

Lewiston/Auburn Paddles  
Androscoggin Land Trust  
December 6, 2011



**ANDROSCOGGIN  
LAND TRUST**

In partial fulfillment of Bates College, Environmental Studies 417 Capstone Class  
Matt Pope, Nina Slote, Lindsay Thompson and Karen Ullmann

## Project Background

The following business plan for Lewiston/Auburn Paddles was created by four Bates College students from The Department of Environmental Studies on behalf of the Androscoggin Land Trust (ALT), a private, non-profit membership-supported organization. In partial fulfillment of the class, Community-Engaged Research in Environmental Studies, students were assigned to develop a business plan for a canoe and kayak company in Lewiston/Auburn. The purpose of this project and the class was to involve students in their community and help them appreciate the community's natural asset, the Androscoggin River. Students were asked to think critically about their academic background in environmental studies as it applies to the physical environment and lived experiences of their local community.

Throughout this project students worked closely with members of the community. The main community contact for this project was Jonathan LaBonte, the Director of Land Protection and Stewardship at the Androscoggin Land Trust. Mr. LaBonte helped develop the project and directed students to important community contacts and resources. Students met many of these contacts and others to help inform this project. The intellectual grounding for this project, therefore, is a combination of academic research *and* community feedback, insight and knowledge.

The report is intended to provide community members with an initial outline for a business plan that is as comprehensive as possible. The students believe this outline is the first step for developing a company that can help regenerate outdoor recreation on the Androscoggin River and revitalize the downtown cities of Lewiston and Auburn by extension. The hope is that this business plan will help community members see the merit and value of such a business in the downtown and motivate them towards action. With the right support and community cooperation Lewiston and Auburn can make this hope a reality.

Finally, the students and professors of the class, Community-Engaged Research in Environmental Studies, would like to extend a warm thank you to all the community members who have participated in this project as well as other projects related to this class. Their insight and feedback has been invaluable to the success of these projects. In particular, they would like to acknowledge the following individuals:

Michael Auger, Director of Land Protection & Stewardship  
Eric Cousens, Planning and Permitting Director  
Margi Huber, Outreach Coordinator  
Jonathan LaBonte, Executive Director of the Androscoggin Land Trust  
Keith McBride, Economic Development Assistant  
Roland Miller, Economic Development Director  
Jeff and Patty Parsons, Bethel Outdoor Adventures  
Linda Woodard, Scarborough Marsh Audubon Center

*“There is growing recognition that protecting natural areas, enhancing tourism opportunities of recreational settings are actions tightly entwined with quality of life goals that are distinct from, and often in conflict with economic goals...These quality of life objectives include preserving our cultural and natural heritage, enhancing economic opportunity...and a host of other socially desirable values”*

(McCool and Patterson 113)

## **Mission Statement**

Lewiston/Auburn Paddles, a project of the Androscoggin Land Trust, is a non-profit organization dedicated to connecting people to the Androscoggin River through community-supported outdoor recreation

## **Executive Summary**

Lewiston/Auburn Paddles is a non-profit, canoe and kayak rental business run by the Androscoggin Land Trust (ALT). The mission of this organization is to connect people to the Androscoggin River through community-supported outdoor recreation. The business will provide canoe and kayak rentals as well as educational tours that focus on Lewiston's industrial sights and local ecology. The Androscoggin Land Trust is committed to providing its consumers with a safe, fun and educational boating experience that fosters a greater appreciation for the Androscoggin River and thereby the community of Lewiston, ME as a whole.

The Androscoggin Land Trust will oversee all management operations of Lewiston/Auburn Paddles including finances, employee supervision, equipment maintenance, and marketing. The Androscoggin Land Trust will hire Lewiston High School volunteers to help run everyday operations. Their responsibilities will include: selling rentals, distributing equipment, ensuring safety, teaching boat handling and leading group tours. These volunteers will be overseen by Bates College interns and/or AmeriCorps members. The organization's goal is to conduct a smooth, well-run business that provides easy access and quality service to any parties interested in boating along the Androscoggin River.

The organization will be open to a wide variety of consumers. Lewiston/Auburn Paddles will attract people from outside the community including business travelers, outdoor enthusiasts and tourists. Tourism will help promote the cities of Lewiston and Auburn and fuel the local economy. That being said, the Androscoggin Land Trust is committed to providing equitable access for all interested parties. As a non-profit the Androscoggin Land Trust is willing to provide discounts for school groups and low-income community members. They believe equal access will help build community and develop stronger ties to the Androscoggin River, establishing the river as community resource and place of pride.

Based on a market analysis of the local community, it is found that local demand is high and this suggests the probability of success for a new canoe and kayak business. Paddling has the highest demand in New England out of all the census divisions in the United States, and paddling growth rates are substantial for the last three years. There is great interest in the Lewiston/Auburn community in canoeing and kayaking, and community members expressed desire in a survey for all types of events revolving around a canoe and kayak business. Overall, these growth rates show promise for a

new canoe and kayak business on the Androscoggin River, and the market should continue to grow at a steady and increasing pace as it has since 2006.

The business will operate on a seasonal basis from June 1<sup>st</sup> through August 31<sup>st</sup> with weekend hours into September and early October. Otherwise business hours will be 9:00 AM to 7:00 PM every day of the week. Customers can show up and rent equipment or make a prior appointment over the phone. The cost of rentals will vary depending on ALT membership and residency in Lewiston or Auburn.

Lewiston/Auburn Paddles needs city approval, lease and funding in order to achieve its objections. The business will require a minimum of \$11,760 in start-up costs to cover equipment and accessories. Other costs will include coverage for legal fees, property rental and employee payment. The next step for this business is to work with community partners to coordinate loans, zoning regulations and permits to determine business feasibility.

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## Site Location

### *On-site*

The business will be located on a small piece of public property in front of the Androscoggin Land Trust Office (86 Main Street, Suite 201, in Auburn, Maine). The site is positioned on the waterfront just beside the bridge that connects the city centers of Lewiston and Auburn. The entry point at this location is just past the Lewiston/Auburn dam. At this point in the river, the water flow is steady, yet safe for entry.

The site will be greater than 200 square ft. The on-site facilities include a boat rack and shed. The boat rack will hold 6 canoes and kayaks. At full capacity, the business will be able to equip 12 people, including at minimum two tour leaders. The shed will store equipment including personal flotation devices (PDFS), paddles, first aid and office materials for collecting rental deposits and agreements.

Access to this site by consumers will be by foot. Public parking is available along Main Street and behind the Auburn City Hall offices. Further consideration and planning is required to determine how the boats will be transported down the hill to the original site. The Company must discuss trailer access with local city planners.

Finally, the ALT office's proximity to Lewiston/Auburn Paddles' boat structure and rental shed is advantageous, as staff members can report any issues efficiently to management, and the ALT staff team can physically oversee operations. For customers, this location is advantageous because it is located in the downtown area between Lewiston and Auburn, which makes it accessible and highly visible.

### *Zoning Restrictions*

There are several zoning regulations that will impact the construction of a boat rack at this site.

#### Building Restrictions in Shoreland Overlay Zone (SLO)

Auburn, ME Code of Ordinances, Chapter 60 (Zoning), Article 12 (Environmental Regulations), Division 5 (Shoreland Overlay District)

(Note: Building restrictions in the SLO have changed as of 2010, the new regulations have not yet been posted to the City of Auburn website. Below is a summary of the new regulations regarding building in the SLO.)

Important building restrictions in the SLO for the city of Auburn (Auburn Municipal Codes):

#### K. Principal and Accessory Structures

1. All new structures must be at least 100 horizontal feet from the high water mark designated as great ponds classified GPA, 75 feet from other water bodies, or 25 feet in General Development Areas unless proximity to the water is an operational necessity.

(a) These setback provisions shall not apply to structures, which require “direct access to the water body or wetland as an operational necessity.”

(b) If an accessory structure cannot be placed according to code, a permit may be issued to place a single accessory structure for storage. It shall not exceed 80 square feet in area, 8 feet in height, and must be placed as far from the shoreline as practical.

#### L. Other Structures and Uses Extending Over or Below the Normal High-Water Line of a Water Body or Within a Wetland

1. Access from shore needs to be developed on soils appropriate for use and constructed to control erosion.

2. The development cannot interfere with natural beaches.

3. The development must minimize adverse effects on fisheries.

4. The development shall be no larger than necessary.

5. No new structure extending beyond the normal high-water line of a water body or within a wetland can be created unless proximity to the water is an operational necessity (LaBonte).

#### *Off-site*

As well as a site for boat launch, an important consideration for this business is where boats will be taken out. Lewiston/Auburn Paddles will primarily promote local tours, where the take-out will be at the original launch site. More experienced paddlers have the option of taking longer tours in which paddlers will be going further down river and will not be able to return to the original site. In this case, Lewiston/Auburn Paddles will require its customers to take out their boats at public launch sites. Such arrangements will significantly reduce costs because Lewiston/Auburn Paddles will not have to lease a second piece of property to take out boats at the end of a trip.

While using public off-site launches reduces costs, there are other important considerations. In the future, Lewiston/Auburn Paddles will have to purchase a truck and trailer to transport boats back to the original launch site. The business will also want to purchase a van or bus to return boaters to the place of entry. Through the surrounding community network there may be opportunity to rent or borrow a van. In either case, offering the convenience of transportation will increase expenses, and subsequent gas and vehicle maintenance costs will inevitably occur.



### *Optional Off-Site Storage Facility*

There is the possibility of using storage space owned by the city in the basement of an old mill building close to the proposed site. This building is just downstream on the other side of the boat launch, and is within boat-carrying distance of the launch. The basement of this building is below the flood line, and thus cannot be legally used for housing or retail space like the upper floors. Storage is the only legal use of this space; thus the city might be willing to permit this space for Lewiston/Auburn Paddles (Labonte). This space could be used during the months of operation as secure secondary storage. Additionally, if there isn't a permanent building at the main site, this storage space could be used during the off-season.

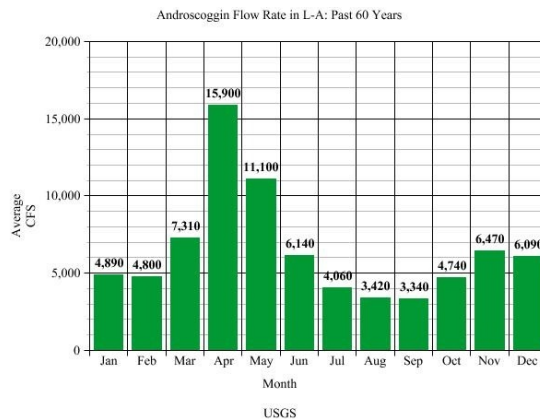
## Operations

### *Season of Operation*

This business would be open seasonally, with an operating period of June 1<sup>st</sup> to August 31<sup>st</sup>. This is the period of time in Lewiston when the temperature averages 65 degrees Fahrenheit or higher (Weather Channel). Flow rates of the Androscoggin are generally safe during this time, as opposed to the spring when the river can be dangerously high and fast. According to the graph below, flow rates are at an average high of 15,900 CFS in April, and 11,100 CFS in May. Each spring, and during/after each large storm, water flow would need to be assessed for its safety. As seen below water levels normalize in June and stay around or below 6000 CFS, the river's average (USGS). If the business is successful during the summer months, Lewiston/Auburn Paddles may also want to keep operations open on the weekends into September and early October as the change in seasons will bring added beauty to the area. The project expects to continue to attract customers during this time even though students will have returned to school.

### *Daily Operations*

In terms of the day-to-day operation of Lewiston/Auburn Paddles, customers interested in renting a boat may either just show up at the facility or call the ALT that day to reserve a boat. Business hours will operate from 9:00 AM to 7:00 PM every day of the week. Special arrangements can be made to rent boats and gear outside of these times. Employees will help the customer prepare for their paddle. Customers may also call at least a week in advance to reserve boats for a larger occasion. In the case that there are not enough boats available for the occasion, Lewiston/Auburn Paddles may rent boats from the Bethel Outdoor Adventure Center to meet the demand. Customers will also have the option of paying a flat fee to rent a canoe or kayak for the day, attach it to their own personal vehicle, and take the boat to a paddle site other than Lewiston/Auburn Paddle's put-in site. After a customer returns from their paddle, they will return their gear and be asked to fill out a short survey regarding their experience.



United States Geological Survey. Web. 3 Dec 2012.

## **Organization and Management**

### *Current ALT Staff*

Lewiston/Auburn Paddles will be a project of the ALT. The canoe and kayak operation will require no additional paid employees than the ALT currently employs. A strong indicator of success for Lewiston/Auburn Paddles is therefore the experiences of the current staff team at ALT. As of December 2011, the staff team at the ALT included the Executive Director Jonathan LaBonte, the Outreach Coordinator Margi Huber, and the Director of Land Protection & Stewardship Michael Auger (Huber). Each staff member at the ALT has qualifications relevant to operating a successful non-profit canoe and kayak rental operation. As mayor elect of Auburn for the upcoming year, Jonathan LaBonte has extensive connections in Lewiston and Auburn that will be helpful in promoting Lewiston/Auburn Paddles within the various populations in the community. Prior to her role to at the ALT, Margi Huber worked for seven years at the Scarborough Marsh Audubon Center (Huber). As another non-profit canoe and kayak rental in Maine, Lewiston/Auburn Paddles will imitate aspects of the Scarborough Marsh Audubon Center, such as the type of information they offer on tours and the organizational structure of their internship program. Margi Huber's extensive experience with this longstanding non-profit canoe and kayak organization will therefore contribute to the success of Lewiston/ Auburn Paddles. She will be able to recognize the most effective organizational strategies of the Scarborough Marsh Audubon Center, and apply them to the context of the Lewiston/Auburn community.

### *Volunteer and Internship Opportunities*

Because Lewiston/Auburn Paddles will only run during the summer months when public schools are out of session, the project is able to depend upon high school volunteers to sustain itself. As an example of school days in the local area, the Lewiston Public Schools run from approximately September 1<sup>st</sup> through early June, and thus Lewiston/Auburn Paddles will run full-time on the dates when school is out of session ("Lewiston High School"). Similar to the model of the Scarborough Marsh Audubon Center, six high school aged volunteers will be selected based on their demonstrated interest in the mission of Lewiston/Auburn Paddles and past relevant experiences. Other considerations might include being lifeguard certified and a willingness to acquire the skills to lead group trips in the future. The high school volunteers would work in pairs during normal business days, and more could be called upon for special events and high-demand days. They would be trained to perform basic duties of the operation, such as equipping customers with proper gear, explaining routes and basic stroke techniques to customers, checking on weather conditions, operating the cash registers, maintaining the appearance of the canoe/kayak shed and the surrounding area, giving feedback surveys to customers, taking boat reservations over the phone, organizing larger events, and reporting any concerns to their overseers (Woodward).

These volunteers would be directly overseen by an experienced intern, an integral aspect of the canoe and kayak rental operation. This position would likely be filled by a Bates College Environmental Studies intern or an AmeriCorps member. All Environmental Studies majors at Bates College are required to fulfill an internship related to the natural environment, thus providing a sustainable source from which to draw interns for Lewiston/Auburn Paddles. While this position would be unpaid, the college offers a number of community service-related grants that would incentivize students to pursue this internship by providing their living expenses for the summer. The internship and available grants therefore create an opportunity for Lewiston/Auburn Paddles to attract high-qualified college interns at no cost to the operation.

### *Role of ALT Members*

The Androscoggin Land Trust's existing members will be relevant to garnering public attention during Lewiston/Auburn Paddle's first season of operation. The 150 members of the ALT live in the Lewiston/Auburn area and presumably have an interest in increasing opportunities for outdoor recreation on the Androscoggin River because it is a form of promoting conservation on and along the river (Huber). These two characteristics make ALT members primary customers of Lewiston/Auburn Paddles. As a promotional tactic to incentivize ALT members to use Lewiston/Auburn Paddles and to spread the word about its services, they will therefore be offered a free paddle session, as well as discounts on special paddle events for the remainder of the season. Networking with a variety of community organizations, including the public schools, local camps, libraries and the local YMCA and YWCA, will also be essential to the success of Lewiston/Auburn Paddles. Advertising the unique experience of paddling this particular stretch of the Androscoggin will be a role of both the Bates Environmental Studies Intern and the high school volunteers. They will be encouraged to do so in a variety of contexts, as the word of mouth will be a powerful tool for Lewiston/ Auburn Paddles.

## Physical Locations of Paddle

### I. Gulf Island Pond

This is a 16-mile impoundment North of Gulf Island Dam. The shore of this water body is largely undeveloped, and recreation is encouraged by NEXtera Energy, owner of the Gulf Island Dam.

#### Access and Use Potential:

- There is a proposed boat launch at Andrew Drive on Gulf Island Pond.
- There are several proposed new boat launches in Androscoggin Riverlands State Park, part of their 15 year master plan.
- There is a boat launch at the middle of Gulf Island Pond near Turner, where Center Bridge Road intersects with the Androscoggin River.
- There is hand-carry boat access in Green at the Southern end of Gulf Island Pond where River Road intersects with the shore the pond.
- A portage trail exists on the Lewiston side of Gulf Island Pond, providing potential for longer boating excursions that could include more area down stream.

Androscoggin Riverlands State Park is just North of the pond, within paddling distance. The park includes almost 3000 acres of recreational area on both sides of the river, as well as trails, parking, and a boat launch. The 15 Year Master Plan includes more boat launches, trails, picnic and camping areas.

### II. Lake Auburn

The water source for Lewiston-Auburn, this lake provides area for canoes and kayaks in a limited capacity. All of the lake except the Southern closed area is open to canoes and kayaks.

#### Access and Use Potential (Auburn website)

- There is only one boat launch, located on Rt. 4 on the Eastern side of the lake. Other boat access is prohibited. The launch is closed at night and no camping or picnicking is allowed.
- Kayaks must exceed 12 feet in length, and must have spray skirts; open top models are prohibited. Our kayaks would be open-top models, which are more suitable for calm water paddling, and thus would not be allowed on the lake.
- Canoes would be permitted.
- There is no public recreational land attached to Lake Auburn because of fear of water contamination, so this would be solely a day paddle site.

### III. Androscoggin: Gulf Island Dam to Deer Rips Dam

This is a one-mile stretch of calm river between the dams, and could function as a continuation of a paddling trip. Portage trails exist on the Lewiston side of both dams and are maintained by the dam owners. There are sand beaches on an island in this stretch that could provide a rest/picnic area. However, there is not direct road access to this stretch, and paddlers would have to use it as a continuation from another one of the discussed sections of the river.

### IV. Androscoggin: Deer Rips Dam to Great Falls Dam

This stretch is just less than 2 miles of mostly calm and easily navigable water. There are slight rapids at the Northern end, but paddlers of all skill levels can easily negotiate them. This stretch of river includes Rancourt Preserve on river left (Lewiston side), a 14-acre public use area established by the Androscoggin Land Trust.

#### Access and Use Potential

- There is a carry-in boat launch at the Preserve, providing access as a take out from a downstream trip from Gulf Island Pond or a put in for a day trip.
- There is another larger boat launch on the Auburn side at North River Road, downstream of the preserve, providing potential for short paddle up or down stream between launches.
- There is no boat launch downstream until after the Great Falls Dam. Additionally, there is no portage trail around the dam, though one has been proposed. Thus, paddlers putting in at the Rancourt Preserve or at North River Road would have to stay on this section of river. The Great Falls Dam is being relicensed in 2024, providing the potential for the implementation of a portage trail and additional recreational infrastructure around the dam.
- There are sandy beaches on the shore of the Preserve that can be used as a rest area and for camping, although space is limited.
- Included on the shore of this section is Sunnyside Park, a small public recreation area in the Lewiston side.

### V. Androscoggin: Great Falls Dam to Lincoln Street Boat Launch

This 2-mile stretch of river passes through the center of Lewiston-Auburn and provides an excellent view of the city's infrastructure from the river's perspective. The river is calm on this stretch, and can be paddled up and down stream even at high water. See additional safety considerations.

#### Access and Use Potential

- There is a public boat launch with parking at Festival Plaza just below the Great Falls Dam.
- There is a public boat launch with parking at the Southern tip of this water body at Lincoln Street.
- This section of river is bordered by several parks including the Railroad Park, Heritage Park, and Rodney Bonney Memorial Park.
- Just past the Lincoln Street Boat Launch is a series of rapids that many boaters would feel uncomfortable with, so it is important that paddlers are informed of exactly where they need to access this launch.

#### VI. Little Androscoggin: Lower Barker Dam to Confluence with Androscoggin

This section of the Little Androscoggin is short, only about a quarter mile, but could be paddled as an addition to a paddle on the Androscoggin. It provides a smaller river with a more intimate environment. There is a carry-in boat launch near the confluence with the Androscoggin that could be used with the previously discussed boat launches to create a variety of paddling options. There are also other areas upriver on the Little Androscoggin (LaBonte). Additionally, as multiple dams on the Little Androscoggin are being relicensed in the near future, there is the potential for more recreational boating access and infrastructure on this stretch of the river.

#### *Additional Safety Considerations*

In the spring as well as during and after storms the flow of the Androscoggin can get to levels and speeds that cannot be safely paddled by the average boater. The level of the river, especially during this time, must be monitored and assessed for safety. Novice paddlers that would rent boats may not recognize the danger of the river during this time. Thus, the operation will close during times when the river is at a dangerous level. Dams also provide a safety concern. Precautions will be taken to ensure that each paddler involved with the business is informed of exactly how close to get each dam. Generally, the water around dams is well marked by the operators.

## **Market Analysis**

*Purpose: to determine the level of demand for canoes and kayaks on the Androscoggin River in the Lewiston and Auburn (LA) area in Maine.*

This Market Analysis examines the current market for canoes and kayaks on the Androscoggin River. It provides information to give a better understanding of the market and help prepare for a new canoe and kayak business to enter the recreation industry. The market and current competitors will be analyzed to determine if there is space for another player, and threats and opportunities will be examined. Due to the extremely small size of the market of interest, an analysis of a broader market is given and then used to determine the size and certain characteristics of the smaller markets within it. The overall U.S. recreation market is first examined, and the paddling market in the U.S. is then derived from this. The market for paddling in New England is then looked at and is used to infer data about the paddling market in Maine. Finally, a survey specific to the Androscoggin River is used to gain insight on the market for canoes and kayaks in the LA area (Cultivatingsuccess.org, 1) (Androscoggin Land Trust).

### *Market Data*

The first study used was conducted by Southwick Associates, Inc. and Harris Interactive, which performed an economic analysis of the market for the Outdoor Industry Foundation (OIF). The second study used was conducted by the Outdoor Foundation, which created a similar report on outdoor recreation participation in 2011. Over 38,000 nationwide online interviews were conducted during January of 2011 with over 35,000 individual and household responses in order to analyze the industry. The Outdoor Foundation affirms this sample is representative of the U.S. population. Specific information was pulled from both of these market analyses to gain more insight into the market for paddling and more specifically canoes and kayaks. Graphs are generated from certain data provided in the two studies. The graphs are produced separately from the studies in order to analyze canoeing and kayaking specifically. This information is used and analyzed below. A survey was also produced using the Androscoggin Land Trust's software and contact list. Details about this survey are provided below (Outdoor Industry Foundation et al., 2) (Outdoor Foundation, 9).

### **The Outdoor Recreation Market in the United States: Industry Description and Characteristics**

*The information provided below examines the Outdoor Recreation Market in the United States, what defines the market and how much it contributes to the U.S. economy each year in terms of the U.S. as a whole and a subcategory of New England. It also looks into the growth rates and participation rates over the past five years.*



The OIF categorizes the U.S. Outdoor Recreation Market into eight different activities, all with several subcategories. The categories include: paddling (canoeing, rafting and recreational, sea and whitewater kayaking); bicycling (paved-road bicycling and off road bicycling); camping (RV camping, tent camping and rustic lodging); hunting (shotgun, rifle and bow); trail (unpaved trail running, day unpaved trail hiking, backpacking and rock climbing); wildlife viewing (bird and other wildlife watching); snow sport (snowboarding, cross-country, Nordic and downhill skiing); and fishing (recreation fly or non-fly). The Outdoor Recreation Market generates \$730 billion a year to the U.S. economy. It also provides 6.5 million jobs, generates \$289 billion from services and retail sales, and contributes 8% of the U.S.'s consumption expenditures. A total of \$46,185 million in gear retail sales, \$243,244 million in trip-related sales, and \$87,869 million in federal and state taxes is also generated into the U.S. economy through this market. It promotes exercise, sustainable growth and higher employment rates, and generates revenue throughout communities. Not only is this market a significant factor in the U.S. economy, but it also is large contributor to over ten other industries such as manufacturing, transportation and information (Outdoor Industry Foundation et al., 3)

The Outdoor Recreation Market through its strong contribution to the U.S. economy generates a spiral affect. Communities that provide outdoor recreation will benefit through this natural spiral affect; as participants from the local area or tourists that travel for the purpose of outdoor recreation come to the local community, a large profit is seen in all aspects of the local economy. Looking at the tourists specifically, a significant amount of money is spent. First people need gear, which may include equipment, apparel and services. This money is placed in the hands of the suppliers and employees (potentially from these local communities) who generate even more money back into the economy as more supplies and goods are produced. This process generates around \$108 billion into the U.S. economy each year. There is another active spiral affect within the market that involves the money for the overall outdoor recreation trip. These trips could be anything ranging from one hour to an overnight trip. Overnight trips can generate money through lodging, eating, entertainment and transportation. This section of the market generates around \$622 billion into the U.S. economy each year (Outdoor Industry Foundation et al., 4-5).

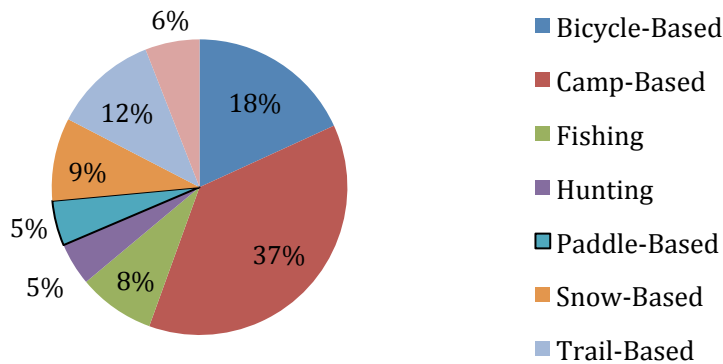
*A series of graphs are provided below to analyze the overall U.S. Outdoor Recreation Market. The graphs were derived from data provided by the OIF and The Outdoor Foundation. They look into the economic contribution of individual outdoor recreation activities and overall participation rates.*

Two graphs below display information about the influence of outdoor recreation on the economy. Graph #1 depicts the total economic contribution to the U.S. according to each outdoor recreation activity. It illustrates that camp and bicycle-based activities contribute the most economically to the U.S. Paddle-based activities contribute very little to the U.S. economy compared to other activities; paddling has the lowest percent contribution at 5% alongside hunting. Graph # 2 depicts the total economic

contribution of each individual activity to New England’s economy. Camp and snow-based activities have the greatest positive influence on New England’s economy. Paddle-based activities again generate the lowest percent of contribution alongside hunting with only 3%. It is inferred that an insignificant amount of money is generated from paddle-based activities in the New England area compared to other outdoor recreation activities (Outdoor Industry Foundation et al., 19).

**Graph #1**

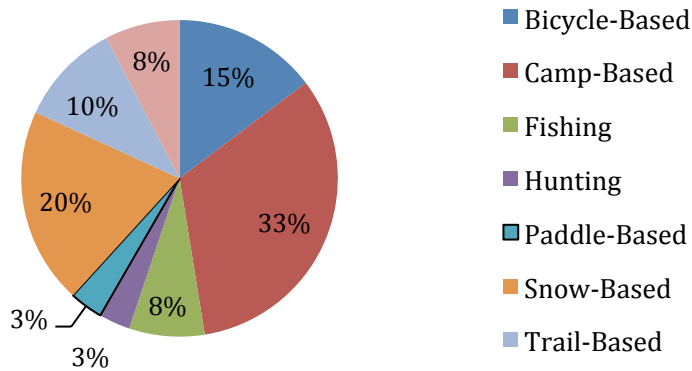
**Total Economic Contribution to the U.S. From Each Recreation Activity**



(Outdoor Industry Foundation et al., 19).

**Graph #2**

**Total Economic Contribution to New England From Each Recreation Activity**

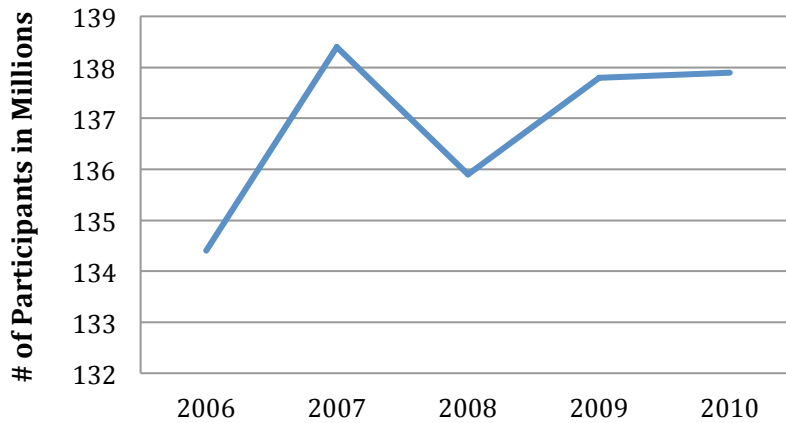


(Outdoor Industry Foundation et al., 19).

Participation in the U.S. in outdoor recreation since 2006 has substantially increased; however, the total number of outdoor outings has decreased. According to Graph # 3 below, the total number of participants in 2006 was 134.4 million and in 2010 it was 137.9 million, showing a 2.6% increase over five years. Graph # 4 below shows the total number of outdoor outings decreased from 11.6 billion to 10.1 billion, which is a - 12.93% decrease over five years. Although frequency is decreasing, participation numbers continue to increase (Outdoor Foundation, 3).

**Graph #3**

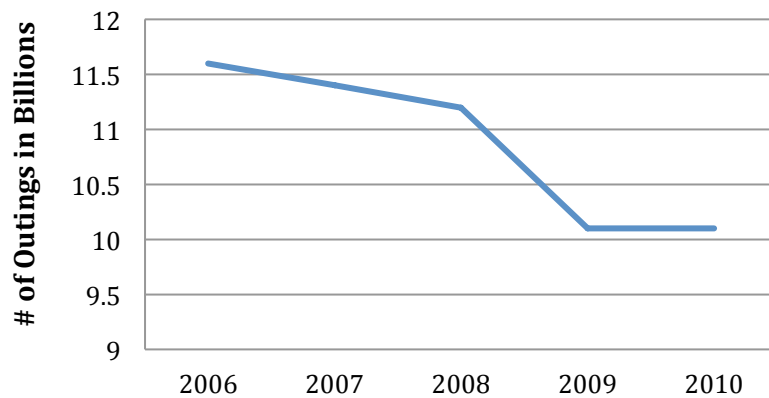
### **Total Number of Participants in Outdoor Recreation from 2006 to 2010**



(Outdoor Foundation, 3).

**Graph #4**

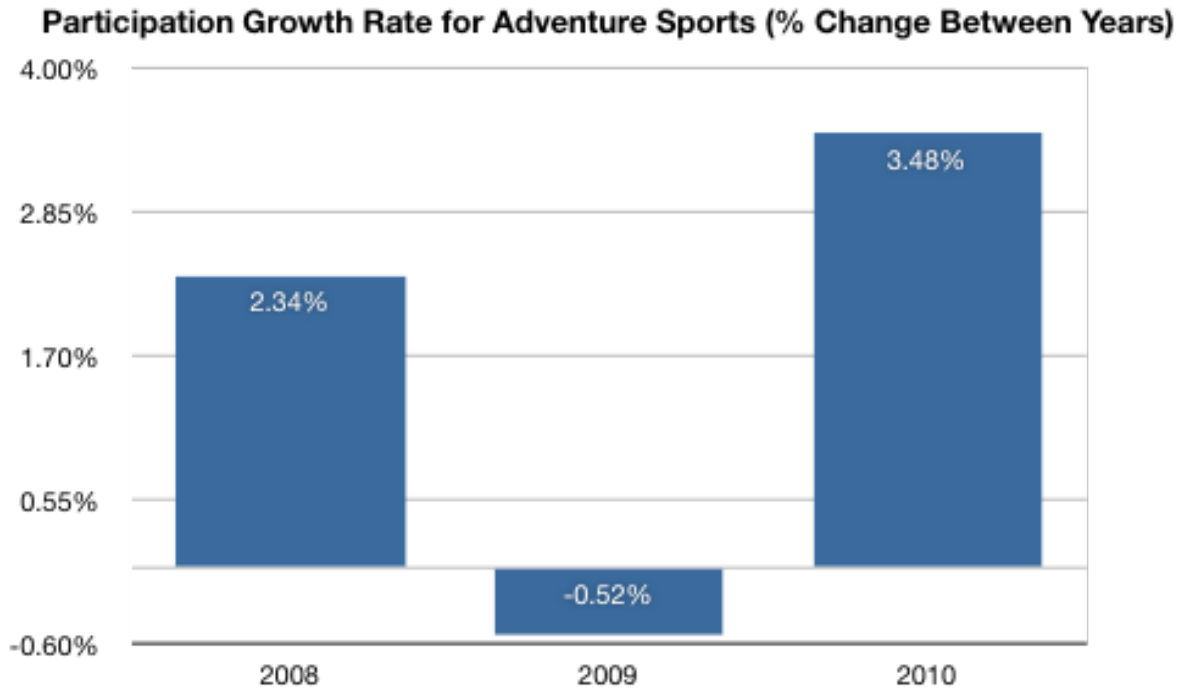
### **Total Outdoor Outings from 2006 to 2010**



(Outdoor Foundation, 3).

Graph #5 shows the participation rate for adventure sports since 2008. Adventure sports include kayaking, rafting, triathlon, adventure racing, climbing and scuba diving. These sports showed the most significant increase compared to the rest of the market with a 2.3% increase in 2010. The graph shows a slight decrease of .52% in 2009 but this is justified by the economic crisis. It is promising that the market was able to regenerate fast in 2010 and have a positive growth rate (Outdoor Foundation, 3).

**Graph #5**



(Outdoor Foundation, 3).

**The Paddling Market and Outdoor Recreation Market in New England**

*First paddling is looked at on a national level. The information provided below analyzes the Outdoor Recreation Market in New England, and more specifically the Paddling Market in New England and how it compares to other census divisions. Significant information on paddling in New England is provided, which can translate into the overall market in Maine for paddling. The OIF and The Outdoor Foundation analyses only provide data about canoeing and kayaking in terms of the activity of paddling as a whole. This analysis aims to derive information regarding canoeing and kayaking from the paddling data available from the two studies (Outdoor Industry Foundation et al., 1-20) (Outdoor Foundation, 1-10).*

*Paddling at a national level is examined. The two outdoor recreation analyses by the OIF and the Outdoor Foundation define paddling by three subcategories which include: kayaking (recreational, sea or whitewater), canoeing and rafting. There is an average of 24 million paddling participants each year in the United States. Paddling is the fifth*

most participated in activity out of the eight outdoor recreation activities listed, with bicycling as the highest with 60 million participants annually (Outdoor Foundation, 1-10). Paddling provides 308,000 jobs and \$4.8 billion in federal and state taxes annually; taxes generated go into supporting state governments, which in turn generate benefits back into communities (Outdoor Industry Foundation et al., 9-13). Paddling can generate additional revenue if it involves tours, races and rentals. It is used for individual purposes such as exercise, connecting to nature or education, family purposes such as family bonding and educational tours, and business purposes such as obtaining and getting to know clients. Paddling requires equipment, which may include paddles, kayaks, canoes, rafts, life vests, storage, transportation tools for boat devices, and proper attire. Kayaks range in prices from \$100 to \$1,000. Canoes are more expensive since they tend to hold more passengers. Canoes range in prices from \$200 to \$1,800 depending on if they are new or used. Paddles range from \$20 to \$60 and life vests tend to be around \$20 (Paddling.net, Inc., 1).

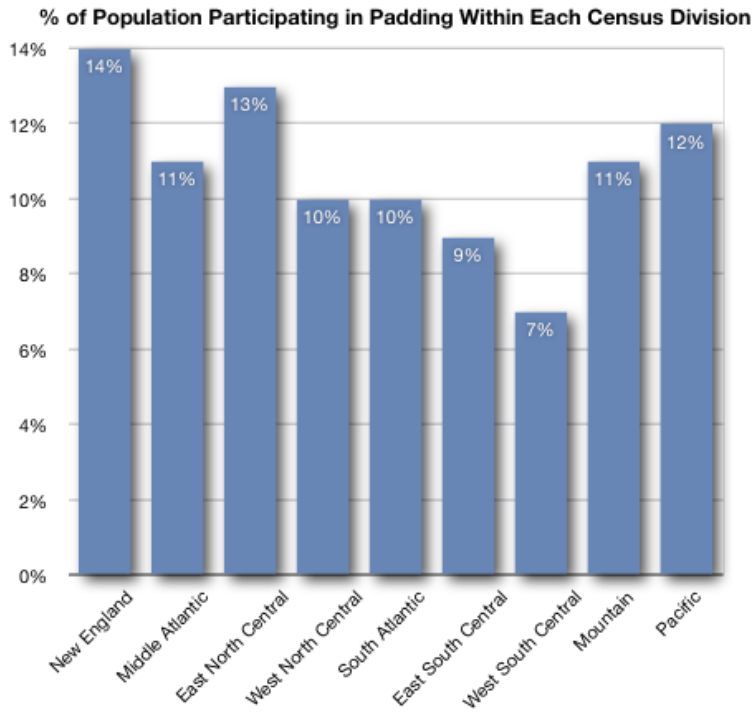
*The Outdoor Recreation Market in New England* is examined. A quick look into the break up by census division demonstrates that the Outdoor Recreation Market (ORM) in New England falls on the shorter side for total contribution to the U.S. economy. The ORM in New England generates annually a total of \$22,941 million, 271,196 jobs, \$2,211 million in gear retail sales, \$17,696 million in trip-related sales and \$3,369 million in federal and state taxes. The annual New England ORM national economic contribution is significantly lower than the Pacific, Mountain, South Atlantic and East North Central census divisions that all generate total annual economic contributions of over \$60,000 million. These regions certainly have advantages contributing to the high revenue generated from outdoor recreation; the regions of the South Atlantic and Pacific have the advantage of warm weather year round, the Mountain region has the advantage of exceptional mountainous conditions for recreation, and the East North Central region has beautiful lakes. However, New England also has specific advantages that *should* cause high outdoor recreation revenue. New England, and more specifically Maine, has a seasonal climate with cold, snowy winters and hot, sunny summers. Through Maine's mountainous regions, lakes and rivers, a diverse landscape is available for recreation. These attributes allow for participation in all types of outdoor recreation; this raises a question as to why New England falls on the lower spectrum of generated revenue. Is Maine not utilizing its natural resources and perfect climate for all types of outdoor recreation? Over 75% of Americans participate in outdoor recreation annually, so it should not be difficult finding participants in Maine. This analysis later looks into paddling specific to New England, and this provides more promising information regarding the development of a canoe and kayak business in the New England area (Outdoor Industry Foundation et al., 6-7).

*Graphs below are used to compare paddling to other outdoor recreation activities in the United States, and to look closely at paddling in New England compared to other census divisions. The graphs also address why certain activities are chosen over others in terms of household income.*

Graph #6 below depicts the percent of the total population within each census division participating in paddling. New England generates the highest participation rate with 14% of its population. 14% represents about 1.6 million paddling participants in New England. Clearly, paddling is the most popular in New England and this is promising to the opening of a new business since it guarantees some interest and demonstrates a high demand. If New England outdoor recreation activity is looked at in general, according to Graph #7 below, paddling falls short in popularity compared to other activities. Paddle-based activities rank sixth in popularity in New England out of the eight outdoor recreation activities; 14% of the population participates in paddling annually. Wildlife viewing nets 45% and trail-based activities net 28% of the New England population. This implies that New Englanders tend to choose certain outdoor recreation activities over paddling. The graph shows activities that generate less overall costs have higher participation rates. This means that people have the incentive to choose trail-based activities over paddling simply because it costs less. These participation rates and costs are detrimental to the start of a business (Outdoor Industry Foundation et al., 19).

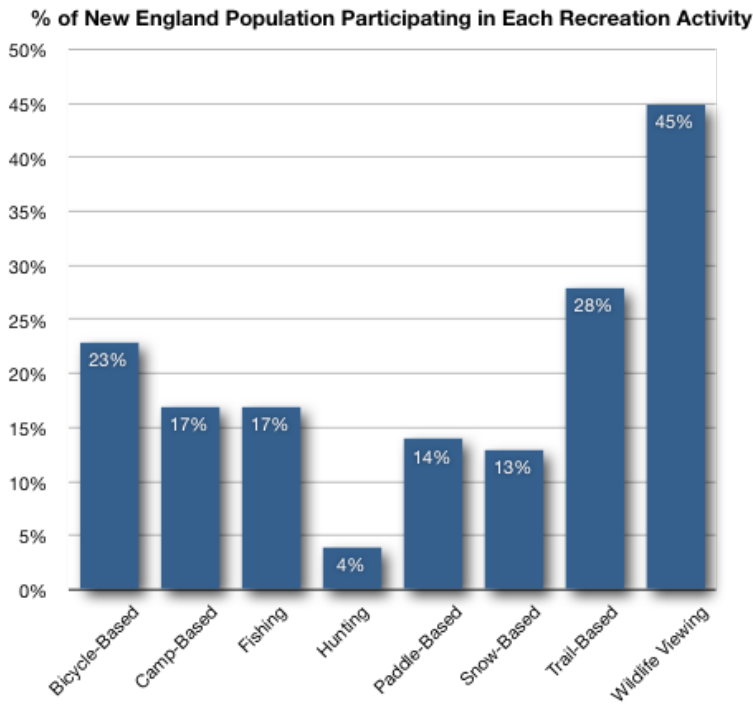
There is a need to look into participation rates based on income. Graph #8 examines the 2010 participation rate based on household income for the overall Outdoor Recreation Market in the U.S. This graph doesn't seem to show a strong correlation between income and participation rates and is extremely volatile. The lowest household income block of under \$25,000 per year has a participation rate noticeably lower than the highest household income block of over \$100,000 per year. The three household income blocks in between have decreasing participation rates as income becomes higher. It is inferred from this graph that people with a household income above \$100,000 are more likely to participate in outdoor recreation activities because they have more money to spend (Outdoor Foundation, 7).

**Graph #6**



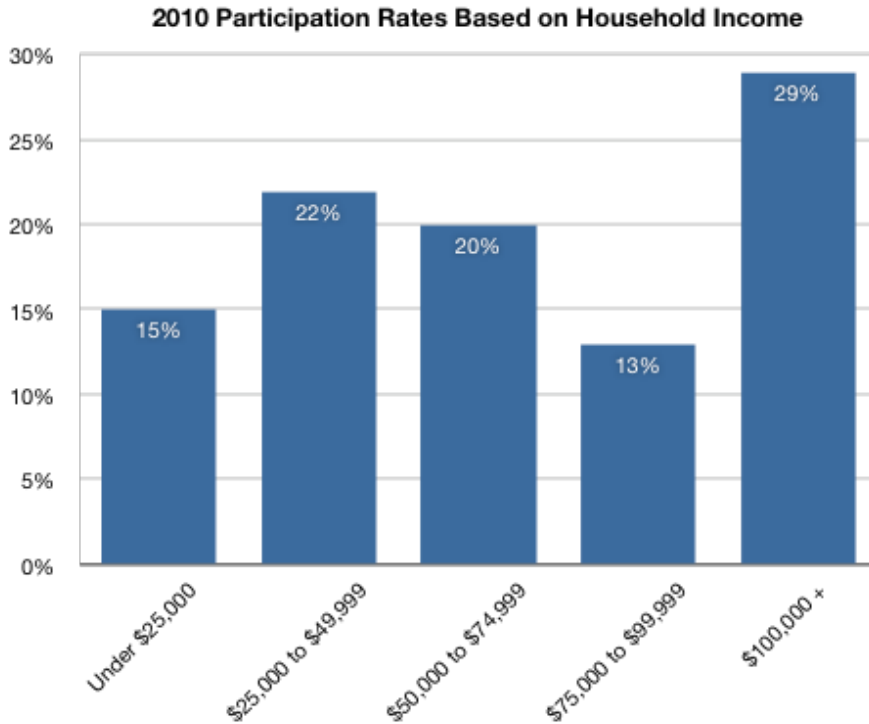
(Outdoor Industry Foundation et al., 19).

**Graph #7**



(Outdoor Industry Foundation et al., 19).

**Graph #8**



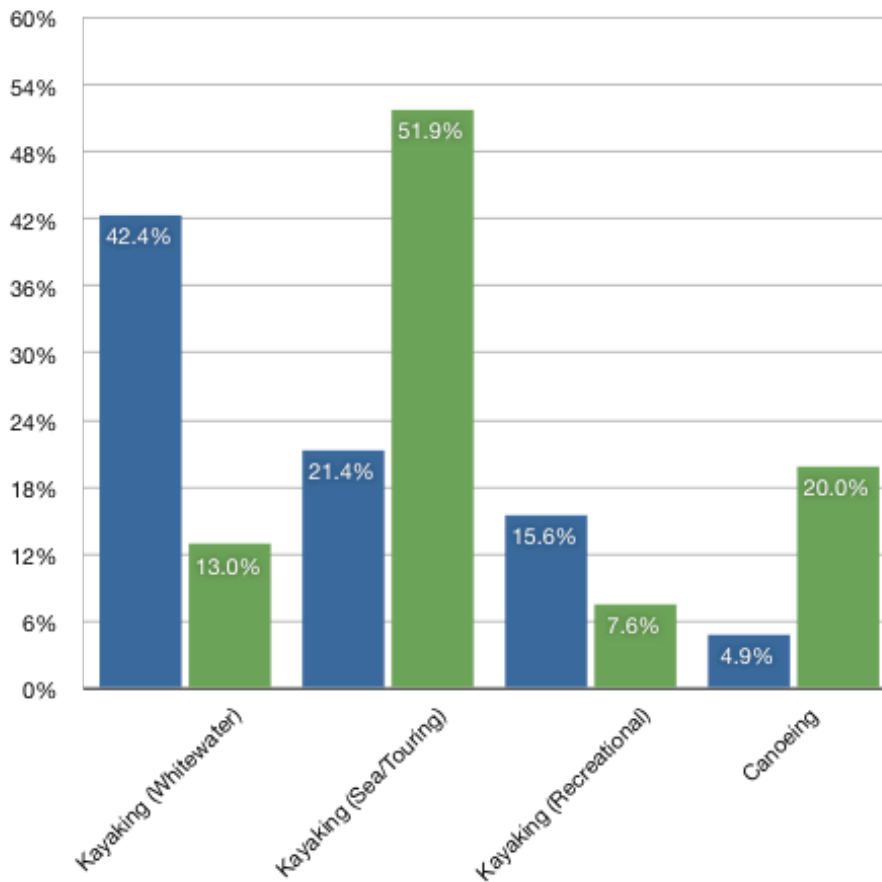
(Outdoor Foundation, 7).

Graph #9 below looks at the overall participation increase in kayaking and canoeing for both a one year and three year period for youth ages 6 to 24 in the United States. This age group is used because it represents the largest growth out of all age groups. Recreation is growing fast in popularity among the youth population. Kayaking is divided into three categories that include: whitewater, sea/touring and recreational. It is evident that kayaking and canoeing have increased in participation in the last three years. Whitewater kayaking shows a 42.4% increase in the past three years and sea/touring kayaking shows a 51.9% increase in the past year. This 51.9% increase is extremely high and shows that people are participating more in kayaking tours. This is promising to a business entering the market looking to provide tours and gain profit. This increased participation guarantees revenue generated from tours. Overall, participation is increasing by over 7% in the last year for all activities. This shows the demand for paddling is significantly growing in the U.S., and a new business looking to enter the market is guaranteed to generate a profit (Outdoor Foundation, 6).



### Graph #9

Youth (Ages 6-24) Participation Increase in Kayak & Canoe Activities



-Blue: One Year Period; Green: Three Year Period  
(Outdoor Foundation, 6).

Graph #10 below depicts the overall participation growth for four activities from 2006 to 2010. The graph looks at people ages 6 and over in the U.S. and displays the number of participants in thousands. All four activities show a constant trend of increased participation since 2006. The overall growth rates according to Graph #10 for each activity over the five-year period are provided below (Outdoor Foundation, 8).

#### Growth Rates:

Canoeing: 15.28%

Kayaking (Recreational): 56.39%

Kayaking (Sea/Touring): 88.73%

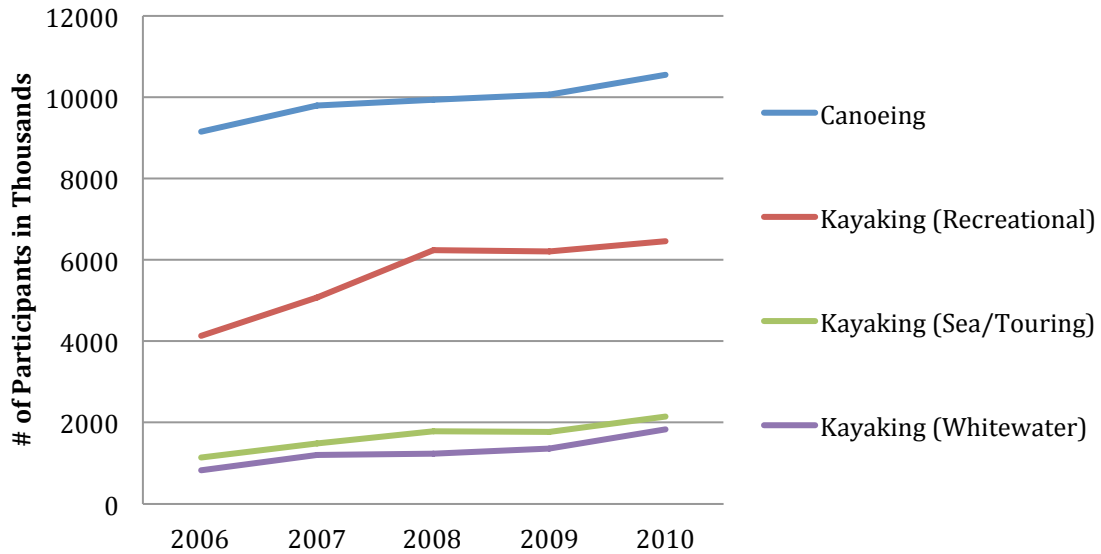
Kayaking (Whitewater): 122.46%

These growth rates are substantial and promising for a new business. The overall increase in participation among all four categories is extremely promising because it shows there is interest and paddling is increasing in popularity. If more people are participating, they will start to encourage their friends and families to participate.

Overall, the paddling market shows an increase in participants and promising growth rates. It can be expected the market will continue to increase over the next five years and follow the same trend it has since 2006 (Outdoor Foundation, 8).

**Graph #10**

**Total # of Participants by Activity Since 2006  
(Ages 6+)**



(Outdoor Foundation, 8).

*Summary*

This analysis shows that the market for paddling, and more specifically canoeing and kayaking in New England is promising. The Outdoor Recreation Market in the U.S. is growing fast and participation rates are increasing steadily. The growth rate for the adventure sport market (including paddling) in 2010 alone was at 3.48%. This is considerably high considering the economic stagnation of the U.S. at the time. The Outdoor Recreation Market continues to grow every year in every activity, and it continues to annually generate billions of dollars into the U.S. economy. Paddling is most popular in New England among all the census divisions, but ranks in the middle among what New Englanders tend to prefer for outdoor recreation activities. Paddling also contributes the least to New England’s economy compared to all other outdoor recreation activities since it has a lower participation rate in New England compared to other outdoor recreation activities. New Englanders certainly prefer outdoor recreation activities such as wildlife viewing and trail-based activities over paddling since they cost less. However, 14% of New England’s population does participate in paddle-based activities and this is the highest rate among all census divisions; a paddling business will be most successful if implemented in New England. The growth rates for canoeing and

kayaking in the U.S. are substantial over the last three years and more specifically the last year; it is concluded there is an increasing and currently high demand for paddling in New England (Outdoor Industry Foundation et al., 1-20) (Outdoor Foundation, 1-10).

In general, paddling is not the most popular form of outdoor recreation in New England; however its overall growth rate is extremely high with a great increase in participants each year. The growth rate for paddling should continue to increase steadily each year as it has since 2006. This projected growth and increase in popularity is extremely promising to a business for canoeing and kayaking looking to enter the market (Outdoor Industry Foundation et al., 1-20) (Outdoor Foundation, 1-10).

### **The Canoe and Kayak Market on the Androscoggin River: Specific to the LA Community**

*This section uses a survey conducted by the Androscoggin Land Trust (ALT) to determine the demand of the market specific to the LA community. The survey was sent out on October 10 of 2011 to ALT's list of over 1,200 contacts in the LA community. The respondents had three weeks to complete the survey. The survey was sent out by email and was provided through an online application that ALT uses. ALT has a program that generates survey results automatically. The survey was quick and easy, and was completed online by checking answers to seven questions. Although the sample chosen does not account for the whole population of Lewiston, it still generated significant results and described the market demand well. However, the survey was biased and only had 23 respondents. We can still use this data to gain a general idea of the overall interest in the community since the results are significant in terms of the specific market. The survey and a brief analysis are provided below (Androscoggin Land Trust, 1-2, 2011).*

**Overall Survey Results:**

**Androscoggin Land Trust Survey**

1 **Have you ever canoed or kayaked on the Androscoggin River?**

---

Answer	0%	100%	Number of Responses	Response Ratio
Yes			14	63.6%
No			8	36.3%
No Responses			0	0.0%
<b>Totals</b>			<b>22</b>	<b>100%</b>

2 **If there were canoes and kayaks available for public use on the Androscoggin River would you use them?**

---

Answer	0%	100%	Number of Responses	Response Ratio
Yes			15	68.1%
No			7	31.8%
No Responses			0	0.0%
<b>Totals</b>			<b>22</b>	<b>100%</b>

3 **Only if you answered “No” to question #2 please check all that applies below for reasons for your disinterest. Then please skip to question #6.**

---

Answer	0%	100%	Number of Responses	Response Ratio
Don't have enough time			1	14.2%
Paddling would be too expensive			1	14.2%
Water quality in the Androscoggin River			0	0.0%

Don't have enough experience		0	0.0%
Lack of resources		0	0.0%
Other		6	85.7%
<b>Totals</b>		<b>7</b>	<b>100%</b>

- 4 **If you answered “Yes” to question #2 how often would you use the available canoes and kayaks in one season? (Assume the recreational season is from May 1st to October 1st)**

<b>Answer</b>	0%	100%	<b>Number of Responses</b>	<b>Response Ratio</b>
Once in the season			5	22.7%
Twice in the season			5	22.7%
Three times in the season			1	4.5%
Four or more times			4	18.1%
No Responses			7	31.8%
<b>Totals</b>			<b>22</b>	<b>100%</b>

- 5 **If you answered “Yes” to question #2 check all that applies for why you would use the available canoes and kayaks.**

<b>Answer</b>	0%	100%	<b>Number of Responses</b>	<b>Response Ratio</b>
Company/business outing			2	13.3%
Spending time with family and friends			9	60.0%
Outdoor Education			6	40.0%
Renting for an event			2	13.3%
Exercise			12	80.0%
Natural experience/desire to connect with river			10	66.6%

Other		3	20.0%
<b>Totals</b>		<b>15</b>	<b>100%</b>

6

What types of kayaking and canoeing events would be most appealing to you? Please check all that apply.

Answer	0%	100%	Number of Responses	Response Ratio
Canal and Mill tours			18	85.7%
Kayak & Canoe races			4	19.0%
Family fun days			7	33.3%
Guided trips			13	61.9%
Unguided rentals			13	61.9%
Moonlight paddles			14	66.6%
Other			2	9.5%
<b>Totals</b>			<b>21</b>	<b>100%</b>

7

Do you think the Androscoggin River is safe to swim in?

Answer	0%	100%	Number of Responses	Response Ratio
Yes			9	40.9%
No			13	59.0%
No Responses			0	0.0%
<b>Totals</b>			<b>22</b>	<b>100%</b>

(Androscoggin Land Trust, 1-2, 2011).

### **Analysis of the Androscoggin Land Trust Survey**

Although this survey only had 23 respondents, the information it provides is extremely useful in analyzing the specific market in the LA community. Since the survey was biased and only sampled Androscoggin Land Trust members, we do take into account the fact it is unrepresentative of the whole Lewiston/Auburn population. However, we still provide information regarding the survey results to show there are people with interest. From this survey, we may infer the results represent the rest of the LA community. 63.3% of the respondents had kayaked or canoed on the Androscoggin River before, and 68.1% said they would use canoes and kayaks if they were available for use on the river. The general consensus for why the remaining 31.8% wasn't interested was mostly because of time and money. The results also show that people would use the canoes and kayaks for a wide variety of reasons, and 18.1% of interested users said they would use the canoes and kayaks four or more times during a season. The survey also asked about the opinion of the quality of the river, in which 59% said it was not safe to swim in. This could potentially affect the overall market demand; however, interest was so high according to the second question that the affect would not be great. Overall, this survey shows there is a significantly high demand in the LA community for canoeing and kayaking on the river. A new business would be successful and have frequent users (Androscoggin Land Trust, 1-2, 2011).

### **Analysis of Potential Competitors**

*Below is an analysis of potential competitors for a canoe and kayak business on the Androscoggin River in the LA area. A look into how these competitors may benefit the new business is provided.*

#### **Bethel Outdoor Adventure and Camp Ground**

121 Mayville Rd

Bethel, Maine 04217

[http://www.betheloutdooradventure.com/kayak\\_1.htm](http://www.betheloutdooradventure.com/kayak_1.htm)

Bethel Outdoor Adventure and Camp Ground provides a variety of products and is based in Bethel, Maine. The Company offers canoe and kayak trips, rentals and sales, as well as a campground for RVs, trailers and tents right next to the Androscoggin River. The Company offers bicycle rentals for adventures along trails next to the Androscoggin River, as well as fishing trips. The Company uses its own resources as well as guides from the local area to offer a reliable guide service for the following: kayaking, canoeing, climbing, fishing, hiking, pontoon boat trips and snowmobiling. Bethel Outdoor Adventure provides a unique service of team building for any of the above activities; it helps build teamwork and strength among a group of people. The Campground is just a half-mile from downtown Bethel, Maine and offers a perfect site for a canoe and kayak adventure with family or friends. They also have the site open during the winter and are only five miles from Sunday River for people who are interested in winter recreation. They have one administrative building that contains rental equipment and sale items. They also offering catering services if visitors want a certain meal for a specific occasion.

People are able to come for long trips, enjoy the town of Bethel, and enjoy the Androscoggin River. The canoe and kayak products are advanced. Their guides are well trained and knowledgeable about the Androscoggin River and nearby rivers. Their two-hour kayak and canoe clinics are very popular. As guides, they aim to teach everyone and focus on beginner levels. (Bethel Outdoor Adventure and Camp Ground, 1).

For rentals they offer a shuttle service that takes the renters up the river to paddle back down to Bethel Outdoor Adventure. Customers have a choice of renting for a full day, half day or one hour. One hour rentals cost \$25 per canoe and kayak (this price is analyzed later in the report to help determine an estimated price range for rentals). Rentals come with all the necessary gear as well as a full navigation set so it is easy for people to find their way around the Androscoggin River. The Company also sells canoes, kayaks and necessary gear. They offer special packages that include gear, a boat and a clinic to get people familiar with the activity. Another important aspect of this Company is that it sells all of its kayaks and canoes at the end of each season (Bethel Outdoor Adventure and Camp Ground, 1).

**Analysis:** This is great competition for a new business in the LA community. Bethel Outdoor Adventure offers a variety of choice for its customers. It has a wide variety of outdoor recreation options that occur year round. Overnight trips, camping, lodging, rentals, equipment and tours are all available. It also has the advantage of the nearby ski resort of Sunday River and a well-developed town. The business seems to provide everything necessary to have an enjoyable adventure trip. The fact that there is a shuttle for transportation to put-in areas along the Androscoggin River makes the business even more of a competition. A new business in the LA community will have to think of ways to compete and create a competitive advantage over companies similar to Bethel Outdoor Adventure. We do take into account that this Company's clients consist mostly of tourists rather than local community members, and therefore it is not exactly comparable to the new business in terms of clientele. We still analyze ways in which the new business could compete with similar companies to Bethel Outdoor Adventure. The first option would be to use the area of LA to provide overnight packages; it could offer a service that arranges adventure trips that includes meals, lodging and guided tours. The second option would be to advertise the fact that the LA community is an old mill town with a great opportunity to learn. Scenic mill tours could be offered. This is a competitive advantage over Bethel Outdoor Adventure since they do not have the opportunity to educate about mills and the vast history of the LA community. The new business could also take advantage of the used canoe and kayak sale at the end of each season. It could purchase old boats at lower prices to offer for rent on the Androscoggin. Overall, this business is a competitor, however, it is located far up the river and with the correct products, a new LA business can compete (Bethel Outdoor Adventure and Camp Ground, 1).



**Northern Waters, Inc.**

PO Box 120

Errol, NH 03579

<http://www.beoutside.com/kayak.html>

Northern Waters, Inc. is located in Errol, New Hampshire right on the Androscoggin River. The Company offers kayak, canoe, rafting and pontoon boat services. It provides canoe and kayak rentals and trips. It offers canoe and kayak rentals for \$25 per hour, with a \$4.50 increase on July and August weekends (this price is analyzed later in the report to help determine an estimated price range for rentals). The location is right where the Androscoggin River meets connecting rivers and lakes, and customers have the opportunities to experience whitewater. Camping is available with showers and a recreation hall right at the site. There is also a nearby motel, restaurant and store. Guided tours are available for whitewater kayaking and rafting. They also provide fishing and wildlife canoe and kayak tours. They provide shuttle services to destination paddling areas, necessary equipment, and river navigation equipment that is all available at their outfitting store. The outfitting store provides a variety of equipment, which includes both old and new products, and imports their products from the Companies of Mad River, Wave Sport and Dagger. They help people plan their trips before arrival. They also have a canoe and kayak school. Northern Waters, Inc. has a well trained staff that teaches the techniques and skills necessary to become a good paddler. Customers have the option of programs anywhere from two to four days long, and programs are available for all levels from beginner to advanced paddlers. The courses offer whitewater paddling and are three-hour sessions (Northern Waters, Inc., 1).

**Analysis:** Northern Waters is competition, however, not great competition because it is located in New Hampshire. The business does use the Androscoggin River; however, and provides a diverse set of rentals, equipment and tours. It also has the option for camping and overnight packages. Its outfitting store is well-developed with a variety of products, and the kayak school does give it a great advantage. A new business in the LA community could easily compete with this by offering similar products. Offering rentals, equipment and tours will allow it to compete because the two businesses would be on different ends of the Androscoggin River. People are going to choose between the two states based on location, not necessarily based on products (Northern Waters, Inc., 1).

**Sun Valley Sports & Guide Service**

129 Sunday River Road

Bethel, Maine 04217

<http://sunvalleysports.com/blog/2009/01/23/maine-kayak-rentals/>

Sun Valley Sports is located in Bethel, Maine and offers services for the Androscoggin and Magalloway Rivers. The Company offers canoeing, kayaking, and fly fishing services

during the spring and summer, and snow shoeing, snowmobiling, downhill and cross-country skiing services in collaboration with Sunday River ski resort in the winter. The Company provides a variety of rentals such as snowmobile, ATV, kayak and canoe rentals. They provide a diverse selection of kayak and canoe rentals, as well as equipment and necessary information for navigation and destinations of the best places to put in boats. One hour rentals cost \$25 per canoe and kayak (this price is analyzed later in the report to help determine an estimated price range for rentals). They also offer guided tours for fly-fishing and educational wildlife viewing. Fly-fishing has many options for tours that include a multi-day guided tour. They provide professional services for fly-fishing, fishing for trout, and fly-fishing in rapids. The Company's store provides a variety of products for fishing, especially Orvis products. They have a number of certified guides available. Tours and rentals are available in several packages such as full day or half day. Sun Valley Sports has the advantage of working with nearby lodging sites and the nearby ski resort of Sunday River. This allows them to provide packages in collaboration with the ski resort such as golfing and fly fishing packages. They also provide their adventure trips on the Mountain of Sunday River during the winter. The local lodging sites allow for people to spend more than just a day in Bethel, and enjoy longer recreation trips (Sun Valley Sports & Guide Service, 1).

**Analysis:** Sun Valley Sports & Guide Service has many advantages. It is able to use the nearby ski resort for its resources, lodging and its customers. It has a well-developed store with a variety of products, equipment and rentals. It offers a diverse package of adventure trips with all kinds of outdoor recreation. They also have very experience guides and run all year long with winter and summer recreation offerings. This business is competition because it offers trips, rentals, sales and camping on the Androscoggin River and it is also right next to a well-developed area and ski resort. The challenge faced by a new canoe and kayak business looking to enter the market in the LA community is how to convince customers to come to the LA community rather than Bethel? Tourists visit Bethel, Maine for the outdoor adventure and wide variety of recreation activities offered in the area. Canoeing and kayaking is certainly not a reason why tourists come to the LA area, and tourism in the LA area is minimal. A new business will have to focus on local clients rather than tourists, until the area of LA is improved economically and aesthetically. There are ideas however, in how to encourage tourists to visit the LA area. Bethel offers overnight trips and camping trips, so people choosing the LA community instead may need overnight accommodations. The new business could have a service that provides a package deal that sets up lodging arrangements in the LA community. Perhaps a guide could arrange and plan a whole adventure trip that integrates the LA community just as the Bethel community is integrated in Sun Valley Sports' adventure trips. The new LA business could also collaborate with this guide service and encourage people to rent from the LA business while using guides from Sun Valley Sports. There is competition; however, with the correct collaboration and implementation of the business, it is in a great spot to compete (Sun Valley Sports & Guide Service, 1)

### **Mountain Ranger Guide Service**

Sandy MacGregor

Registered Maine Master Guide

1094 Rte 2

Rumford, ME 04276

<http://www.mountainranger.com/>

Mountain Ranger Guide Service is available in the states of Maine and New Hampshire. The service is offered by Sandy MacGregor who used to work as a guide at Orvis. He offers wildlife and outdoor expertise during his guided tours. Tours can be for family, friends and individuals and included: kayaking, hunting and fishing. His guide services are available for all lake and river areas of Maine and New Hampshire. Sandy MacGregor provides trips for all ages, sizes and groups. He organizes trips for people by setting up lodging, recreation adventures, and meals. He offers kayak adventure trips from a time span of one day to a full week on either the Androscoggin River or the Aziscohos Lakes. The Androscoggin trips are focused mostly on educational wildlife viewing. He is a well trained paddler and a great teacher with 35 years of experience. He sells two types of wooden kayaks that he hand crafts: the MARIAH and the GREENLANDER. These are sold for \$2500. He does not provide rentals for people looking to participate in the adventure trips (Mountain Ranger Guide Service, 1).

**Analysis:** This guide service could be used for a business going in on the Androscoggin River. Sandy MacGregor seems to have great knowledge about paddling and wildlife, especially along the Androscoggin River. He does not provide rental services, so collaboration with a new rental business along the river would benefit both parties. His package deals seem extremely reliable; he organizes full adventure trips for families and encourages them to stay for long periods of time in the local Maine area. His kayaks for sale are not competition because the price is extremely high. He however, does not offer canoe trip services. A new kayak business in the LA area would benefit from collaboration with this guide service. Sandy MacGregor could encourage people to stay in the LA area during their adventure trips, as well as encourage people to use the new business' rental services. His phone number is (207) 221-0798 and his email is [mtranger@roadrunner.com](mailto:mtranger@roadrunner.com) (Mountain Ranger Guide Service, 1).

### **Antlers, Anglers and Adventure LLC**

186 Mayville Rd

Bethel, ME 04217

<http://www.antlersnangers.com/>

Antlers, Anglers and Adventure LLC is located in Bethel, Maine and provides a year long guide service on the Androscoggin, Magalloway and Rapid Rivers. It offers services on the Androscoggin from Errol, New Hampshire to Rumford, Maine. The Company offers guide services for fly-fishing, hunting, hiking and snowmobile trips. It also provides

fishing lessons, and overnight camping trips. The Company provides a rental service for canoe and kayaks at its Bethel location (Antlers, Anglers and Adventure LLC, 1).

**Analysis:** This Company is not extreme competition to a new canoe and kayak business on the Androscoggin River. It is located a good distance away from the LA area, and mostly focuses on fishing and hunting. They have canoe and kayak rentals; however, they encourage fishing trips without these boats and therefore discourage rentals. This may be a good business to leverage about rental prices and success (Antlers, Anglers and Adventure LLC, 1).

## Funding

### *Estimated Start-Up Costs*

Lewiston/Auburn's estimated start-up cost without the cost of leasing the land will be \$11,760 (Parsons). As shown by the chart below, this price includes the following essential expenditures: 4 used canoes at \$1000 each, 2 used kayaks at \$500 each, 15 personal flotation devices (PFDs) at \$40 each, 13 paddles (9 for canoes and 4 for kayaking) at an average of \$20 each, a storage shed at \$5000, and miscellaneous equipment including maps, guides, and a building permit from the City of Lewiston at \$500. This final cost also includes disposable supplies Lewiston/Auburn Paddles will need such as paper and staff T-shirts.

#### Estimated Start-Up Costs for Lewiston/Auburn Paddles:

Item	Canoes	Kayaks	PFDs	Paddles	Canoe Rack	Storage Shed	Misc	Total
Quantity	4	2	15	13	1	1	n/a	n/a
Price	\$4000	\$1000	\$800	\$260	\$200	\$5000	\$500	\$11760

As previously stated, this stated total start-up cost does not include the price of leasing land for the storage site. Without this information, it is too early to determine exactly how much Lewiston/Auburn Paddles would charge customers to rent a boat. The price of the leased land will have a particularly significant impact on the total start-up cost (Woodard).

### *Future Operating Costs*

The operating costs for following seasons will be dependent upon several factors. For one, depending on the frequency of use of canoes, kayaks, and gear throughout the season, boats and gear may have to be replaced or repaired. To lower costs in future seasons, it is therefore important for employees of Lewiston/Auburn Paddles to be trained in proper care for boats and gear, and to promote the same behavior among customers.

In addition, depending on the demonstrated demand for Lewiston/Auburn Paddle's services after the first season, the project may also expand their services with new gear and services. In terms of gear, Lewiston/Auburn Paddles might expand the number of boats and gear, which will necessitate expanding storage facilities to the basement level of Gritty's. In addition, Lewiston/Auburn Paddles might add guided tours to their services. Those might include general ecological or industrial tours offered by a knowledgeable, local guide, and also more specialized tours that focus on interests such as mill life during the peak of the industrial period in Lewiston or bird watching. Finally, Lewiston/Auburn Paddles may implement infrastructure to allow for navigation in the

canals (LaBonte).

### *Community Involvement and Access*

Start-up and operating costs may also be lessened through community involvement. As other nonprofit outdoor recreation facilities have done in Maine, Lewiston/Auburn Paddles will reach out to community groups such as the Boy Scouts who may be interested in assisting with the construction of the storage facility and canoe rack (Woodard). Michael Auger of the ALT has extensive experience in such community outreach, and thus may play a critical role in reaching out to various potentially interested parties.

In the case that Lewiston/Auburn Paddles utilizes the off-site storage facility discussed above, community members will be allowed to store their personal canoes or kayaks in that facility for a small seasonal fee. In addition, if community members have canoes or kayaks of usable quality that they do not use often, they have the option of renting those boats out to Lewiston/Auburn Paddles customers. Lewiston/Auburn Paddles employees would record each time these loaned boats were used. For every rental, the boat owner would receive a small sum of money, which they could collect at the end of the season or whenever they chose to remove their boat from the storage facility. These rental options give the community greater ownership of this project and creates a low-cost option for offering a greater number of canoes and kayaks to customers.

### *Price of Rentals*

As a project that aims to increase community access to outdoor recreation, rates will be lower for members of the Lewiston/Auburn community. As a promotional incentive for the Androscoggin Land Trust, ALT members will be offered an additional discount. Based on how much various competitors charge, the respective community's average household incomes, and the increasing demand for canoe and kayak rentals, Lewiston/Auburn Paddles would charge from \$10 to \$14 per boat per hour. A next necessary step to determining the exact price within this range is to perform a willingness-to-pay survey that would both allow for profitability as well as affordability within the community. Average household incomes were examined in the communities of competing canoe and kayak rental operations to come up with this estimate. While competitors primarily target tourists, Lewiston/Auburn Paddles is unique in that its principle aim is to integrate community members. Because income data for these tourists is not available, the median household income of the competitor's communities is at this point the most reliable data available to estimate rental charge.

In analyzing the price of rentals of competitors, there are two main factors in deciding upon how much to charge Lewiston/Auburn Paddles customers: one being the non-profit versus for-profit model and the other being the median household income of the community where the rental operation resides. The first competitor considered is the Scarborough Marsh Audubon Center, located in Scarborough, Maine, which has a

median household income of \$56,491 (Census). They charge \$16 per hour per boat (Woodard). The next competitor is Bethel Outdoor Adventure located in Bethel, Maine, which has a median household income of \$33,803 and charges \$25 per hour per boat (Census; Parsons). Next is Sun Valley Sports, also located in Bethel, Maine, which charges \$25 per hour per boat (Census; "Sun Valley"). Finally, Northern Waters in Errol, New Hampshire has a median household income of \$35,625 and charges \$25 per hour per boat with a \$4.50 increase on weekends in July and August (Census; "Northern Waters, Inc."). Based on this 2000 Census data, Lewiston/Auburn is most economically comparable to Bethel and Errol: Lewiston has a median household income of \$29,191 and Auburn has a median household income of \$35,652. The large amount of tourism in the Bethel and Errol areas and for-profit models of these businesses, however, must be taken into account when compared to the Lewiston/Auburn context. Because Scarborough is the only non-profit competitor analyzed but has a significantly higher median household income, this competitor was relied upon to derive an upper limit to our price range of \$16. Both Lewiston and Auburn have median household incomes almost half of Scarborough's \$56,491, so we came up with a price range that is affordable to L/A community members. We therefore establish a price range from \$10-\$14 per hour for canoe and kayak rentals in the community due to the low level of tourism as well as low median household incomes compared to other areas.

### *Grant Opportunities*

In order to attain adequate start-up capital and an operating budget for Lewiston/Auburn Paddles, several grant options are available. The Androscoggin Land Trust's Director of Land Protection and Stewardship Michael Auger has experience applying for grants on behalf of the ALT, and would contribute his expertise to attaining funding for Lewiston/Auburn Paddles. By collaborating with the ALT, Lewiston/Auburn Paddles will expand their services to the community. This partnership may therefore increase both the ALT's and Lewiston/Auburn Paddles' candidacy for receiving grant funding.

The first viable grant option is through the Maine Community Development Block Grant Program ("Office of Community Development"). Under this program, the State of Maine receives a formula allocation of funding from the Department of Housing and Urban Development. The Department of Economic and Community Development then distributes the funding to eligible communities to support a variety of projects, including those that aim to promote downtown revitalization as well as economic development. This is a viable grant option, as Lewiston and Auburn are entitlement communities, and therefore can receive funding from this program (McBride & Miller). In the past, in fact, the program has awarded grants to Lewiston in 2003 and for two projects in 2008, as well as to Auburn in 2008. Relevant criteria for this grant includes having a direct benefit to low-income communities and creating economic opportunity, especially for persons who fall into a low-income wage category (McBride & Miller). In applying for this grant, therefore, the project's potential to create a significant

downtown attraction in the Lewiston/Auburn community as well as job and youth internship opportunities will be emphasized.

The Lewiston/Auburn Paddles project would also qualify for the Communities for Maine's Future (CMF) program ("Communities for Maine"). As with the Maine Community Development Block Grant Program, the funds through this program are also distributed through the Department of Economic and Community Development. Both Lewiston and Auburn would qualify for a piece of this \$3.5 billion bond initiative, as they are each communities with comprehensive downtown plans. This is a particularly viable grant option given the CMF program's criteria of projects that support a public purpose and that collaborate with non-profit partners ("Communities for Maine"). The fact that Lewiston/Auburn Paddles is a project of the non-profit Androscoggin Land Trust and one that aims to increase recreational opportunities to the community by charging reasonable rates makes it a viable candidate to receive funding from this program.

A third grant that could help to cover the start-up costs of Lewiston/Auburn Paddles includes one supported by the Edward H. Davis Benevolent Fund ("Edward H. Davis Benevolent Fund"). This fund seeks to support nonprofit organizations that benefit the greater Portland area. Grant awards range from \$700 to \$20,000, with average grant amounts at \$2,500, which would cover a significant part of the estimated start-up costs for Lewiston/Auburn Paddles. 47 percent of proposals received at least partial funding, thus making this grant a viable opportunity for Lewiston/Auburn Paddles. This grant looks for collaboration between nonprofits, thus again making Lewiston/Auburn Paddles' connection with the Androscoggin Land Trust an advantage.

A fourth grant option is through the Fund for Maine Land Conservation, which according to its website "...seeks to support projects that advance land conservation and strengthen the ability of land conservation organizations and entities to conserve land" ("Fund for Maine Land Conservation"). Grants may support new programs, such as Lewiston/Auburn Paddles, that will expand the capacity of land trusts to conserve. Lewiston/Auburn's collaboration with the ALT is mutually beneficial for several reasons, one being Lewiston/Auburn Paddles supports their goals of protecting natural areas through greater environmental awareness that outdoor recreation promotes (LaBonte). This list of grant opportunities is not exhaustive, but rather a valuable starting point to applying for grants that will potentially provide start-up capital as well as sustain Lewiston/Auburn Paddles' operating budget.

Because it is not certain how much funding Lewiston/Auburn Paddles will receive from grant funding, or how regularly, it is important to consider several potential financial scenarios for the project. Ideally, the start-up budget will be completely covered by grant funding. The ALT, however, may have to supplement start-up funds. If this were the case, ALT members could perhaps be recruited to join a campaign effort to collect private donations for the benefit of Lewiston/Auburn Paddles. Given the uncertainty of these scenarios, it is important to keep costs as low as possible in the first year to



minimize the risk of lacking funds for essential items. Once the first summer season has passed, it will be possible to assess what opportunities for expansion are possible.

### **Next Steps**

After presenting this business plan to the Androscoggin Land Trust and the Economic Development Office at the City of Auburn, these community partners helped identify focus areas that require further investigation and study.

- Develop guides for Industrial and Ecological Tours (the option for an Industrial and/or History Tour is extremely unique to the Lewiston/Auburn area. It fills a niche in the market that isn't offered by other competitors)
- Create a marketing and advertising plan
- Further investigate site feasibility
  - Zoning and site regulations such as 100 ft. flood plane level
  - Contemplate alternative storage space or seasonal dock which requires no permits
  - Be aware of vandalism issues (community involvement and sense of ownership can help diminish this issue)
  - Consider aesthetics and integration with surrounding buildings and environment (Lewiston/Auburn Paddles should not be an eye sore or visual obstruction to the natural scenery)
- Determine precise equipment because this will impact costs (boat rack, type of canoes/kayaks, etc.)
- Elicit partnership with other organizations (L.L. Bean, Boys Scouts, Central Maine Community College)
- Work toward getting a lease arrangement with the City of Lewiston and the City of Auburn (when presenting to city legislatures the business should have a solid idea of how much they can afford for a lease)
- Conduct a willingness-to-pay survey for Lewiston/Auburn residents regarding the cost of renting a canoe or kayak
- Perform an unbiased survey to estimate demand for a canoe/kayak operation in L/A with a sample that accounts for the whole L/A population
- Most importantly, continue to analyze costs so that business managers of Lewiston/Auburn paddles can prove their business will be successful, which is a necessity despite their non-profit status

## Annotated Bibliography

Androscoggin Land Trust. Auburn, ME. Fall 2011.

“Androscoggin Land Trust Survey.” *Androscoggin Land Trust*. Auburn, ME: October 2011.

This survey was used to understand the demand for canoes and kayaks on the Androscoggin River. It has seven questions that provide significant information for a new canoe and kayak business.

“Antlers, Anglers and Adventure LLC.” *Antlers, Anglers and Adventure LLC*. Web. 15 Nov. 2011. <<http://www.antlersnanglers.com/>>.

This website provides information about a competitor to the new business. It is a small rental business that focuses on fishing and hunting services. It is described and analyzed to determine how competitive it is.

*Auburn, ME Municipal Website*. Web. 5 Dec 2011.

“Bethel Outdoor Adventure and Camp Ground.” *Bethel Outdoor Adventure and Camp Ground* Web. 15 Nov. 2011. <[http://www.betheloutdooradventure.com/kayak\\_1.htm](http://www.betheloutdooradventure.com/kayak_1.htm)>.

This website provides information about a competitor for the new canoe and kayak business. This is used in the competitors section to show how a new business can compete with a competitive company with similar products.

“Business Plan for a Startup Business.” *Tulane University*. Web. 3 Oct. 2011. <<http://elvis.sob.tulane.edu/Documents/Uniandes/BPTemplate.pdf>>.

This provides a template of 31 pages describing how to conduct and format a business plan. It is an extremely detailed example of a startup business plan and outlines the basic sections. It includes several financial worksheets and a narrative. It provides over 150 questions one can use and should ask oneself before starting a business. A basis for how to research and plan a business is included. The fundamental sections it outlines in detail are: Executive Summary, General Company Description, Products and Services, Marketing Plan, Operational Plan, Management and Organization, Financial Statement, Startup Expenses and Capitalization, Financial Plan, Appendices, Refining the Plan and Market Analysis.

“Conduct a Market Analysis.” *Cultivatingsuccess.org*. Web. 3 Oct. 2011. 2009. <[http://www.cultivatingsuccess.org/instructors/SSFR%20Readings%202011/5.8\\_Market\\_Analysis.pdf](http://www.cultivatingsuccess.org/instructors/SSFR%20Readings%202011/5.8_Market_Analysis.pdf)>.

This essay outlines how to prepare a market analysis. It provides insight in how to prepare to enter a new market, analyze the current market, gain a competitive advantage and being to establish a marketing plan. The essay provides detailed sections of how to conduct the following: defining the problem, analysis of the situation, obtaining data that is specific to the problem, data analysis and interpretation, fostering ideas and problem solving, and marketing plan.

Holland, Thomas P. and Roger A. Ritvo. *Nonprofit Organizations: Principles and Practices*. New York: Columbia University Press, 2008. Print.

This is a valuable resource to understand the basic steps to establishing a nonprofit organization. In its chapter "Creating Effective Nonprofit Organizations," the authors outline the required components of a nonprofit given federal and state regulations. The book also provides compelling benefits and disadvantages to the nonprofit status, which is helpful in deciding whether our business plan would describe a for-profit or a nonprofit organization. Its expectations for creating a business plan will also help define a missions statement, goals, and objectives, as well as to define funding, expected expenditures, space, staffing and community support.

Ibrahim, Hilmi, and Kathleen A. Cordes. *Outdoor Recreation: Enrichment for a Lifetime*. Champaign: Sagamore Pub., 2008. Print.

Outdoor recreation provides background on many sectors of the industry. The book discusses foundations of outdoor recreation, local resources and recreation, and federal resources and recreation. Sections of interest include "The Economics of Tourism," "Regional and Local Economic Impacts," and "Semipublic Organization Resources." These sections will help inform the core business plan and market analysis.

"Kayak and Canoe Buyers' Guide." *Paddling.net, Inc.* Web. 15 Nov. 2011. <<http://www.paddling.net/buyersguide/>>.

This website provides important information regarding prices of canoes and kayaks. It also shows a wide price range for the variety of different products associated with canoeing and kayaking.

"Kayak Pittsburgh." *Kayak Pittsburgh*. N.p., n.d. Web. 3 Oct. 2011. <<http://www.kayakpittsburgh.org>>.

This is the website of Kayak Pittsburgh, a non-profit company that rents boats and does urban boating tours of Pittsburgh. The website provides locations and access hours for water bodies within the city, as well as offers tours of the

industrial water front. This site provides a wealth of information about a company that could provide a useful template for our project.

LaBonte, Jonathan. Personal interviews. Fall 2011.

McCool, Stephen, and Michael E. Patterson. "Tourism and Protected Area Planning." Ed. Lime. *Trends in Outdoor Recreation, Leisure and Tourism*. Ed. Gartner. New York: CABI, NY.

This book outlines various aspects of outdoor recreation from national trends to types of consumers to environmental impact of different recreational activities.

"Mountain Ranger Guide Service." *Mountain Ranger Guide Service*. Web. 15 Nov. 2011. <<http://www.mountainranger.com/>>.

This is a website that gives information about a competitor that provides guide services. It is discussed how this guide service could be an advantage if collaboration took place.

"Northern Waters, Inc." *Northern Waters, Inc.* Web. 15 Nov. 2011. <<http://www.beoutside.com/kayak.html>>.

This website describes a potential competitor and is used in the competition section of the analysis. It is looked at to show how a new business could compete with a company that also rents and provides tours.

"Outdoor Recreation Participation Topline Report 2011." *Outdoor Foundation*. Web. 3 Oct. 2011. <<http://www.outdoorfoundation.org>>

This article provides significant information for conducting the market analysis. Data is used from this to make graphs for the market analysis specific to paddling. This report looks into participation rates in paddling, as well as how household income affects the demand.

Parsons, Patti and Jeff. Personal interview. 26 October 2011.

Rounds, Jon. *Basic Canoeing: All the Skills and Gear You Need to Get Started*. Mechanicsburg: Stackpole Books, 2005. Print.

Rounds, Jon. *Basic Kayaking: All the Skills and Gear You Need to Get Started*. Mechanicsburg: Stackpole Books, 2005. Print.

As their titles suggest, these two books provide basic information regarding canoeing and kayaking. While they intended for beginning paddlers, their

comprehensive overview of the fundamentals of the sport, portaging, gear, and safety procedures is necessary to understand while developing a business plan for these types of recreation. The chapters on reading rivers will be particularly useful to mapping out the best put-ins and routes. The sections on gear will serve as a starting point to determining operating costs for our business, which is of course essential to writing our business plan as well as writing grant proposals.

"Sun Valley Sports & Guide Service." *Sun Valley Sports & Guide Service*. Web. 15 Nov. 2011. <<http://sunvalleysports.com/blog/2009/01/23/maine-kayak-rentals/>>.

This is a website that has information about a company that is a potential competitor of a new business on the river. This company is used to analyze how a new business could compete with a company that provides overnight packages, rentals, guide services, and has the advantage of a nearby ski resort.

"The Active Outdoor Recreation Economy: A \$730 Billion Annual Contribution to the U.S. Economy." *The Outdoor Foundation*. Outdoor Industry Foundation. Web. 3 Oct. 2011. <<http://www.outdoorindustry.org/research.php?action=detail&researchd=26>>.

The Active Outdoor Recreation Economy Report assesses the amount of national participation in outdoor recreation. The report reflects on the current economic status of the industry including participation breakdown by region, valuation of retail sales and ranking of most popular sports. Such economic background will help contextualize the standing of a local recreational boating business within a larger national industry. This information can be used to help predict the future interest and growth in the industry, which may also provide added leverage when asking organizations for funding.

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*Weather Channel*. Web. 5 Dec 2011.