

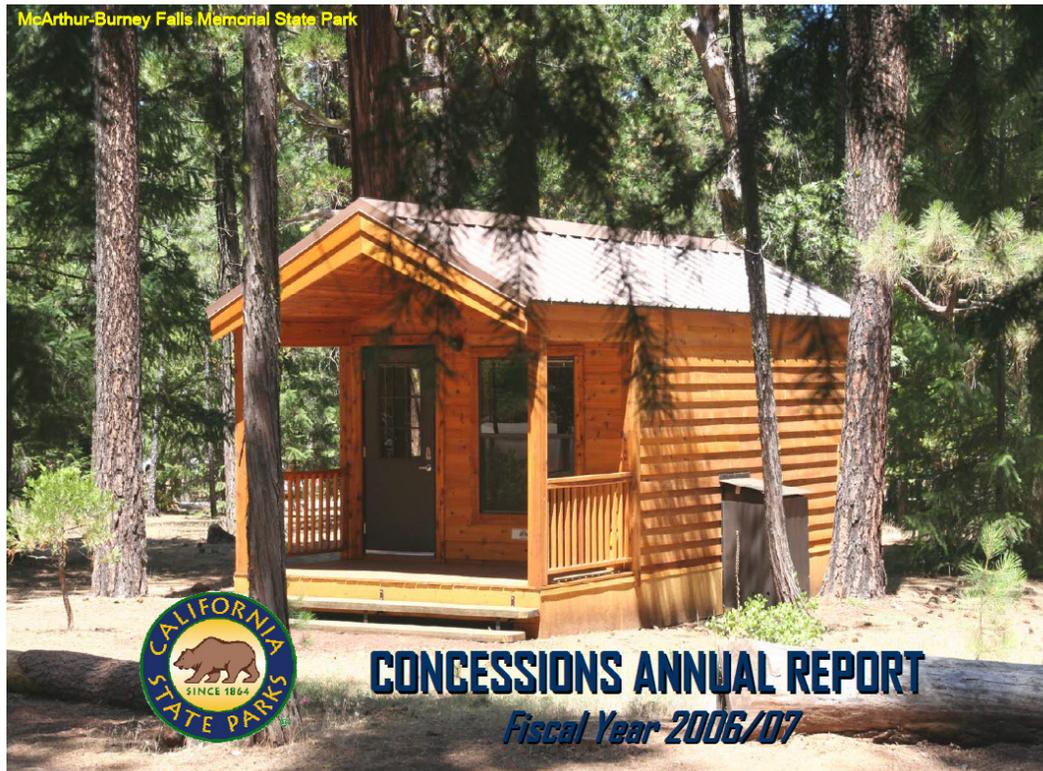


Cabins

by Recreation Resource Management
Camping Cabins in Your Park, At No Cost

Case Study

Cabins at McArthur-Burney Falls SP in CA



One of the smaller, non-ADA cabins, as featured on the cover of The CSP Concession Annual Report

Summary: Recreation Resource Management (RRM) funded and installed 24 cabins in a camping loop and provides cleaning, maintenance, and customer service functions for the cabins in exchange for a 17-year revenue share agreement on cabin revenue. Installation avoided major ground disturbances and increased total revenues (net of concessionaire share) for California State Parks (CSP).

About RRM: RRM is a leading private operator of over 150 public recreation areas, particularly campgrounds but also day use areas, stores, and marinas. RRM has been operating for over 30 years, and we have partnered with over a dozen agencies including the National Park Service, the US Forest Service, and Alabama State Parks.

Case Background: McArthur-Burney Falls State Park is located an hour east of Redding, California. It has a large day use area, campground, store, and marina. In 2004, RRM was awarded a contract to construct and operate a new store and existing marina under a 19-year concession contract.

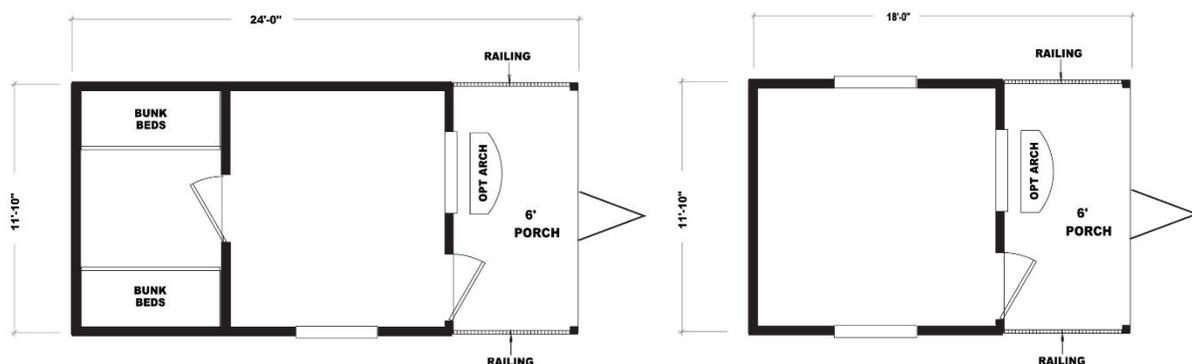
Later that year, RRM was asked to submit ideas for the refurbishment of one 24-site camping loop within the park. The park had been fortunate in obtaining outside sources of funding to revamp most of the campground, but that funding ran out before this last, and least popular, primitive camping loop was addressed.

Agency Goals: In looking for proposals, CSP had several goals and restrictions:

- The revamped camping loop had to generate more revenue for the park than the existing primitive camping loop.
- Ground disturbance had to be limited to the existing camp sites, effectively precluding any effort to bring power, water, and sewer lines to these cabins.
- CSP could contribute no funding beyond a planned modernization of the bathroom building in that loop.
- CSP expected to obtain ownership of all improvements by the end of any contract
- CSP engineers would have approval of all designs, finishes, and colors.
- CSP hoped any program that was selected would support its state-wide initiatives to bring new urban recreators into the park system and to increase off-season winter visitation at this park.

RRM Proposal:

- Place 24 primitive cabins, one on each site of an existing camping loop
- Cabins were a mix of 1 and 2-room cabins with ADA-accessible versions of each
- Each cabin was factory-built to high standards, with extras including a metal underfloor to prevent rodent damage and insulated walls with catalytic heaters to extend the useful season into the winter.
- Cabins had bunks beds and tables but no bathrooms or kitchens (since utilities were not available)
- Cabins are unpowered but are wired for power and lighting (in case electrification became possible in the future)
- Cabins were carefully placed to minimize tree removal and to retain the existing parking space
- A fire ring and tent pad were added to attract families who wanted the security and simplicity of a cabin but might want to experiment with tent camping.
- Total capital investment by RRM was more than \$550,000.



Cabin size and layout (two-room and one room versions)



Example cabin interior

Contractual Terms:

- RRM oversees and pays for all installation and construction, with plans approved by CSP
- RRM collects all revenue from cabins and pays CSP \$20 per occupied night plus 14% of revenues net of lodging taxes (\$20 was the then-current one-night camping rate and structuring our payments in this way assured CSP management that they would be making more per visitor stay than before the contract)
- RRM operates and maintains the cabins. CSP provided one camp site for an RRM on-site host to occupy. RRM paid for costs of improving this camp site to a full RV site.
- RRM pays for utilities (just propane in this case), insurance, and any other necessary costs
- Contract length set at 17 years (the remainder of the existing 19-year store and marina contract). Cabins become CSP property at end of contract.

Results: Cabins are in high demand and are loved by visitors. They have been highlighted in CSP state-wide public relations and advertising.

- 2132 cabin-nights were occupied in 2017, accounting for nearly 8,000 visitor nights. This is in a 7-month season as CSP has not gotten the approvals they need to upgrade and winterize the bathroom to allow winter operations.
- Average occupancy of 45% with peak season occupancy as high as 97% (July, 2017). This compares to an occupancy before this program of the pre-existing camping spaces of well under 25%.
- \$71,000 in concession fees from cabins were paid to CSP in 2017, well more than could have ever been earned from an unimproved 24-site primitive camping loop.

- Over \$1.5 million in combined concessionaire investment and concession fees expected over the life of the contract.
- New visitor demographics were attracted to the park. For example, cabin visitors include a disproportionate number of single mothers who like the security of the cabins.
- Cabins have, perhaps paradoxically, helped to promote more traditional forms of camping like tent camping. For example, a lot of kids camp outside on the tent pad while their parents or grandparents sleep inside the cabin.
- After over 10 years of service the cabins are still in nearly-new shape, requiring only minor maintenance and a seal coat on the exterior every few years. They will be a terrific asset for the park for decades to come

Possible Options/ Alternatives: The CSP project is one example of cabin use, but the program can be tailored to the specific needs and restrictions of your park and visitors

- These cabins were simple with limited amenities, but we have similar programs with other agencies that feature more elaborate cabins that have two bedrooms, a kitchen, a living room and a bathroom (See our Lake Guntersville State Park case study).
- We can accommodate a wide range of contract lengths (though longer contracts allow us to make more investment and higher revenue-share payments).
- We can divide operating roles with our partnering agencies in many ways. For example, in this case CSP wanted us to use their existing state reservation system, but we also have our own in-house proprietary system that we use with other agencies.
- This installation was in a campground, but other options could include: a day use or picnic area, a traditional city park, a trailhead, or virtually any unused recreation land.

The Ultimate Endorsement: We take advantage of this service in our own campgrounds. RRM's original and still its largest business is the turnkey operation of about 150 public campgrounds and day use areas under concession contract. In most cases, these contracts do not allow for any development. But for the dozen or so campground locations we operate where we have the flexibility to add facilities, this sort of cabin project is usually the first expansion or improvement we undertake. Other private campground operators like KOA have spent the majority of their capital spending over the last 10 years or so on cabins. This is easily the number one most popular new campground amenity among visitors.

To Learn More: Visit our web site at park-cabins.com to learn more about our ability to install cabin cabins at no cost, or see all our operations at our public information and reservations site camprrm.com. You may contact Warren Meyer at warren@camprrm.com or 602-569-2333 to learn more or schedule a visit.