehicles offer vacationers/travellers the chance to better connect with nature, greater flexibility over their travel choices, and a less expensive way to visit/experience their desired destinations. RV Campgrounds provide opportunities for campers to stay as little as one night, stay for a few days or weeks or park at a site for an entire season in a secure area amongst other RVers. Campgrounds may provide campers with services at the campsite, as well as communal campground amenities such as showers, laundry, swimming pool, playground, beachfront, store, etc.[34].

Not all campgrounds offer the same services at each and every campsite. Campgrounds may offer fully serviced sites (with hookups to water, sewer and electric power); partially serviced sites; or sites with no services. This Appendix outlines some considerations for RV Park design.

RV Lengths Accommodated

Data is not available on the number of sites available by the length of RV accommodated, however, Ontario Parks categorizes the length of RV accommodated in its booking system as follows:

1. Up to 18 feet;
2. Up to 25 feet;
3. Up to 32 feet;
4. 32 feet and over.

Canadian provincial regulations typically restrict trailer lengths to sub-41 feet, with only a few provinces (Quebec, PEI, and Nova Scotia) allowing for longer trailers. As such, the majority of RV campsites are also designed to accommodate trailers that are less than 40 feet in length, with most older campgrounds having sites for shorter and average length trailers. One must keep in mind that, unlike motorhome length, trailer length generally refers to body length, and that the trailer hitch, rear bumper and rear-mounted spare tire can add up to 6 feet in length to the trailer body. So a "24-foot" trailer is actually close to 30 feet in length. If the RVer does not wish to "unhook", a typical light-duty truck will add another 20 feet in length, meaning the total length of some truck and long travel trailer combinations can approach 56-58 feet.

The average size of RVs (both motorhomes and trailers) has increased in size over the past 20 years. Many existing campgrounds, including Provincial Parks, cannot accommodate the largest

[34] A note on terminology: references to campgrounds and parks are noting the entire park (i.e., all individual sites, shared grounds, and other communal facilities including community centres). Comparatively, references to sites are noting individual campsites. As an example, if a *campground* has clean water access, this does not mean there is a water hookup available directly to each RV. Instead, it likely refers to a communal access point, unless there is a specification that clean water is available at each *site*.

RVs today. In fact, it is rare to see the largest RVs in an Ontario Provincial Park, as most of their roadways and campsites were not designed for the length and height of today's large RVs and owners do not risk incurring damage to their equipment.

New campgrounds would therefore be wise to design to accommodate the largest RVs, thereby having the broadest market appeal.

Campsite Access and Egress

Most existing RV sites are "back-in" sites, and even if the length of the site is adequate, many of the roadways and sites do not provide enough width and obstruction-free turning radius to accommodate longer RVs. Back-in sites are usually provided on both sides of the campground road.

On the other hand, "pull-through" RV sites generally provide an easy turning radius to permit the driver to pull into the site from one road and then drive straight through and out the other side onto a second road when leaving. Pull through sites are typically entered only from one side of the campground road.

A campground designed with back-in RV sites is more land efficient (more sites per acre) than a campground designed with larger pull-through sites (which results in an overall higher servicing cost per site, and potentially less campsite revenue/acre).

The initial development plan of the Red Rock RV Campground was designed to be entirely pull-through RV sites. However, it is possible that future stages of development could incorporate smaller back-in RV sites.

Campsite Services Considerations

RV campsites may be equipped with no site-specific services, a few, or many site-specific services. The three most important site-specific services to RV campers are electrical, water and sewer services, more or less in that order of importance.

3-Way Hookup

A 3-way hookup site provides RV connections to electricity, water, and sewer. These sites allow the RV to access electrical power, a consistent supply of pressurized potable water, and an on-site sewer connection. Electrical service is typically 30 amp or 50 amp service (50 amp service being required by large RVs with two air conditioning units).

2-Way Hookup

If only two of the major services are provided at an RV campsite, they are typically electric and water hookups.

Electric Power Only

Electricity-only campsites, also known as "dry sites," may provide 20 amp service for tent campers and very small RVs but will typically provide 30 amp service (and/or 50 amp service if the site can accommodate large RVs).

No Service Sites or Tenting Sites

Sites with no additional services are typically good for tenting as they offer tent pad spaces while not costing as much due to fewer amenities being offered. Typically, they are also open to RVs and tent trailers that do not need service hook-ups, though not always depending on length and width limitations.

Other Campsite-Specific Services

Other site-specific services typically included with all campsites are a fire ring or fire pit, and a picnic table. RV sites may also have a hard surface parking area, hard surface patio, BBQ, Cablevision/satellite hookups. Cablevision hookups have fallen out of favour with campground owners as they are difficult to maintain, and campers who require good television coverage will carry their own satellite TV equipment.

Campground Services

Aside from services provided at campsites, most campgrounds offer amenities offered on a communal basis.

Personal Care

Showers and Washrooms

Almost all campgrounds offer showers and washrooms that are open to all campers as well as day-use visitors (typically in another area of the park/campground).

Laundry and Dish Cleaning

Most campgrounds offer coin-operated laundry facilities for the many campers and RVers away from home for more than a few days. Campers without holding tanks are typically prohibited from dishwashing on the campsite and allowing the water to run onto the ground. Facilities to allow campers to clean dishes are therefore typically provided at the shower/washroom facility.

Connectivity

Wi-Fi

Wi-Fi is a relatively new amenity requested by RVers. According to CampgroundBooking.com, Wi-Fi was voted by travellers in 2020 as the best non-natural park amenity that a campground could offer[35].

While having access to bandwidth sufficient to manage emails and basic web access is considered a necessity now, higher bandwidths/speeds required for online work and streaming will become more important in the future. High bandwidth 5G services may somewhat mitigate this near-future demand. However, basic internet wifi capability and the availability of optional high bandwidth wifi is certainly a key competitive advantage for any campground.

The importance of Wi-Fi is expected to continue to grow in importance as the need to remain connected increases over the coming decade. This is especially true given the substantial increase in RV ownership during COVID-19 and growth in remote working.

[35] https://campgroundbooking.com/best-rv-park-amenities/

Charging Stations

Though many campgrounds offer electrical hookups at individual sites, campers on non-electrical sites should have access to at least one convenient area where campers can recharge electronics. Airport lounge-type secure charging facilities could be considered at campgrounds.

Other Amenities

The list of other communal amenities which may be provided at a campground is extensive and growing – some examples include:

- Controlled and secured campground access
- Campground store including firewood, ice, basic groceries, camp supplies
- RV rentals on-site, basic lodging
- Heated pool, hot tub, beach
- Horseshoes, shuffleboard, pickleball, etc.
- Recreation hall, room rentals
- Games room
- Planned/facilitated activities
- Playground
- Fitness centre
- Nature Trails
- Recreation equipment rentals (bicycles, canoes, kayaks, paddleboards, boats, etc.)
- Car/RV wash
- Dedicated dog/pet areas

Length of Stay

Overnight/Transient Camping

Overnight (or transient) camping provides flexibility for campers to book their reservation in advance, or subject to availability - make a last-minute booking. RV campers throughout Ontario, however, typically must make reservations of campsites months in advance[36], due to the current lack of supply relative to demand.

For RV Park and campground businesses, transient camper bookings require a robust online booking system to avoid unwieldy administration overhead. Transient camping can result in higher revenues per site due to significantly higher average daily rates, but there is a risk of less than a high occupancy rate associated with transient camping.

Seasonal Campsites

Seasonal campers obtain a permit at their site for the entire camping season. Seasonal camping provides a low-cost ($2-3,000) alternative to owning or renting high-cost vacation properties and provides a full season of access on weekends and any vacation time

For an RV Park and campground business owner, seasonal camping generates less revenue per site but represents less risk and administrative overhead as the demand for seasonal sites is far greater than the supply.

[36] For Ontario Parks, five months in advance of the first day of the booking at exactly 7:00 am, as any available campsites typically book up in less than a minute.