

## **SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET**

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**ITEM NO:** D-1

**DATE:** March 25, 2010

**SUBJECT:** Reese Park Campground Feasibility Study

**CONTACT PERSON:** Deborah Knight, City Administrator

**ISSUE:**

The issue before the council is to consider a proposal to include campgrounds as a proposed recreation amenity in the Park and Recreation Open Space Plan (PROS Plan) and study the feasibility of developing a campground facility at Reese Park.

This proposal is recommended by Mayor Eslick to provide a much needed service to recreationists visiting the Sky Valley and encourage economic development in the Sultan community.

**STAFF RECOMMENDATION:**

1. Discuss adding campgrounds as a proposed recreation amenity in the PROS Plan and provide direction to staff.
2. Discuss funding a feasibility study of a campground facility at Reese Park, starting with a site suitability analysis, in 2010 or 2011.

Bob Droll, a recreation planner working as a sub-contractor on the city's PROS Plan will be at the meeting to answer council questions regarding the feasibility study. Mr. Droll has done similar studies for other cities. He is currently working with the City of Moses Lake on the Blue Heron campground.

**SUMMARY:**

The City of Sultan owns Reese Park a 32-acre facility on the west side of the Sultan River at 216 Old Owen Road. Park amenities include a baseball/soccer field, 2 picnic shelters and 1 restroom facility. There are primitive trails to the water's edge. Mayor Eslick is requesting the city council consider a proposal to build a tent and/or recreational vehicle (RV) campground at Reese Park.

Over 90% of the Reese Park is located within the 100 year floodway and the floodplain. Any facilities will be subject to the city's Shoreline Master Plan. Recreational facilities

such as campgrounds require a shoreline conditional use permit when consistent with the provisions of the Shoreline Master Program.

The city has an agreement with the Snohomish County PUD to reconnect the wetlands around the ball field in Reese Park. The PUD project may not interfere with ball field use. However, the PUD wetland restoration project may impact the usable land for a campground facility.

The following are some policy questions for the city council to consider during its discussion:

1. Should the city plan campground facilities as a future amenity in Sultan?
2. Should campground planning and construction costs be included in the PROS Plan and 2011 Comprehensive Plan Update as future park facilities? Including camping facilities in the PROS Plan is necessary for grant funding.
3. Should the city invest tax-payer dollars to perform a site suitability analysis and feasibility study of Reese Park in 2010 or 2011 to determine if a campground is physically and economically feasible at this location?
4. Should the city pursue planning, constructing, operating and maintaining a campground if there is a suitable site and the proposal is economically feasible?

## **DISCUSSION:**

Operating a municipal campground is similar to other enterprise fund activities such as the water treatment plant and cemetery. A campground is a business. Unlike some enterprise fund activities, such as water treatment, campgrounds are operated by both the public and private sector. In this case, the city would be competing with any privately operated campgrounds or RV parks in the region.

Before deciding to enter a new business venture there are a number of sequential steps the city should take and business decisions that must be made starting with a site suitability analysis. The analysis can be done as a stand-alone project or folded into to an overall feasibility study.

1. Perform a Site Suitability Analysis (est. \$7,500)
  - wetland delineation and report
  - floodplain elevations and analysis
  - design survey
  - site suitability mapping and analysis
  - Review by Client, if suitable, unencumbered is present then:
2. Campground Concept Design - to determine utilities, requirements, unit quantity, capital costs (est. \$7,500)

3. Economic Analysis (est. \$3,500)
  - Review by Client, if acceptable, then:
4. Development Options/Alternatives (est. \$4,500)
  - City can gain regulatory approval, then advertise for Design/Build/Operate Concessionaire, long term lease & perhaps % of gross
  - City can capitalize, design, permit, build and operate themselves
  - City can capitalize, design, permit and build themselves, hire Concessionaire to operate, mid-term lease and & perhaps % of gross

City staff have provided several attachments to aid the city council in its discussion:

Attachment A – City of Lowell RV Park Feasibility and Development Study

Attachment B – Campground and RV Park Feasibility

Attachment C – Campground Market Analysis

#### **FISCAL IMPACT:**

The city is currently working on the PROS Plan. The council approved a contract with PMC World for \$30,000 which includes a parks assessment by Mr. Droll. The city could incorporate camping as a recommended facility into the PROS Plan and 2011 Comprehensive Plan Update for no additional charge.

A decision to proceed forward with a site analysis in 2010 would require additional funding. There is \$65,000 in the park impact fund which is to support development of a community park on the plateau. The park improvement fund has \$3,600 identified for salaries; \$14,000 for the skate park entrance sign; and \$30,000 match for repetitive flood buy-outs.

#### **ALTERNATIVES:**

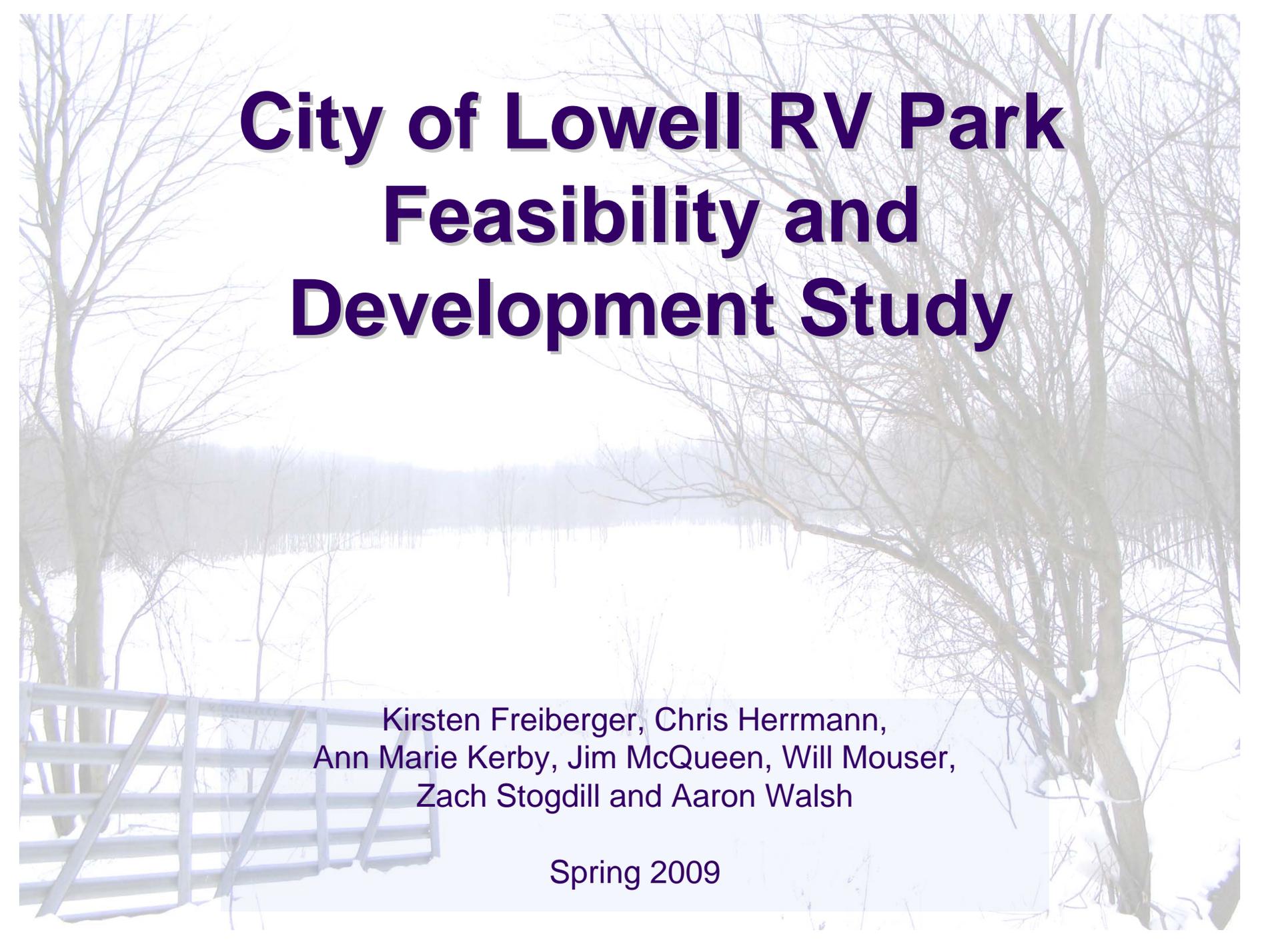
1. Discuss Mayor Eslick's proposal to provide a much needed service to recreationists visiting the Sky Valley and encourage economic development in the Sultan community. Provide direction on the council's interest in including camping as a recreation amenity on city property.
2. Discuss whether to pursue a site analysis of Reese Park as a campground facility at this time or wait and include a site analysis and feasibility study during 2011 budget discussions.
3. Do not discuss the proposal and direct the Mayor and staff to areas of concern.

**RECOMMENDED ACTION:**

1. Discuss adding campgrounds as a proposed recreation amenity in the PROS Plan and provide direction to staff.
2. Discuss funding a feasibility study of a campground facility at Reese Park, starting with a site suitability analysis, in 2010 or 2011.

**ATTACHMENT**

- A – City of Lowell RV Park Feasibility and Development Study
- B – Campground and RV Park Feasibility
- C – Campground Market Analysis



# **City of Lowell RV Park Feasibility and Development Study**

**Kirsten Freiberger, Chris Herrmann,  
Ann Marie Kerby, Jim McQueen, Will Mouser,  
Zach Stogdill and Aaron Walsh**

**Spring 2009**

# Outline



- I. Project Introduction
- II. Community Description
- III. Floodplain and Wetland Regulations
- IV. Feasibility Matrix
- V. Case Studies
- VI. Design Alternatives and Recommendation

# Scope of the Project:



- Partnered with:
  - Jim Hall, City of Lowell Parks and Recreation Chairman
  - Dave Pasquale, City of Lowell Manager
  - Carol Townsend, MSU Extension Educator
- Overall Goal of the Study:
  - Assess the viability of the Moose and Rogers Properties and to determine the best possible uses for those properties.





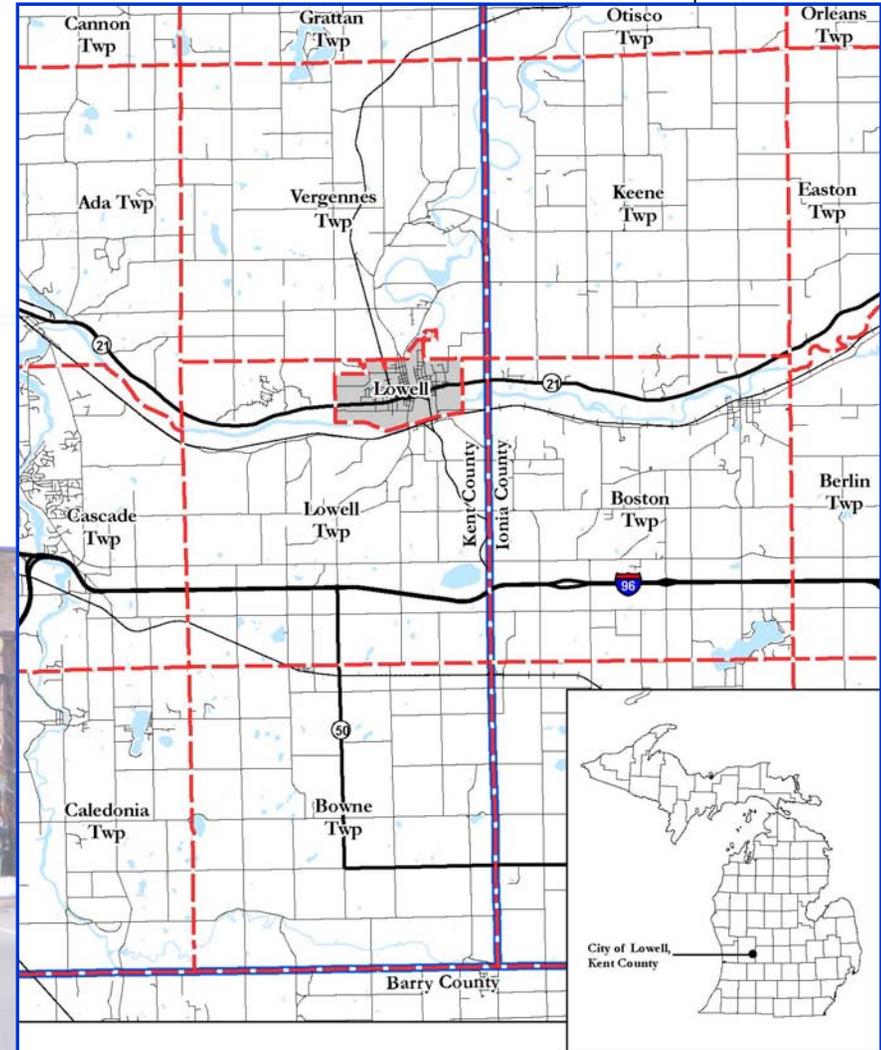
# Goals of the Study:

- To determine the **feasibility** of constructing a **Recreational Vehicle Park**.
- To suggest reasonable **alternatives** *if* an RV Park is **not feasible**.
- Provide accurate information that can be utilized by Lowell in the future to determine the project's overall **feasibility** and **viability**

# Background Information of Lowell, MI



- **Located in Kent County**, in close proximity to Grand Rapids
- Initially founded in 1829
- **Population : 4,013** (U.S. Census, 2000)
- Relies on **industry, small commercial business and agriculture**
- Robert E. Lee Show Boat, a tourist attraction
- **Kent County Fair**
- **Farmer's Market**
- Home to the **North Country Trail Association**



Regional Location Map

Data Source: Michigan Geographic Framework, Michigan Center for Geographic Information, Version 6a

0 1 2 Miles

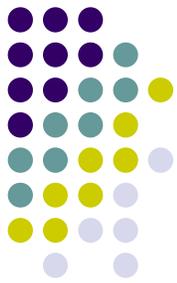
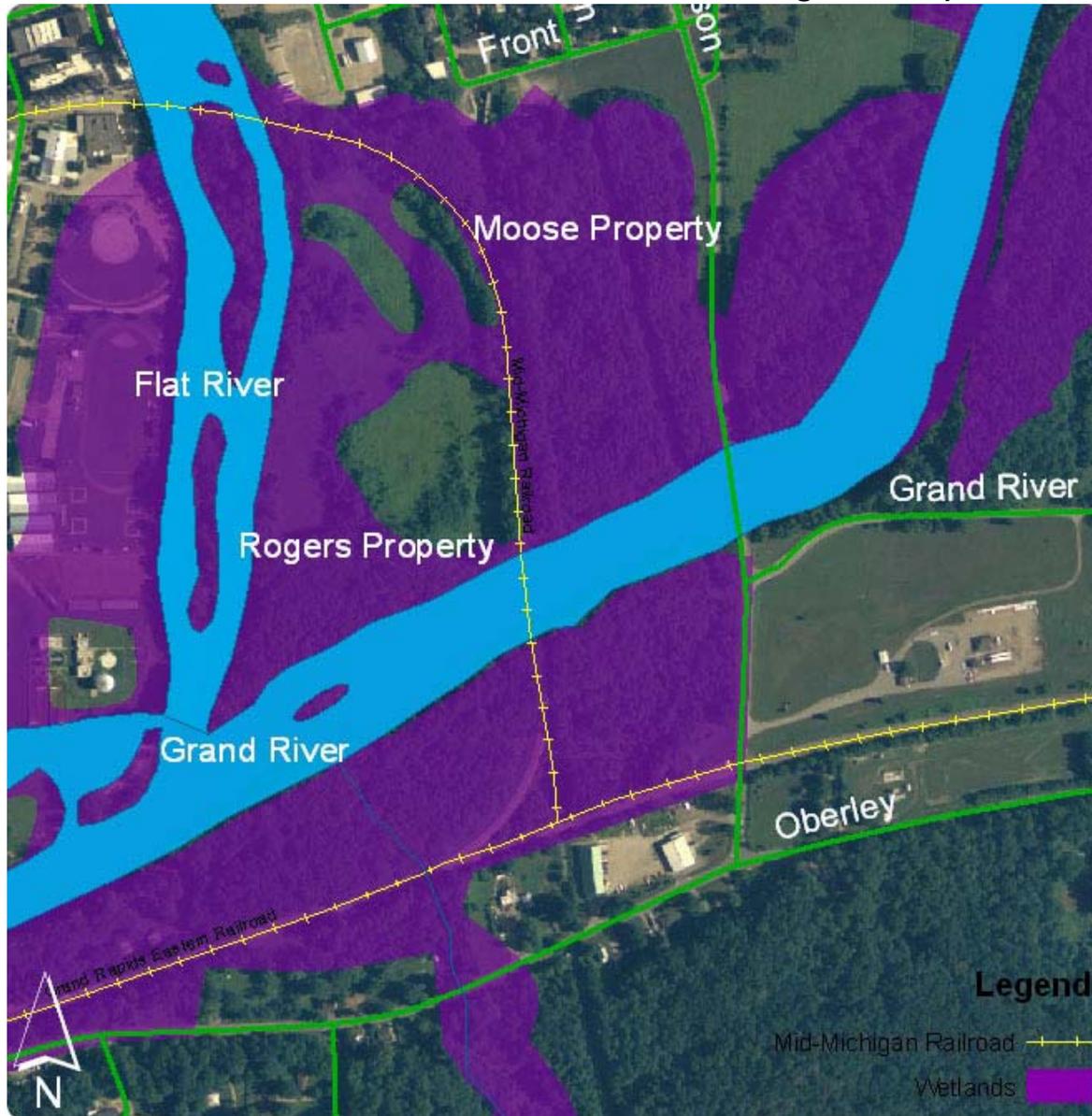
City of Lowell,  
Kent County, Michigan

# Site Information

- Moose and Rogers are City-Owned Properties which also includes several islands on the Flat River
- Located at the confluence of the Flat River and Grand River
- Within close walking distance to Downtown Lowell (Main Street)
- 33 acres total
  - Wooded wetlands
  - Railroad bisects the properties
  - Located in the 100-Year Floodplain and **Floodway**
    - Annual 6-10 feet of flooding in the Winter



# Extent of Wetlands on the Moose and Rogers Properties



# Business Amenities Analysis



- Business Amenities applicable to potential RV users analyzed for:
  - Alpena
  - Grand Haven
  - Ionia
  - Lowell
  - Manistee
  - Whitehall
- Criteria for the cities chosen was the location of campgrounds within 15 miles of the downtowns
- Source: MSU Research Team on the Economic Impacts of Recreation Tourism





# Amenities Analysis



- The table shows that Lowell in comparison to the other cities has minimal business amenities available to potential RV users
- However, Lowell does show an adequate number of Food Services & Drinking Places
- Recommend that Lowell reevaluate their downtown amenities to more readily support potential RV or campground users





# Potential Uses for the Site

- Recreational Vehicle Campground
- Primitive Camping
- Hiking Trails
- Temporary Camping
- Camping Cabins
- Pavilion-Educational Area
- Water Treatment Pond



# Criteria for Design Recommendations

- Feasibility
  - Floodplain, Wetlands, potential costs of construction
- Business Amenities
- Limited Regional Draw
  - Short term festivals
    - 4-H Fair
    - Farmer's Market



# Design Alternatives



- Design possibilities:
  - Trail way and welcome center (most basic)
  - Semi-modern camping
  - Tree house camping
  - RV Park (has the most limitations)

# Description of Welcome Center



- Central gathering place
- Attached pavilion to be utilized as an educational center and dining facility



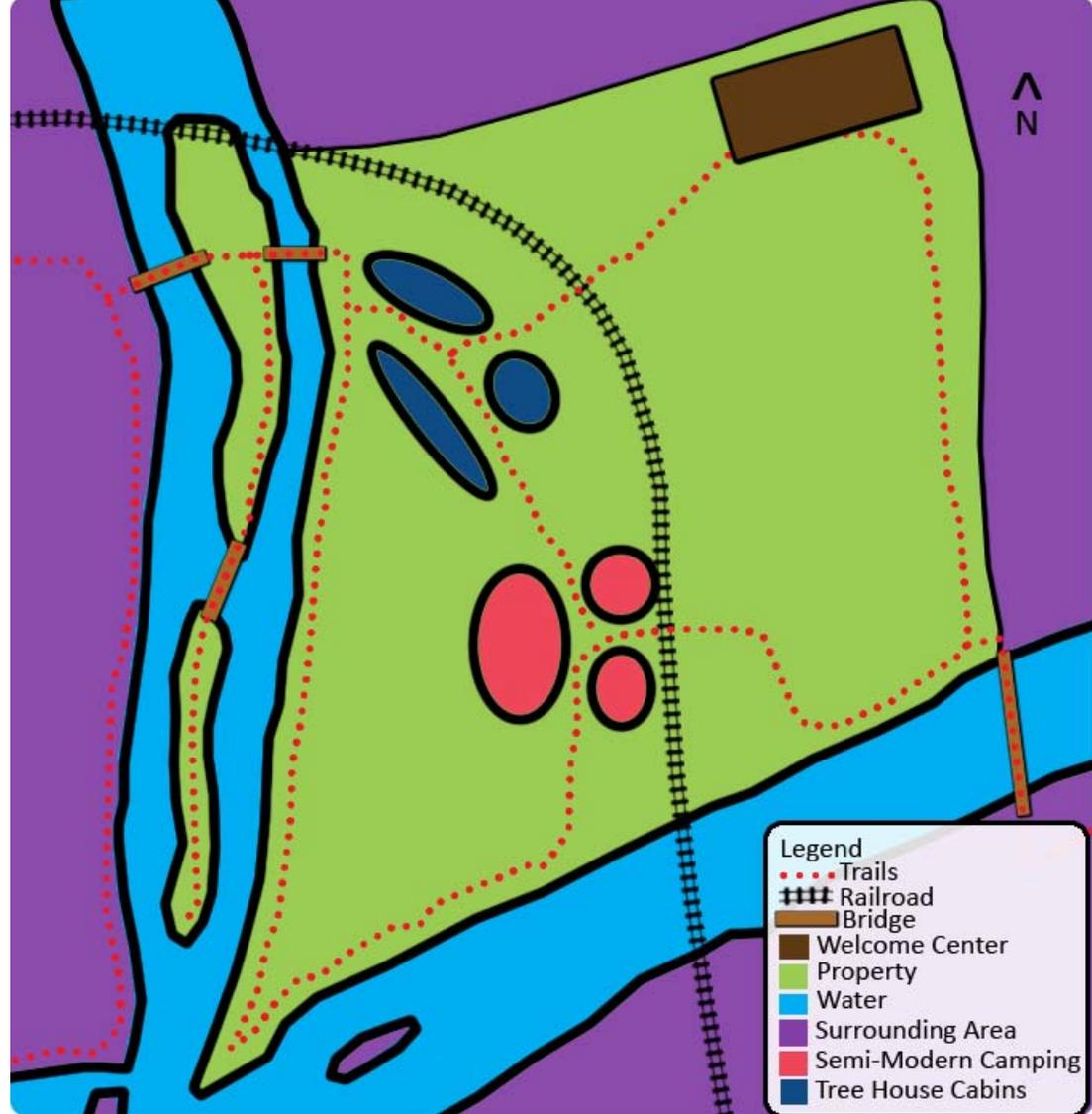
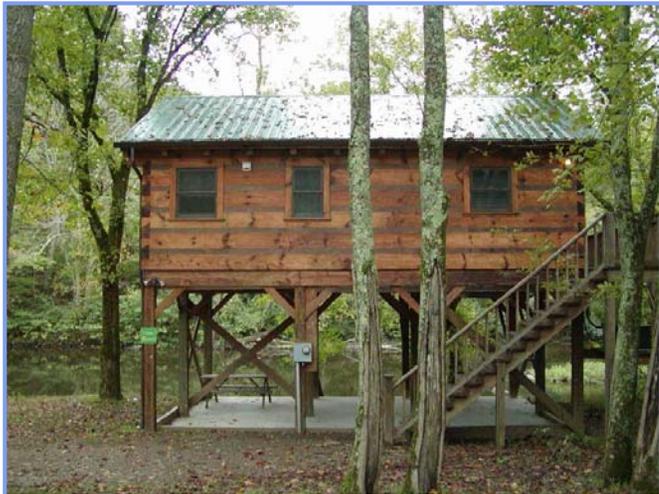
# Semi-Modern Camping

- Alternative to Primitive Campground which has more limitations
- Design layout of the campground avoids locating on wetlands
- Pathways built for walk-in sites



# Tree House Cabins

- Small, but growing market
- Built on steel or wood posts, rest from 8-12 ft above ground
- Amenities include restroom facilities, electric hookup, gravel/path roads



# RV Campground

- Most ambitious alternative for this site due to the amount of restrictions and obstacles
- Potential Operating Costs

## RV Park Amenities

- Shower/Restroom Facilities
- Electric Hook-up
- Gravel Paths/Roads

## Phases for Development

- **Phase 1:** *Develop a network of trails and roads through the property.*
- **Phase 2:** *Develop separate, individual campsites for RV's and tents.*
- **Phase 3:** *Develop full amenities for an RV park and campground.*





# Final Recommendation

- Create a Wetland Inventory and Wetland Ordinance
- Conduct Public Information Workshops
- Implement trail development in the first phase
- Construct a Welcome Center, 3-4 tree cabins and 25-30 walk-in sites in the second and third phases
- RV Park is plausible, but would be very costly

# Campground Market Analysis

Developing a business plan for an existing business or conducting a feasibility study for a new venture requires a thorough analysis of market conditions. Market conditions have a significant impact on your campground's profitability. The strength of local tourism activity affects how many sites you can sell and the rates that you can charge. This guidebook will help you analyze your market so that you can gauge your operation's potential and make more informed operating and investment decisions.

The following pages include a series of checklists to help you collect and analyze information as part of your campground market analysis. The checklists, tailored to the campground industry, will help you understand the many market factors that impact upon profitability. Information collected in your analysis is then used to predict future occupancy levels and rates.

## Types of Questions Answered

A market analysis will help you answer questions such as:

- What trends are occurring in the campground industry?
- How strong is local tourism activity?
- Who are my competitors and are they successful?
- What are the strengths and weaknesses of my location?
- What occupancy percentage and rates could I realistically achieve?

## Applications

This guidebook is designed to provide you with an industry-specific market analysis format that can be used in a feasibility study, business plan or marketing plan. It can also be used to analyze the market potential of an existing campground, an expansion or a new development.

Existing operators can use a market analysis to identify opportunities to improve sales. The analysis can provide valuable information on market conditions to help in forecasting and budgeting. It also provides a foundation for an effective marketing plan.

Prospective operators can utilize a market analysis to project sales volume for a campground. Through a careful market analysis, the campground operator is provided with essential information required by a business plan or feasibility study, and alerted to investment risks associated with a lodging operation.

Using your market analysis findings, you can estimate the financial potential of your venture by creating financial projections. Guidebooks and software for developing campground financial projections are available through University of Wisconsin-Cooperative Extension.

## Conducting Your Analysis

The sections that follow include data collection checklists and worksheets. While the section on projecting sales should be the final step, the other sections can be completed in any order. Remember that your efforts in studying the market will provide you with information to make better and more informed decisions.

### Market Analysis Components

- Industry Trends
- Location and Facility
- Area Characteristics
- Competition
- Knowing Your Customer
- Projecting Sales



# Staves Consulting RV Park and Campground Specialists

**Campground and RV Park Consulting and Information  
Feasibility, Design, Management and Marketing**

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Things to watch  
out for when  
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Staves Consulting  
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3191 Parkhill  
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**Bringing 30 years of campground expertise to your project.**

Staves Consulting serves as a resource for those planning on buying or building a campground or RV Park. Our expertise will also help your operation achieve superior profits.

Developing a campground or RV park is a complex project and decisions made in the early stages of the project can affect its long term viability.

<i>Feasibility</i>	<i>Design and Build</i>	<i>Manage and Market</i>
<p>Discover if your location is economically viable. Find a hidden market that isn't being served.</p> <p><b>Free Report</b> <b>The Myth of the Typical Campground.</b> Choosing the right campground type can improve your profits by several hundred thousand dollars per year!</p>	<p>There are many issues to consider regarding campground design or building an RV park. Our 30 years of experience in the field can give you a leg up.</p> <p><b>Free Report</b> <b>Take a Walk, Take Inventory or Take Care of It. 20</b> problems to watch out for when selecting a site or buying a campground.</p> <p><b>Free Plans and</b> printable copies of ANSI codes and electrical codes</p>	<p>Each month we cover a new topic to help keep your RV park and campground management on track.</p> <p><b>Tip of the Month:</b> <u>Northern Campgrounds</u></p> <p><u>Southern Campgrounds</u></p> <p><b>Quarterly Campground Management Topic:</b> Spring 2009: <u>Setting rates for maximum profit</u></p>

## **Our Philosophy is simple**

We believe that all aspects of the campground or RV park business should be guided by market research. Until you define the precise market you will be serving, it is impossible to design the right facility. Many of the answers to various campground construction problems can also be found by knowing who the ultimate market will be. It is also obvious that knowledge of the market is critical to all management and operating decisions. Therefore we strongly suggest that our services start with

research to identify all segments of the market to be served and to define their needs and wants.

We begin with a Needs Analysis that identifies your particular challenges. Once we agree on the objectives we will provide you with a comprehensive proposal that will:

1. Summarize the agreed upon objectives.
2. Provide you with several options to enable you to reach the desired results.

Our Services include:

**Park Feasibility Studies** - More than just a site location study, this involves the gathering and analysis of a great deal of information necessary to make an informed decision about the potential success of a specific development concept in a certain location.

**Campground Design** - Once the market has been defined and the park concept refined, we will help you and your engineers create a design best suited for the market you intend to serve.

**Business Plans** - We are experts in business plan development. Whether you are looking to raise \$50,000.00 or 10 million dollars, our experts can develop a business plan that will get investors excited about your business.

**Marketing Programs** - Marketing is where it all begins. Our talented marketing team will research and develop a marketing strategy that is designed to assist you in exceeding your sales and financial goals.

**Operation Manuals** - All operational manuals, such as front desk, cleaning, policy, or training are custom designed to meet the exacting needs of your park.

**Operational Audits/Analysis** - Our team of experts will analyze your campground to identify areas of opportunity. The audit is followed up with a strategy session that details goals, responsibility, timetables and objectives.

**Control Techniques/Systems** - The key to cost control is having the proper systems in place. Our experts will develop and implement systems that keep you running in the black.

**Management & Employee Training** - People are what makes a business successful. Our extensive experience in hiring and training large and small groups of individuals, as well as managerial development, makes this daunting task manageable.

**Site Selection/Analysis** - Location, location, location! Our team of experts will assist you in finding the right site for a new venture or an existing RV Park or Campground. A great location will tremendously increase your chances of success.

Each project is handled as collaboration between consultant and client. It is through this collaboration that goals and objectives are attained.

All projects are handled by me personally, Homer Staves.

For more information, or to set up an appointment, please call (406) 656-7086 or [e-mail me](#) or [click here](#) to go to a computer response form.

I also invite you to utilize our new free service, [Ask The Campground Expert](#). This is a wonderful opportunity to ask a range of questions from operations, marketing, training, cost control, concept development and start-up issues. This section also contains comments and answers to questions provided by other people. This is a great opportunity to share ideas and thoughts. Even if you don't have a question, we would love to hear from you.

Free downloads of national construction codes and plans for many campground facilities that can be found in the section covering [campground development](#).

We hope you will take advantage of these free services.

Regards,

Homer Staves

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