MAPS AND FIGURES

Figure 1: Current Hart State Park Recreation Plan
Figure 2: Aerial Location Map
Figure 3: USGS Topographic Map
Figure 4: National Wetland Inventory Map
Figure 5: Soil Survey Map
Figure 6: FEMA Floodplain Map
FIG. 4

Client: City of Hartwell
Site: Hart State Park
Title: USFWS Wetland Inventory Map

Prepared: GAB
Checked: dh
Project No.: 2015.0299.01
FIG. 6

Client: City of Hartwell
Site: Hart State Park
Title: FEMA Floodplain Map

FIRM FLOOD INSURANCE RATE MAP
HART COUNTY, GEORGIA AND INCORPORATED AREAS
PANEL 50 OF 200

Notes:

Notes to User: This Map Number above should be used when ordering, and only when ordering the community indicated. Do not use on documents approved for the selected community.

MAP NUMBER
13147C055C
EFFECTIVE DATE
SEPTEMBER 25, 2008
Federal Emergency Management Agency

PANEL 0125C

FIRM FLOOD INSURANCE RATE MAP
HART COUNTY, GEORGIA AND INCORPORATED AREAS
PANEL 125 OF 200

Notes:

Notes to User: This Map Number above should be used when ordering, and only when ordering the community indicated. Do not use on documents approved for the selected community.

MAP NUMBER
13147C0125C
EFFECTIVE DATE
SEPTEMBER 25, 2008
Federal Emergency Management Agency

Prepared: GAB
Checked:
Project No.: 2015.0299.01
Scale: As Shown

City of Hartwell
Hart State Park
FEMA Floodplain Map
HART STATE PARK
HARTWELL, GEORGIA
CONCEPTUAL DEVELOPMENT PLAN
REV: MAY 20, 2016

MASTERS PLAN SUMMARY

 existing RV/Camp Sites: 76
Proposed Facilities have a 25 foot setback from Full Summer Time Pool
(Phase 1 septic & overflow parking)

New Chickees

Total Rooms: 84 Rooms

Proposed Facilities have a 25 foot setback from Full Summer Time Pool

Cabin Holiday Center

Hotel Parking
236 Spaces
1.51 spaces/room

Elevations:
- Flood Control Elevation = 665

Swimming Pool

Visitor's Center

The Great Lawn

Middle and Lower Terraces

Cricket Theater

Lakeside Wedding Venue

Cabin Wedding Venue

Valley Wedding Venue

Coveside Wedding Venue

The Barn Event Facility

Woodlands Wedding Venue

Event Lawn

Event Dock

Event Parking
236 spaces

Overflow Parking (70 spaces)

Restaurant (10,800 sf)

Parking Lot (105 spaces)

Ranger's Residences #1

Maintenance Facility

Total Parking Spaces: 751

Cars/Room: 1.51

Conference Center: 5,000 sf

The Great Lawn

Middle and Lower Terraces

Cricket Theater

Lakeside Wedding Venue

Cabin Wedding Venue

Valley Wedding Venue

Coveside Wedding Venue

The Barn Event Facility

Woodlands Wedding Venue

Event Lawn

Event Dock

Event Parking
236 spaces

Overflow Parking (70 spaces)

Restaurant (10,800 sf)

Parking Lot (105 spaces)

Ranger's Residences #1

Maintenance Facility

Total Parking Spaces: 751

Cars/Room: 1.51

Conference Center: 5,000 sf

Proposed and Improved Facilities

Proposed Facilities have a 25 foot setback from Full Summer Time Pool

Flood Control Elevation = 665
CONCEPTUAL UTILITY LAYOUT
EXHIBIT "D1-C" FOR
HART STATE PARK
HARTWELL, GEORGIA
APPENDIX B:
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Hart State Park – Existing Conditions Photographs

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Photo 2: Existing entrance kiosk.

Photo 3: Ranger Residence 1 located near the park entrance.

Photo 4: Ranger Residence 2 located on the east side of the park.

Photo 5: Existing bath/concession structure at boat launch area.

Photo 6: Lawn/picnic and grassed trail near boat launch area.
Hart State Park – Existing Conditions Photographs

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Photo 8: Walking path and eroded shoreline adjacent to boat launch.

Photo 9: Typical open pavilion on the park.

Photo 10: Cricket Theater located on central portion of the park.

Photo 11: Waterfront tent camping area.

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Hart State Park – Existing Conditions Photographs

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Photo 16: RV Campground area.

Photo 17: Storage building in maintenance area.

Photo 18: Location of existing UST and dispenser – out of use.
Hart State Park – Existing Conditions Photographs

Photo 19: Example of lawn area on the park, near boat launch area.

Photo 20: Example of forested areas on the park.

Photo 21: Typical walking/nature trail on the park.

Photo 22: Seepage wetland located on the southern edge of the park.

Photo 23: Stream located on the southern edge of the park.

Photo 24: Pedestrian bridge crossing lake inlet and stream.
APPENDIX C.1:
MARKET STUDY
Market Study for proposed Tourism Development at Hart State Park

Prepared For:
Mr. David Aldrich
City Manager
City of Hartwell
456 East Howell Street
Hartwell, GA 30643

Prepared By:
PKF Consulting USA, LLC
3475 Lenox Road
Suite 720
Atlanta, Georgia 30326

Date of the Report:
July 21, 2014
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SECTION I – INTRODUCTION AND METHODOLOGY
INTRODUCTION

In April 2014, the City of Hartwell engaged PKF Consulting USA, LLC to conduct a market study to assess the market potential to attract private interest for the potential development of a lodging facility at Hart State Park also known as Hart SORA. The Subject site is located on Lake Hartwell in Hartwell, Georgia within Hart County. This report presents a narrative of the market study’s findings, conclusions, and recommendations. While the Subject site exhibits significant strengths and opportunities, an RFP to attract private hotel developers will be unsuccessful in the current market, without significant levels of public subsidy. The seasonality of demand, the performance of the hotels in the competitive market, and the lack of existing supporting amenities would result in returns that are below the requirements of a typical hotel developer. The property today lends itself to the potential development of cabins/cottages, campgrounds, a supporting lakeside restaurant, and outdoor leisure amenities. This report presents the supporting documentation for this conclusion.

METHODOLOGY

We visited the Subject site and toured the market area in April 2014. We subsequently completed the following market analysis procedures:

- We performed an evaluation of the market area for the successful operation of a lakeside hotel.

- We performed an in-depth evaluation of the market area for the successful operation of lakeside cabins and campgrounds.

- We investigated potential demand on a local, regional and national scale to determine potential levels of use for the cabins and campgrounds, by identifying key demand generators and seasonality.

- We reviewed the national RV Park and campground operation lodging trends and how it may relate to cabins/campgrounds in northeast Georgia.

- We interviewed operators of the most comparable cabins/campgrounds in the northeast Georgia market to improve our understanding of the actual performance of the existing providers in the area.
Section I – Introduction and Methodology

- We also assessed the competitive appeal of the Subject location relative to that of the existing lakeside cabins and campgrounds within the market and to major demand generators in the area.

- We recommended the facilities for the Project such as cabins, leisure and support amenities.

The following key assumptions were necessary to perform our analysis:

- Because of the closure of the five cabins in 2009 at Hart State Outdoor Recreation Area (SORA), we understand that the facilities are in need of significant renovations and upgrades to repair existing problems, comply with ADA and building code regulations, and enhance the guest experience. These are necessary to insure the lodging facilities are competitive with comparable facilities in the area.

- If the five cabins are not restored, we can assume they will be demolished and replaced with new cabins.

- The campgrounds at Hart SORA will remain with 62 Tent/Trailer/RV campsites, boat ramp/dock/private boats, waterskiing, nature and bike trails. However, upgrades to the current amenities and addition of new amenities are essential to creating Hart SORA as a destination park.

- The City of Hartwell will offer a long-term lease to an experienced hotel developer who will be responsible for financing, constructing and operating the lodging and recreational facilities. Through aggressive sales, marketing, revenue management, efficient use of staff, and expense control, the developer will maximize profitability and asset value while insuring the highest standards of guest satisfaction.

- Comparable Georgia state parks were analyzed to determine the most supportive facilities for the Subject site. The comparable parks analyzed are similar to Hart SORA in terms of the number of cabins/cottages, pricing, seasonality and location. Based on our experience, it is reasonable to assume that after completing the new development, the needed upgrades and hiring a competent management company, the improved Hart SORA can perform as well as or better than the comparable parks.

- The Subject site will both be open and fully operational within two years and we presume there will be no significant change in the competitive position of the lodging industry in the market area from that set forth in this report.
SECTION II – EXECUTIVE SUMMARY
EXECUTIVE SUMMARY

The following market study is conducted to assess the market potential to attract private interest for the potential development of a lodging facility at Hart State Park also known as Hart State Outdoor Recreation Area (SORA) or Hart SORA. The principle findings, conclusions and recommendations concerning the Project are listed below: Area Review, Neighborhood Review, Site Analysis, Cabin and Campsite Market Analysis, and Conclusion. Subsequent sections in this report provide the support and rationale that underlie the following highlights.

Area Review

The Subject site, Hart SORA, is located on Lake Hartwell in Hartwell, Georgia within Hart County. The lake is located in two states (Georgia and South Carolina) and six counties (Georgia: Hart, Franklin, and Stephens Counties; South Carolina: Anderson, Oconee, and Pickens Counties). The Hart area population is projected to grow through 2025. Hart County’s unemployment rates have continuously been declining since the peak of the economic recession in 2009. Hart SORA is well located within a two hour drive of major population centers. Popular tourist attractions include water sports, fishing, boating and camping on Lake Hartwell. University and college students from Georgia and South Carolina generate demand for Lake Hartwell and its lakefront parks/campgrounds and outdoor recreation. The campgrounds and recreation/picnics areas are used for family reunions, church or company picnics, and group meetings. Lake Hartwell is home to various events such as the antique boat festival, fishing tournaments, and sailing regattas and as a result has developed as a fishing and boating destination. The 2015 Bassmaster Classic will be held at the future mega-ramp development of Green Pond Landing in South Carolina. Boating and fishing event centers, including the mega-ramp at Tugaloo Georgia State Park, serve as significant demand generators for the area. With the market area’s continued population growth and overall economic improvement, Lake Hartwell and the Hart area’s affordable attractions will continue to generate leisure and group demand business.

Neighborhood Review and Site Analysis

Hart SORA, the Subject site, is located about two miles from downtown Hartwell, Georgia. The 147-acre outdoor recreation facility currently operates from March 15th through September 15th; only 6 months out of the year. This state park had to close their 5 cottages in 2009. It currently operates as a self-registration campground offering 62 tent/trailer /RV campsites and 16 walk-in campsites with prices ranging from $19 to $26. Hart SORA does not allow advanced bookings and the lack of park attendants
negatively affects the visitor experience. Hartwell Marina is a commercial marina on Lake Hartwell nearby Hart SORA. It offers the following: boat launch ramp, courtesy dock, restrooms, drinking water, handicap facilities, picnic areas, shower/house, marina pump station, and store/concession. The Subject is suitable for development of a privately operated lake Destination Park offering various leisure, camping, outdoor and water activities that will generate significant additional visitation and economic impact to the area.

Cabin & Camping Market Analysis

According to the Recreation Vehicle Industry Association (RVIA), more than nine million American households own an RV (the highest level ever recorded) representing a 16 percent increase since 2001 and a 64 percent gain since 1980. The affordable vacationing trend, RVing and connecting with the outdoors is expected to remain strong given the current economic climate. Primary competitors are those that are expected to compete directly with the Subject due to their location and seasonality (low season: December-March and high season: April-November). The Subject, Hart SORA, and Blackrock Mountain State Park are the only seasonal parks within the primary competitive market that includes Georgia State Parks with lakeside cabins/cottages mainly located in the northeast region. The number of cabins/cottages range from 3 to 35 with various configurations of one to three bedrooms and pet friendly accommodations. The primary competitive market cabin prices range from $100 to $145 (low season) and $125 to $165 (high season). Cabin prices are usually higher during Golf Masters Week in Augusta (Georgia), a significant demand generator for the area. The number of tent/trailer/RV campsites range from 25 to 165 with the majority of sites being 40 or 50 feet with a cost ranging from $19 to $32. The campsites usually offer supplies/groceries, ice, firewood and a gift shop. The majority offer sporting activities (golfing, volleyball and tennis), nature/ hiking trails and several offer biking trails, while equestrian trails are limited. Hart SORA offers the lowest pricing for both tent sites ($19) and RV sites ($26).

According to interviews with management of the primary competitive parks, there is a strong demand for cabins and tent/trailer/RV campsites in the market. This demand has led several of the parks to increase or upgrade their facilities. The parks for which we were able to review financial statements operated profitably, despite the fact that there was minimal revenue management. We conclude that there is sufficient demand in the market to expand the facilities at Hart State Park/Hart SORA. The Subject may benefit
from a private operator, who could add value by improving the supporting amenities and introducing revenue management pricing strategies during peak demand periods.

The Project is expected to compete principally with the following Georgia State Parks: Amicalola Falls State Park & Lodge, Unicoi State Park & Lodge, Black Rock Mountain State Park, Don Carter State Park (on Lake Lanier), Elijah Clark State Park, Fort Yargo State Park, Richard B. Russell State Park, Smithgall Woods State Park, Tugaloo State Park, Vogel State Park, A.H. Stephens State Historic Park and Mistletoe State Park. The major characteristics of the primary competing parks (excluding lodges) are presented on following chart.
## PRIMARY COMPETITIVE MARKET PROFILE

| City                                      | Number of Cabins/Cottages | Number of Amenities | Cabin/Cottage | Camping | Water Activities | Outdoor | Sports |
|-------------------------------------------|---------------------------|---------------------|---------------|---------|------------------|---------|
| Current Lake Hart State Park             | Hartwell                  | 3 (closed)          | NA            | NA      | NA               | NA      | NA     |
| GA State Parks (Lakeside Cabins/Cottages)|                           |                     |               |         |                  |         |        |
| **Northeast**                             |                           |                     |               |         |                  |         |        |
| Beach Rock Mountain State Park (open Mar-Nov) | Mountain                   | 10                   | 2 & 3         | TV      | $130             | $100**  | $250   |
| Don Carter State Park on Lake Lanier      | Gainesville                | 8                    | 2             | TV      | $125             | $250**  | $260   |
| Elijah Clark State Park                   | Lincolnton                 | 20                   | 2             | TV      | $125             | $135**  | $260   |
| Fort Yargo State Park                     | Winder                     | 3                    | 2             | TV      | $130             | $130    | $260   |
| Richard B. Russell State Park             | Elberton                   | 20                   | 1 & 2         | TV/WWI  | $145             | $165**  | $275   |
| Tugaloo State Park on Lake Hartwell       | Lavonia                    | 25                   | 2             | TV      | $145             | $145    | $255   |
| Vogel State Park                          | Blairsville                | 35                   | 1 & 2         | TV/WWI  | $100             | $185    | $270   |
| **Central**                               |                           |                     |               |         |                  |         |        |
| A.H. Stephens State Historic Park         | Crawfordville             | 4                    | 2             | TV      | $115             | $125**  | $250   |
| Millstone State Park                      | Argyle                    | 10                   | 2             | TV      | $140             | $150**  | $250   |

*Seasonality: Low (Dec-Feb) / High (Apr-Nov). *Higher during Masters Week

Source: KPF Consulting USA, LLC; individual property management and www.GeorgiaStateParks.org
Conclusion
The proposed Project is expected to have the following facilities and amenities:

- The Project could support a total of 20 cabins ranging in price from $125 to $200, based on 2014 dollars.
- Because of the closure of the five cabins at Hart SORA, we understand that the facilities are in need of significant renovations and upgrades to repair existing problems, comply with ADA and building code regulations, and enhance the guest experience. These are necessary to insure the lodging facilities are competitive with comparable facilities in the area.
- A selective number of cabins will be pet friendly with a maximum of two pets allowed per cabin. Guests will have to pay a pet fee (usually is $40 to $45).
- Cabin amenities: each cabin has lake access and lake views, a fireplace, cable TV, Wi-Fi, patio/porch, central heat and air, a full kitchen (with dishwasher, refrigerator, microwave, and stove/oven), an outdoor grill and a picnic table. All linens, towels, pots and pans, tableware, glassware, and utensils are provided.
- Maintain and upgrade the current Hart SORA that includes 62 tent/trailer/RV campsites, offers fishing on the lake, boat ramp/dock, waterskiing, nature/biking trails, and playground.
- RV campsite upgrades would include larger pads, deeper turning radius, and 50 amp service.
- Campsite gift shop with camping supplies/groceries, ice/firewood and souvenirs.
- Consider offering a fishing pier, a marina pump station, yurts, camper cabins, paddle-in tent campsites, primitive backcountry campsites, pioneer camping, group camping, enclosed group shelters, picnic shelters, and picnic sites.
- Offer bike rentals, small boat rentals (for fishing, kayaking, canoeing, and/or paddle boarding) and large boat rentals (in partnership with Hartwell Marina).
- Offer geocaching which is enjoyed by adults and children. (Geocaching is an outdoor recreational activity of searching for a hidden prize via a GPS or smartphone with a GPS app.)
- Zip lines and other revenue generating activities.
- Lakefront restaurant and bar with banquet/meeting room. It is important that the restaurant be accessible from courtesy docks on the water.
- Sufficient parking
The facilities and amenities described above combined with the premier lake location are expected to give the Subject a competitive advantage over other area parks in attracting tourism demand. The Subject is expected to achieve revenues similar to or better than comparable parks as a result of the improved product (new quality cabins with premium lakeside views, upgraded campsites and outdoor recreation), and professional management that applies strategic revenue management practices to maximize revenue generation. Private operators can be sourced to operate restaurant, campsites, cabins, and other revenue generating amenities. This proposed development will have a positive impact on tourism for the city and the surrounding communities.

It is our finding that the Lake Hartwell market will currently support cabins/cottages, traditional and higher-end recreational vehicle campgrounds, a lakeside restaurant with adequate courtesy docks, and other outdoor leisure amenities. It should be noted that a hotel or lodge component might become feasible in the future once additional supporting amenities, such as those discussed in this report, are in place and Hart SORA and the City of Hartwell has established itself as a tourist destination. The City of Hartwell should nonetheless plan for the ultimate development of a hotel in its land use plan, infrastructure planning, and environmental assessments that will be undertaken as part of this action. Recognizing ground leases through governmental entities are not attractive to many resort developers, it important that the City of Hartwell be in a position to offer favorable lease terms in order for the private sector to finance, construct, and operate the lodging and recreational facilities without subsidy. Lease agreements should list hotel development as a permitted use and include a renewable lease term of fifty-years with provisions that enable the lease to be financeable. A hotel developer considering the opportunity would view the length of the lease as being an important factor, and would be unlikely to undertake the project unless a financeable, long term lease (50 years) could be established.
SECTION III – AREA REVIEW
INTRODUCTION

Hart SORA on Lake Hartwell is located in the City of Hartwell, Georgia within Hart County. The lake is located in two states (Georgia and South Carolina) and six counties (Georgia: Hart, Franklin, and Stephens Counties; South Carolina: Anderson, Oconee, and Pickens Counties). Hart County is surrounded by three Georgia Counties: Franklin County, Madison County and Elbert Counties and two South Carolina counties (separated by Lake Hartwell) Oconee County to the north and Anderson County to the east. Hart County is surrounded by a dense population from the counties mentioned. Oconee County, SC is a Micropolitan Statistical Area known as Seneca, South Carolina with a 2010 population of about 74,000. Anderson is part of the larger Metropolitan Statistical Area: Greenville-Anderson-Mauldin, SC with approximately an 824,000 population in 2010. Additionally, south of Hart County is Athens-Clarke County, GA Metropolitan Statistical Area, which is made up of four counties: Madison, Clarke, Oconee, and Ogelthorpe with a 2010 population of 193,317.

The following map illustrates the location of the Subject site (Hart SORA) in relation to the other major cities in the region, such as Atlanta, Athens, Anderson and Greenville.
ECONOMIC AND DEMOGRAPHIC OVERVIEW

Population
According to the US Census Bureau from 2000 to 2010, the City of Hartwell and Hart County had experienced a population growth of 5.2 percent and 9.6 percent, respectively. The table below displays the population summary of the City of Hartwell, Hart County, the State of Georgia and the United States.

<table>
<thead>
<tr>
<th>Population Summary</th>
<th>2000</th>
<th>2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Hartwell</td>
<td>4,249</td>
<td>4,469</td>
<td>5.2%</td>
</tr>
<tr>
<td>Hart County</td>
<td>22,997</td>
<td>25,213</td>
<td>9.6%</td>
</tr>
<tr>
<td>State of Georgia</td>
<td>8,186,453</td>
<td>9,687,653</td>
<td>18.3%</td>
</tr>
<tr>
<td>United States</td>
<td>281,422,000</td>
<td>308,745,538</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

Source: US Census Bureau

The projected 2025 population for Hart County is 32,120, a 27.4 percent increase for the period 2010 to 2025. Hart Area includes the surrounding counties of Hart County including Franklin, Madison and Elbert Counties. The Hart Area population is projected to grow through 2025 by 17.8 percent.

Employment
According to Hart County Industrial Building Authority, there are about 149 private companies within Northeast Georgia Tri-County (Hart County, Franklin and Stephens) presenting the following industries: Textile, Auto/Aero, Machine, Woodwork and Misc. Hart County represents 20 percent of the total companies with half of the companies
employing 50 or more people within the industries mentioned above. The following chart illustrates the Northeast Georgia Tri-County Industry Mix.

The total labor force for Hart County in 2013 was approximately 9,800 with a 10.1 percent unemployment rate, which is higher than the Hart area, Georgia, and national unemployment rates. However, Hart County's unemployment rates have continuously been declining since the peak of the economic recession in 2009. The following chart further illustrates Labor Force Activity in 2013 for: Hart Area, South Carolina’s bordering counties (Oconee and Anderson), the State of Georgia, and the United States.
TRANSPORTATION

Highway
Primary access to the City of Hartwell is by US Highway 20, which links Hartwell to Anderson (South Carolina), 25 miles to the northeast, and Athens (Georgia), 45 miles to the southwest. Regional access to the area is by Interstate 85 via State Route 366 or Lavonia Highway. The area is also served by various State Routes: 51, 77, 172 and 8. The City of Hartwell is approximately 110 miles from Downtown Atlanta, 58 miles from Clayton, 70 miles from Gainesville, 100 miles from Augusta, 90 miles from Spartanburg (SC), and 62 miles from Greenville (SC). The following map shows a 110 mile radius or approximately two hours driving distance from the City of Hartwell.

Source: Google Maps
Air Transportation
The City of Hartwell is approximately 121 miles from Atlanta’s Hartsfield Jackson International Airport, which is the busiest airport in the world by passenger volume as well as by number of flights. Franklin-Hart County Airport, located in Canon, Georgia, is about 17 miles west of Hartwell. The Franklin-Hart County Airport’s main runway expansion (from 3,500 feet to 5,000 feet) was completed as a result of Air Georgia’s grant program, created to assist rural airports expand and attract new industry. Other regional airports closest to the City of Hartwell are in South Carolina: Anderson Regional Airport (about 25 miles northeast) and Oconee County Regional Airport in Seneca (about 40 miles north).

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Section V – Area Review

TOURISM, ARTS, AND RECREATION

Attractions
The City of Hartwell’s popular tourist attractions include various events, venues and activities in and around Hartwell including the following:

- **Lake Hartwell Activities**: camping, boating, fishing, swimming, waterskiing, and picnicking
- **Mega-ramp** (on Lake Hartwell at Tugaloo State Park): Hosts fishing tournaments and gives boaters and anglers greater access to Lake Hartwell, including six boating lanes, ample parking, and restrooms (open year round)
- **Lake Hartwell Events**: antique boat festival, fishing tournaments, sailing regattas, wakeboard and water craft exhibitions
- **Bluegrass Express in Hartwell**: (every Saturday) local/regional bands perform.
- **Hunting**: limited to certain areas based on seasonality
- **Golfing**: Cateechee Golf Course, Hartwell Golf Club and Golf Masters Week in Augusta (Georgia)
- **Downtown Historic Hartwell**: shopping, antique shops, and walking tours
- **Hartwell Arts & Entertainment**: Art Center, Hart County Community Theatre and Savannah River Productions
- **Museums**: Hart County Historic Museum and Ty Cobb Museum
- **Trails**: Hart County Quilt Trail, Hartwell Dam Walking Trail and the Tri-County Antique Trail
- **Other venues**: Hart County Farmers Market and Hart County Botanical Garden
- **Upcoming attractions**: In Anderson County, South Carolina, a $4.1 million mega-ramp development at Green Pond Landing on Lake Hartwell will include 168 trailer parking spaces and 100 more for day visitors. The 34-acre site is on land leased from the Corps of Engineers. Upon full completion in December 2014, on-site amenities will include a staging area for tournament weigh-in, drive-thru weigh-in lane, courtesy and weigh-in docks, pavilions, bathroom facilities, terraced amphitheater, kayak / canoe launch, and fish habitat enhancements through the South Carolina Department of Natural Resources. The 2015 Bassmaster Classic will be held at this new fishing event center.

Education
The three major universities closest to the area are University of Georgia in Athens (GA), Clemson University (SC), and Anderson University (SC). For the 2013 fall semester, University of Georgia enrolled a total of approximately 26,270 undergraduate
students and about 8,250 graduate students. Clemson University enrolled a total of approximately 16,600 undergraduate students and about 4,400 graduate students. Anderson University has a total student population of about 3,000. In addition, there are various colleges near Hartwell that are located within Georgia (Emmanuel College, North Georgia Technical College, Athens Technical College, & Lanier Technical College) and South Carolina (Forrest College, Tri-County Technical College, Greenville Technical College, Brown Mackie College-Greenville, Virginia College, & Greenville Technical College). Many students enjoy swimming, sailing and fishing on Lake Hartwell. Therefore, these universities and colleges generate demand for Lake Hartwell and its lakefront parks/campgrounds and outdoor recreation.

**Parks and Recreation**

According to Hart County Chamber of Commerce, there are 250 campsites in the area; approximately 85 percent are lakeside rentals. Recreation areas and campgrounds offer a range of activities:

- **Hart County Recreation Department**: Tennis, playgrounds, basketball, batting cages, baseball/softball fields, and picnic shelters.
- **YMCA of Georgia’s Piedmont**: various activities for adults and kids including wellness and fitness classes.
- **Paynes Creek Campground** (open May-September): 44 sites (37 are lakeside sites) with water and electric hook-ups (50-amp service), shower/restrooms throughout the park, dump station, playgrounds, swim beaches, dock/boat ramp, and a SORBA 9.5 mile hiking/bicycling trail is accessible from the campground.
- **Big Oaks Recreation Area on Hartwell Dam**: playground, picnic area, biking, restrooms, boat ramp, accessible facilities, and Visitor Center (that shows a film on building of the Hartwell Dam).
- **Hart State Park/ Hart State Outdoor Recreation Area (SORA)**: a detailed discussion will be in the Site Analysis section of this report.
- **Elrod Ferry Recreation Area (US Highway 29)**: boat ramp, dock, restrooms, picnic area, playgrounds, volleyball court, swimming beaches and accessible facilities.

A list of Georgia lakes operated by the U.S. Army Corps of Engineers (USACE) is shown below, including the various amenities: lodging, campsites, picnic sites/shelters, playgrounds, trails, golfing, marinas and boating.
The U.S. Army Corps of Engineers (USACE) has 17 picnic shelters at Lake Hartwell in Georgia and South Carolina. These are used for family reunions, church or company picnics, and group meetings. Majority of the picnic shelters and day use areas are lakefront and feature cooking grills, tables, electrical outlets, and shelter lighting. These facilities have nearby restrooms, potable water, playgrounds and boat launching ramps. Price ranges for picnic shelters are from $40 to $80 per day. The day use area, located at River Forks, is $150 per day. Reservations must be made at least 3 days in advance and can be made up to 360 days in advance. The shelters located in Hart County are identified by the red box in the chart below.

The following maps illustrate USACE’s campgrounds, lakes and recreation areas located in Georgia and South Carolina.
Section V – Area Review

Georgia

Source: www.CorpsLakes.us
South Carolina

### Recreation Area

<table>
<thead>
<tr>
<th>Recreation Area</th>
<th>Camping</th>
<th>Lodging</th>
<th>Showers</th>
<th>Boat Ramps</th>
<th>Marina</th>
<th>Gas</th>
<th>Picnic Area / Shelter</th>
<th>Playground</th>
<th>Swimming Area</th>
<th>Fishing Facilities</th>
<th>Trails</th>
<th>Golf Course</th>
<th>Amphitheater</th>
<th>Grocery / Snack Bar</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Hartwell Lake</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2 - J. Strom Thurmond Lake</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - Richard B. Russell Lake</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: [www.CorpsLakes.us](http://www.CorpsLakes.us)
AREA REVIEW CONCLUSION

The Subject site, Hart SORA, is located on Lake Hartwell in Hartwell, Georgia within Hart County. The lake is located in two states (Georgia and South Carolina) and six counties (Georgia: Hart, Franklin, and Stephens Counties; South Carolina: Anderson, Oconee, and Pickens Counties). The Hart area population is projected to grow through 2025. Hart County’s unemployment rates have continuously been declining since the peak of the economic recession in 2009. Hart SORA is well located within a two hour drive of major population centers. Popular tourist attractions include water sports, fishing, boating and camping on Lake Hartwell. University and college students from Georgia and South Carolina generate demand for Lake Hartwell and its lakefront parks/campgrounds and outdoor recreation. The campgrounds and recreation/picnics areas are used for family reunions, church or company picnics, and group meetings. Lake Hartwell is home to various events such as the antique boat festival, fishing tournaments, and sailing regattas and as a result has developed as a fishing and boating destination. The 2015 Bassmaster Classic will be held at the future mega-ramp development of Green Pond Landing in South Carolina. Boating and fishing event centers, including the mega-ramp at Tugaloo Georgia State Park, serve as significant demand generators for the area. With the market area’s continued population growth and overall economic improvement, Lake Hartwell and the Hart area’s affordable attractions will continue to generate leisure and group demand.
SECTION IV – NEIGHBORHOOD REVIEW AND SITE ANALYSIS
INTRODUCTION
This section reviews the general environment of the Subject’s neighborhood, its site characteristics, and location attributes.

NEIGHBORHOOD REVIEW
The neighborhood within which a lodging facility operates can have a significant impact on its operating performance. Emerging neighborhoods experiencing substantial growth can generate increasing levels of demand and provide an environment characterized by newer development and, more importantly, popular support facilities (e.g., restaurants, retail, entertainment, etc.). Conversely, a declining neighborhood or, in some cases, a mature one relative to a nearby emerging one, can be detrimental to a property’s operations. In this section, we address the location, access and development characteristics of the Subject neighborhood.

Economy
The top ten largest employers within Hart County are presented below. Four of the top ten employers within the Hart Area are located in Hart County: Pharma Tech Industries, Royston, LLC, Tenneco, Inc., and Walmart.

<table>
<thead>
<tr>
<th>Top Ten Largest Employers - 2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hart</strong></td>
</tr>
<tr>
<td>BASF Corporation</td>
</tr>
<tr>
<td>Georgis Department of Corrections</td>
</tr>
<tr>
<td>Hart Care Center, Inc.</td>
</tr>
<tr>
<td>Hart Electric Membership Corporation</td>
</tr>
<tr>
<td>Hartwell Healthcare Center</td>
</tr>
<tr>
<td>Ingles Markets, Inc.</td>
</tr>
<tr>
<td>Pharma Tech Industries</td>
</tr>
<tr>
<td>Royston, LLC</td>
</tr>
<tr>
<td>Tenneco, Inc.</td>
</tr>
<tr>
<td>Walmart</td>
</tr>
<tr>
<td><strong>Hart Area</strong></td>
</tr>
<tr>
<td>Carry-On Trailer, Inc.</td>
</tr>
<tr>
<td>Davis Transfer Co In</td>
</tr>
<tr>
<td>Emmanuel College</td>
</tr>
<tr>
<td>Kaufer Textron</td>
</tr>
<tr>
<td>Pharma Tech Industries</td>
</tr>
<tr>
<td>Pilgrim’s Pride Corporation</td>
</tr>
<tr>
<td>Royston, LLC</td>
</tr>
<tr>
<td>Tenneco, Inc.</td>
</tr>
<tr>
<td>Ty Cobb Regional Medical Center</td>
</tr>
<tr>
<td>Walmart</td>
</tr>
</tbody>
</table>

*Note: Represents employment covered by unemployment insurance excluding all government agencies except correctional institutions, state and local hospitals, state colleges and universities. Data shown for the Third Quarter of 2013. Employers are listed alphabetically by area, not by the number of employers.

Source: Georgia Department of Labor

Tenneco Automotive, Pharma Tech Industries, TI Automotive, and Fenner Dunlop Americas have added more jobs from 2012. In December 2013, Georgia Department of Economic Development stated that Pharma Tech Industries expansion and job creation contributed $8.5 million into Hart County.
The following chart shows Hart County’s 2013 major manufacturers.

<table>
<thead>
<tr>
<th>2013 Major Manufacturers in Hart County</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company</strong></td>
</tr>
<tr>
<td>Tenneco Automotive</td>
</tr>
<tr>
<td>Royston LLC Fabricated Metal Components</td>
</tr>
<tr>
<td>Pharma Tech Industries Medical Devices, &amp; Consumer Prod.</td>
</tr>
<tr>
<td>Fenner Dunlop Americas Conveyor &amp; Transport Systems</td>
</tr>
<tr>
<td>Hartwell Classic Apparel Golf &amp; Tennis Wear</td>
</tr>
<tr>
<td>TI Automotive Automotive Fuel Systems</td>
</tr>
<tr>
<td>Milliken Textiles, Cotton Blend Weaving</td>
</tr>
<tr>
<td>R.T.S. Packaging Fiber Partitions</td>
</tr>
<tr>
<td>BASF Mining (wet ground mica)</td>
</tr>
<tr>
<td>Fabritex Tubular Metal &amp; Wire</td>
</tr>
</tbody>
</table>

*Source: Hart County Industrial Building Authority*

A satellite neighborhood map is presented on the following page, identifying the subject site: Hart State Park/ Hart SORA.
Neighborhood Map:
Satellite View
Neighborhood Attractions
As previously mentioned, the City of Hartwell’s popular tourist attractions include various events, venues and activities in and around Hartwell including the following:

- **Lake Hartwell Activities**: camping, boating, fishing, swimming, waterskiing, and picnicking
- **Mega-ramp** (on Lake Hartwell at Tugaloo State Park): Hosts fishing tournaments and gives boaters and anglers greater access to Lake Hartwell, including six boating lanes, ample parking, and restrooms (open year round)
- **Lake Hartwell Events**: antique boat festival, fishing tournaments, sailing regattas, wakeboard and water craft exhibitions
- **Bluegrass Express in Hartwell**: (every Saturday) local/regional bands perform.
- **Hunting**: limited to certain areas based on seasonality
- **Golfing**: Cateechee Golf Course, Hartwell Golf Club and Golf Masters Week in Augusta (Georgia)
- **Downtown Historic Hartwell**: shopping, antique shops, and walking tours
- **Hartwell Arts & Entertainment**: Art Center, Hart County Community Theatre and Savannah River Productions
- **Museums**: Hart County Historic Museum and Ty Cobb Museum
- **Trails**: Hart County Quilt Trail, Hartwell Dam Walking Trail and the Tri-County Antique Trail
- **Other venues**: Hart County Farmers Market and Hart County Botanical Garden

Lake Hartwell
Lake Hartwell was built by the U.S. Army Corps of Engineers (USACE) between 1955 and 1963; the authorized purposes are flood risk management, water quality, water supply, downstream navigation, hydropower production, fish and wildlife protection, and recreation. Hartwell Lake and Dam is the second Corps of Engineers project to be built in the Savannah River Basin. The first, J. Strom Thurmond Lake and Dam, was completed in 1952. A third project, Richard B. Russell Lake and Dam was completed in 1985. According to the U.S. Army Corps of Engineers, each year, millions of people utilize the many public parks, marinas, and campgrounds conveniently located around the lake to pursue a variety of outdoor recreational experiences, making Hartwell one of the most visited Corps lakes in the nation.

Hartwell Lake is a man-made lake bordering Georgia and South Carolina on the Savannah, Tugaloo, and Seneca Rivers. The lake is created by Hartwell Dam located on the Savannah River seven miles below the point at which the Tugaloo and Seneca
Rivers join to form the Savannah. Extending 49 miles up the Tugaloo and 45 miles up the Seneca at normal pool elevation, Lake Hartwell comprises nearly 56,000 acres of water with a shoreline of 962 miles.

The following maps and charts show the fifty Corps Recreation Areas, nine Corps Campgrounds, five State & Municipal Recreation Areas and five Commercial Arenas on Lake Hartwell identifying the features offered: boat launch ramp, courtesy dock, restrooms, drinking water, handicap facilities, picnic areas/shelters, playgrounds, swimming beach, fishing pier, campground, park attendants, water/electric hookup, shower/house, sanitary disposal station, marina pump station, boat rentals, restaurant, store/concession and cabin rentals.

Based on this map, Hart SORA is identified as number 75 under State and Municipal Parks. It offers the following: boat launch ramp, courtesy dock, restrooms, drinking water, handicap facilities, picnic areas/shelters, playgrounds, swimming beach, campground, park attendants (volunteers), water/electric hookup, shower/house, and sanitary disposal station. It does not offer: a fishing pier, a marina pump station, boat rentals, a restaurant, store/concession and cabin rentals.

Hartwell Marina, identified as number 81 on the map, is a commercial marina on Lake Hartwell nearby Hart SORA. It offers the following: boat launch ramp, courtesy dock, restrooms, drinking water, handicap facilities, picnic areas, shower/house, marina pump station, and store/concession. It does not offer picnic shelters, playgrounds, swimming beach, fishing pier, campground, park attendants, water/electric hookup, sanitary disposal station, boat rentals, restaurant, and cabin rentals.
U.S. Army Corps of Engineers: Hartwell Dam & Lake

Section IV – Neighborhood Review and Site Analysis

Source: Client
Section IV – Neighborhood Review and Site Analysis

### Hartwell Dam & Lake

<table>
<thead>
<tr>
<th>Corps of Engineers Recreation Areas</th>
<th>Corps of Engineers Recreation Areas (Continued)</th>
<th>Legend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BC Dam View Area</td>
<td>13. Covesisco</td>
<td></td>
</tr>
<tr>
<td>2. Ewing Pines</td>
<td>14. Mullins Pond</td>
<td></td>
</tr>
<tr>
<td>3. Jarratt</td>
<td>15. Talbot</td>
<td></td>
</tr>
<tr>
<td>4. Highland Creek</td>
<td>16. Walter Creek</td>
<td></td>
</tr>
<tr>
<td>5. River Forks</td>
<td>17. Stephens County</td>
<td></td>
</tr>
<tr>
<td>7. Dorav</td>
<td>19. Jenkins Ferry</td>
<td></td>
</tr>
<tr>
<td>8. Ashbury</td>
<td>20. Poplar Springs</td>
<td></td>
</tr>
<tr>
<td>10. Twelve Mils</td>
<td>22. Mary Ann Branch</td>
<td></td>
</tr>
<tr>
<td>11. Lawrence Bridge</td>
<td>23. Crossroads Ferry</td>
<td></td>
</tr>
<tr>
<td>15. Camp Creek</td>
<td>27. Long Point</td>
<td></td>
</tr>
<tr>
<td>17. Apple Island</td>
<td>29. Powderbag Creek</td>
<td></td>
</tr>
<tr>
<td>18. Double Springs</td>
<td>30. Elrod Ferry</td>
<td></td>
</tr>
<tr>
<td>19. vacation Island/Fallon Ford</td>
<td>31. Big Cedar</td>
<td></td>
</tr>
<tr>
<td>20. Glenn Ferry</td>
<td>32. Twin Lakes</td>
<td></td>
</tr>
<tr>
<td>21. Dutham</td>
<td>33. Payne's Creek</td>
<td></td>
</tr>
<tr>
<td>22. Fair Play</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corps of Engineers Campgrounds</th>
<th>State &amp; Municipal Parks</th>
<th>Commercial Marinas</th>
</tr>
</thead>
<tbody>
<tr>
<td>42. Crescent Camp</td>
<td>81. Sandy Creek State Park 844-226-8600</td>
<td>71. Big Water Marina 844-226-3330</td>
</tr>
<tr>
<td>43. SpringField</td>
<td>82. Donald H. Wright Park 844-221-2222</td>
<td>72. Portman Marina 844-287-3211</td>
</tr>
<tr>
<td>44. Twin Lakes</td>
<td>83. Lake Hartwell State Park 844-873-3550</td>
<td>73. Clemson Marina 844-653-8100</td>
</tr>
<tr>
<td>45. Oconee Point</td>
<td>84. Tugalo State Park 706-356-4362</td>
<td>84. Harbor Light Marina 706-356-4110</td>
</tr>
<tr>
<td>46. Conoess</td>
<td>75. Hart State Recreation Area 803-934-7275</td>
<td>85. Hartwell Marina 706-376-5441</td>
</tr>
<tr>
<td>47. Payne's Creek</td>
<td></td>
<td></td>
</tr>
<tr>
<td>48. Millhoun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>49. Watertower</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50. Georgia River</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Make reservations through NRRS at www.recreation.gov or 1-877-444-6777)

Source: Client
SITE ANALYSIS

Hart State Park/ Hart State Outdoor Recreation Area (SORA)
As a result of budget cuts in 2009, Georgia Department of Natural Resources (DNR) converted Hart State Park into its current status as Hart State Outdoor Recreation Area (SORA), located about two miles from downtown Hartwell, Georgia. The 147 acre outdoor recreation facility currently operates from March 15th through September 15th, only six months out of the year. According to the City of Hartwell:

“In FY2009, the park had 260,423 visitors with revenue of $161,382, contributing over $16 million in economic impact to Hart County. In FY2010, the attendance dropped to 95,681 (a decline of 63%), with revenue of $52,907 (a decline of 67%), contributing only slightly over $6 million to Hart County. The result has been a negative economic impact on Hartwell and the local area to the amount of over $10 million dollars and a loss in state revenue of $108,475.”

Currently, Hart SORA is a self-registration campground with 62 tent/trailer/RV campsites (tent sites are $19 and RV sites are $26) and 16 walk-in campsites ($19). Campsites feature water and electrical hook-ups, dump station, and comfort station while hot showers and a pumping station are nearby. The campsites are offered on a first-come, first-served basis. The visitors enclose the appropriate fee in the envelope, place it in the lock box and proceed to their campsite. Visitors are directed to call Richard B. Russell State Park should they need more information. The disadvantages of this self-registration campground, which is run by volunteers, are: advanced bookings are not allowed and the level of customer service lacks consistency, potentially affecting the visitor experience and repeat business.

A map of the Hart State Outdoor Recreation Area (Hart SORA) is presented on the following page.
Hart State Outdoor Recreation Area (Hart SORA)

Source: www.GAStateParks.org, Georgia Department of Natural Resources
Section IV – Neighborhood Review and Site Analysis

Seasonality & Hart SORA
According to Nicki Meyer, Director of Hart County Chamber of Commerce, during the season May to September:

“There are only 147 lodging opportunities (39 percent) open year around (124 hotels rooms and 23 campsites) due to the Corps of Engineers and GA State control. This causes a weakness in available lodging for visitors coming to Hart County, especially in the lower market, such as campers and RV parks.

According to the Friends of Georgia State Parks each Park visitor is equal to $63.25 in economic impact per year. With the drop in visitors from 2009-2010, we lost over $11 million dollars in economic impact that is very difficult to recoup, all based on 5 cottages. The water level was NOT a factor in 2010. We were at full pool or 5 feet under through the summer season.

In 2008, the water level was a problem from May to September dropping to 633 feet by November. Yet, we still had 184,000 visitors to the park that year. In 2009, the water was excellent and more than 76,000 more visited the park. In late 2009, the cabins were removed. In 2010, water was very good with only a 5 foot drop by December of that year, however, by FY2010 we saw the visitation down 84,000, or a loss of over 176,000 visitors, all attributed to the loss of cabins.”

SWOT Analysis
The following SWOT Analysis discusses the strengths, weaknesses, opportunities and threats for the Subject.

Strengths
- Sufficient land size
- Adjacent to Hartwell Marina and close to the mega boat ramp
- Six miles from Hartwell Golf Club and 4.7 miles from Cateechee Golf Course
- Premium lake/waterfront views
- Lakefront property suitable for water sports and outdoor camping activities
- Good location and easily accessible (within 100 miles or less than a two hour drive from major cities)
- Sufficient infrastructure: paved roads and water, gas, electricity on site
Weaknesses

- The five cottages on site that were closed in 2009 need total renovation.
- The site features few existing and supporting amenities.
- Limited tourism due to lack of quality lodging.
- Hart SORA is only open six months out of the year with limited staffing and advanced booking is restricted.
- There are development limitations since the site is on USACE land.

Opportunities

- Improve and add new amenities: seasonal lakefront restaurant with wedding gazebo and banquet room, beach, horseback riding, zip lines, bike rentals, golf, hiking, and other sports.
- Seasonality: target university sport groups, fishing and hunting groups during low season.
- Host special events including concerts, festivals, and other special events
- Offer special package deals such as golf course/marina credit, golf/food & beverage credit, marina/food & beverage credit and wedding/food & beverage credit.
- Develop partnership with marina by providing boat rentals with additional options to enjoy quality lakefront restaurant and other water sport activities.
- Develop partnership with an outdoor nature provider (hunting/ fishing/ boating/ golf/ nature retreat).
- Develop partnership with local colleges, South Carolina universities (Clemson & Anderson), local businesses and the Chamber of Commerce.
- Create group sales strategy for camping, sports groups and SMERF (Social Military Educational Religious & Fraternal) groups.
- Improve cabins/campsites revenue management and marketing practices.
- Create short-term and long-term competitive advantage strategies to develop Hart State Park as a Destination Park and increase overall tourism to the area.

Threats

- Marina (privately owned and can develop competing amenities)
- Potential new Lake Hartwell upscale resort in South Carolina located in a superior location proximate to the interstate
- Economic downturn
- Alternative lakeside destinations in northeast Georgia
- Environmental (drought)
NEIGHBORHOOD REVIEW AND SITE ANALYSIS CONCLUSION

Hart SORA, the Subject site, is located about two miles from downtown Hartwell, Georgia. The 147-acre outdoor recreation facility currently operates from March 15th through September 15th; only six months out of the year. This state park had to close their 5 cottages in 2009. It currently operates as a self-registration campground offering 62 tent/trailer /RV campsites and 16 walk-in campsites with prices ranging from $19 to $26. Hart SORA does not allow advanced bookings and the lack of park attendants negatively affects the visitor experience. Hartwell Marina is a commercial marina on Lake Hartwell nearby Hart SORA. It offers the following: boat launch ramp, courtesy dock, restrooms, drinking water, handicap facilities, picnic areas, shower/house, marina pump station, and store/concession. Based on the preceding SWOT analysis, the Subject is suitable for development of a privately operated lake destination park offering various leisure, camping, outdoor and water activities that will generate significant additional visitation and economic impact to the area.
SECTION V – CABIN & CAMPSITE MARKET ANALYSIS
INTRODUCTION

Based on a thorough analysis of the competitive hotel properties and our firm’s extensive knowledge of the Georgia hotel and resort lodging market, we determined that a hotel development at the Subject site would not produce sufficient returns to attract a private resort developer at this time. However, the site is appropriate for the expansion and improvement of the existing cabins and campsites. This section of the report contains a national overview (RV ownership and national RV Park and campground operations), a discussion on the competitive market, and the primary competitive parks to the Subject.

NATIONAL OVERVIEW

RV Ownership

According to the Recreation Vehicle Industry Association (RVIA), more than nine million American households own an RV (the highest level ever recorded) representing a 16 percent increase since 2001 and a 64 percent gain since 1980. Buyers aged 35-54 are the largest segment of RV owners, according to the 2011 University of Michigan study commissioned by RVIA. In 2013, RV sales increased 11 percent from 2012. This was about double the total RV shipments in 2009, marking 2013 as the fourth consecutive year of growth since the end of the economic recession. RV Shipments in 2014 are expected to total more than 335,000 units, a projected four percent gain from last year. The following chart displays historical RV Shipments from 2008 to 2013 and the 2014 forecast.

![RV Sales/Shipments: 2008-2013 & 2014 Forecast](image)

Source: Data from [www.RVIA.org](http://www.RVIA.org)

The RV sales growth is attributed to various factors including owners gaining more quality family time by connecting with nature/the outdoors, and saving vacation money by RVing versus staying at a hotel. In a Harris Interactive survey, owners reported that
RV travel enables them to experience nature and outdoor activities and enjoy quality family time. The 2011 Vacation Cost Comparison Study, conducted by PKF Consulting USA, LLC, showed that a family of four can save 23 to 59 percent on vacation costs by traveling in an RV, even after factoring in ownership costs and fuel. For a two-person traveling party, savings are 11 to 46 percent. Even when fuel prices rise, more than 80 percent of RV owners say their RV vacations cost less than other forms of travel. The following charts present the findings of the 2011 Vacation Cost Comparison Study conducted by PKF Consulting USA, LLC. This confirms the growing trend of affordable vacationing with RVs.

<table>
<thead>
<tr>
<th>Vacation Type</th>
<th>Itinerary</th>
<th>Percentage Saved By RV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folding Camping Trailer vs. Car / Hotel</td>
<td>Denver to Grand Canyon</td>
<td>42 percent</td>
</tr>
<tr>
<td>Type C Motorhome vs. Airline / Rental Car / Hotel</td>
<td>Atlanta to Orlando</td>
<td>46 percent</td>
</tr>
<tr>
<td>Travel Trailer vs. Airline / Rental Car / Rental Home</td>
<td>Washington, D.C. to Cape Cod</td>
<td>37 percent</td>
</tr>
</tbody>
</table>
Summary: 2012 National RV Park and Campground Operations Survey
The 2012 National RV Park and Campground Operations Survey was conducted by RCC Associates for the National Association of RV Parks and Campgrounds (ARVC). Overall, 554 total responses were received for a 20 percent rate of response out of the total 2,900 ARVC membership base. Note that total percentages sum to more than 100 percent due to the possibility of multiple responses in the various categories. The survey grouped respondents according to RV park/campground size. Of the total sample, parks with 0-100 sites represent 47 percent, parks with 101-249 sites represent 37 percent, parks with 250-499 sites represent 11 percent, and parks with 500+ sites represent 5 percent. The significant findings of the 2012 National RV Park and Campground Operations Survey are summarized below and their corresponding charts are provided in the Addendum.

- In the United States, 39 states were represented by at least 1 campground/park. Georgia represents 2.1 percent. The top five states were California (9.5 percent), Florida (7.9 percent), Pennsylvania (7.4 percent), Texas (6.9 percent), and Michigan (6.0 percent). The states not represented included Arkansas, Delaware, Hawaii, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Utah, Vermont, and West Virginia.

- **Type of RV Park/ Campground/ Business Organization:** Tourist/overnight parks (67 percent), and/or seasonal site parks (50 percent), destination parks (33 percent), long term/non-seasonal/residential parks (31 percent), franchised (10 percent), adult only parks-no children (5 percent), membership parks (3 percent), and timeshare/condominium/co-op parks (2 percent). Larger parks are comparatively more likely to be seasonal site parks, destination parks, as well as adult only, membership, and timeshare/condominium/co-op parks. Nearly half of all parks and campgrounds overall (48 percent) are incorporated. The larger parks (more than 250 sites) tend to be incorporated under state law much more often than the smaller parks (68-71 percent). Smaller parks (less than 250 sites) are more likely to be organized as an individual or family operation (sole proprietorship—23 to 26 percent) more often than the larger parks and campgrounds (6 to 7 percent). The incidence of partnerships is generally similar across all park sizes (14 percent overall).

- **Rental Types Offered:** The majority of parks/campgrounds also offered some type of rental units, such as cabins, park models, tents/teepees, and trailers and yurts (60 percent of all parks/campgrounds—a 16 percent increase from 44 percent in 2010). Of all these types of units, basic and full amenity cabins were the most commonly available (by 44 to 45 percent), followed by rental trailers (30 percent), park models (25 percent), and then partial amenity cabins (23 percent).
Larger parks generally tend to have all of these types of rental units, particularly park model rentals.

- **Monthly/Weekly/Nightly Rental Units:** In general, full amenity cabins were consistently reported as one of the most common type of monthly, weekly, or nightly rental unit available. Basic cabins are also commonly available at many parks/campgrounds, usually on a nightly or weekly basis. Rental trailers and park models tend to be more common for monthly rentals.

- **RV Site Rentals by Type:** Overall, the majority of RV sites offer water, electric, and sewer (49 to 52 percent). Water, electric, sewer, and TV/cable follow at 39 to 45 percent. Water and electric only are the most common among monthly/weekly/nightly rental RV sites (54 percent), but much less common for seasonal (24 percent) and annual rentals (11 percent). Tent sites and primitive sites are also more likely to be primarily monthly/weekly/nightly. Water, electric, sewer, and TV/cable are more common at the bigger parks on an annual rental basis.

- **Average Rental Rates for Rental Units:** Nightly rental rates for the different types of units available were fairly consistent across the different size parks as well as by type of unit. Basic cabins are the most affordable type of rental unit priced between $55 and $66 per night (low and high season rates). Full amenity cabins have the highest rental rates at $99 to $137 per night (low and high season). Partial amenity cabins are priced between $73 and $85 per night. Similar to full amenity cabins, park trailers are priced at $95 to $125 per night.

- **Premium Site Amenities:** The majority of campgrounds that had premium sites available (33 percent overall) provided: location/view (71 percent), larger site sizes (64 percent), free Wi-Fi services (62 percent), and paved patio (33 percent) as a part of the site’s amenities. Other amenities such as tables/chairs (16 percent), patio furniture (12 percent), propane grill (7 percent), delivered newspapers (3 percent), and hot tub (1 percent) were less common. Thirty-one percent of all campgrounds that had premium sites had some other type of amenity.

- **Discounts Offered:** Three out of four parks/campgrounds offered discounts. The types of discounts varied greatly; however, military (57 percent), Good Sam (56 percent), and AAA (38 percent) were the most common type of discounts offered. Other common discounts offered included passport America, FMCA, organized groups, and AARP (all by 20 to 22 percent of parks). Parks with 500 or more sites, generally, offered more discounts than smaller parks.

- **Outdoor Recreation Facilities:** There was a wide variety of outdoor recreation facilities provided by parks/campgrounds. Larger parks tend to offer more outdoor recreation than smaller parks. More than half of all reporting
parks/campgrounds indicated the following outdoor recreation facilities are available:

- Horseshoe pits (72 percent)
- Playgrounds (68 percent)
- Fishing (56 percent)
- Basketball (54 percent)
- Outdoor swimming pool (53 percent)
- Open/roofed pavilion (52 percent)

The outdoor recreation facilities that required fees by parks most often were the following:

- Boat dock space (26 percent)
- Open/roofed pavilion (26 percent)
- Miniature golf (22 percent)
- Boat launch (15 percent)
- Fishing (12 percent)

**Services for Customers:** Many customer services were offered by parks/campgrounds. Over half of all parks/campgrounds provide the following services:

- Wireless Internet (92 percent of all parks provide this service and 90 percent provide this service free of charge. In 2010, 72 percent of parks offered Wi-Fi and 43 percent charged for the service.)
- Laundry (90 percent)
- Dump station (76 percent)
- Firewood (76 percent)
- Meeting/multi-use room (55 percent)

Second tier of provided services:

- RV storage area (47 percent)
- Vending machines (42 percent)
- Staff attended entrance (34 percent)

**National Overview Conclusion**

As previously mentioned, according to the Recreation Vehicle Industry Association (RVIA), more than nine million American households own an RV (the highest level ever recorded) representing a 16 percent increase since 2001 and a 64 percent gain since 1980. The affordable vacationing trend, RVing and connecting with the outdoors is expected to remain strong given the current economic climate.
COMPETITIVE MARKET

The competitive market profile illustrates Georgia State Parks with lakeside cabins/cottages located in the northeast, northwest, central, southern and coastal regions. The Subject, Hart SORA, is also included. Georgia is home to 48 state parks, with 31 parks that offer cabins/cottages. Some of the state parks offer the following: yurts, camper cabins, paddle-in tent campsites, walk-in campsites, primitive backcountry campsites, pioneer camping, group camping, enclosed group shelters, picnic shelters, picnic sites, archery range, bike rental, a museum/exhibit/nature center. Majority of the state parks have a playground and offer geocaching, an outdoor recreational activity of searching for a hidden prize via a GPS or smartphone. There are also five lodges with rooms and cabins, not shown on the following chart. The five lodges include: Amicalola Falls State Park & Lodge, Unicoi State Park & Lodge, George T. Bagby State Park & Lodge, Little Ocmulgee State Park & Lodge, and Georgia Veterans State Park Lake Blackshear Resort & Golf Club. The lodges range from 70 to 100 rooms with varying price ranges. The number of cabins range from 5 to 30. The parks offer lakeside cabins with one to three bedrooms. The cabin rates for these state parks range from $100 to $210 (which varies during low and high season). Majority of them offer TV and Wi-Fi, a restaurant, a conference center, meeting room and/or amphitheater.

A chart of the competitive market profile and primary competitive market is presented on the following pages, followed by a map of the competitive market with the primary competitive set identified. Note that the overall competitive market includes Georgia State parks mainly on lakes, which offer lodges, cabins and campgrounds with camping, water activities, outdoor activities and sports. South Carolina parks on Lake Hartwell were also considered, however there were no comparable parks to the Subject.
## Section V – Cabin and Campsite Market Analysis

### GEORGIA COMPETITIVE MARKET PROFILE

<table>
<thead>
<tr>
<th>Outdoor Sports</th>
<th>Camping</th>
<th>Cabin/Cottages Price*</th>
<th>Water Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City</strong></td>
<td><strong>Number of Cabins/Cottages</strong></td>
<td><strong>Number of Bedrooms</strong></td>
<td><strong>Cabin Amenities</strong></td>
</tr>
<tr>
<td><strong>Northeast</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Mountain State Park/Lake</td>
<td>Mountain City</td>
<td>10</td>
<td>2 &amp; 3</td>
</tr>
<tr>
<td>Don Carter State Park Lake Lanier</td>
<td>Gainesville</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Elijah Clark State Park</td>
<td>Lincolnton</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Fort Yargo State Park</td>
<td>Winder</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Richard B. Russell State Park</td>
<td>Elberton</td>
<td>20</td>
<td>1 &amp; 2</td>
</tr>
<tr>
<td>Smithgall Woods State Park</td>
<td>Helen</td>
<td>6</td>
<td>1 &amp; 3</td>
</tr>
<tr>
<td>Tugaloo State Park</td>
<td>Lavonia</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Vogel State Park</td>
<td>Blairsville</td>
<td>35</td>
<td>1 &amp; 2</td>
</tr>
<tr>
<td><strong>Northwest</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cloudland Canyon State Park</td>
<td>Raising Fawn</td>
<td>16</td>
<td>2 &amp; 3</td>
</tr>
<tr>
<td>Fort Mountain State Park</td>
<td>Chatsworth</td>
<td>15</td>
<td>2 &amp; 3</td>
</tr>
<tr>
<td>James H. &quot;Sloppy&quot; Floyd State Park</td>
<td>Summerville</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Red Top Mountain State Park</td>
<td>Cartersville</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td><strong>Central</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.H. Stephens State Historic Park</td>
<td>Crawfordville</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>F.D. Roosevelt State Park</td>
<td>Pine Mountain</td>
<td>222</td>
<td>1, 2 &amp; 3</td>
</tr>
<tr>
<td>George L. Smith State Park</td>
<td>Twin City</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Hard Labor Creek State Park</td>
<td>Rutledge</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Indian Springs State Park</td>
<td>Flovilla</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Magnolia Springs</td>
<td>Miller</td>
<td>8</td>
<td>2 &amp; 3</td>
</tr>
<tr>
<td>Mistletoe State Park</td>
<td>Appling</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td><strong>Southern</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Florence Marina State Park</td>
<td>Omaha</td>
<td>15</td>
<td>1 &amp; 2</td>
</tr>
<tr>
<td>General Coffee State Park</td>
<td>Nicholls</td>
<td>6</td>
<td>1 &amp; 3</td>
</tr>
<tr>
<td>Gordonia-Alatamaha State Park</td>
<td>Reidsville</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Seminole State Park</td>
<td>Donalsonville</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Stephen C. Foster State Park</td>
<td>Fargo</td>
<td>3</td>
<td>1 &amp; 2</td>
</tr>
<tr>
<td>Crooked River State Park</td>
<td>St. Marys</td>
<td>11</td>
<td>2 &amp; 3</td>
</tr>
</tbody>
</table>

*Seasonality: Low (Dec.-March) / High (April-Nov); **higher during Masters Week

Source: PKF Consulting USA, LLC; individual property management and www.GeorgiaStateParks.org
PRIMARY COMPETITIVE MARKET

Primary competitors are those that are expected to compete directly with the Subject due to their location and seasonality. The chart below shows the primary competitive market profile.

### PRIMARY COMPETITIVE MARKET PROFILE

<table>
<thead>
<tr>
<th>City</th>
<th>Number of Cabins &amp; Cottages</th>
<th>Number of Bedrooms</th>
<th>Amenities</th>
<th>Lowest $</th>
<th>Highest $</th>
<th>Tent/Pull-Through Sites</th>
<th>RV-Pull-Through Sites</th>
<th>Maximum RV Length (feet)</th>
<th>Site Availability (F)</th>
<th>Fishing: Lake, River &amp; Stream (S)</th>
<th>Swimming: Pool (P), Beach (B), Lake (L)</th>
<th>Water Activities</th>
<th>Outdoor Activities</th>
<th>Sports Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current site: Hart SORAH</td>
<td>Hartwell</td>
<td>5 (closed)</td>
<td>NA</td>
<td>NA</td>
<td>62</td>
<td>$19-$26</td>
<td>30</td>
<td>40</td>
<td>NA</td>
<td>$55,590 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GA State Parks (Lakeside Cabins/Cottages)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Rock Mountain State Park (open Mar.-Nov.)</td>
<td>Mountain</td>
<td>10</td>
<td>2 &amp; 3</td>
<td>TV</td>
<td>$130</td>
<td>$150**</td>
<td>44</td>
<td>25</td>
<td>NA</td>
<td>$17 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Don Carter State Park on Lake Lanier</td>
<td>Gainesville</td>
<td>8</td>
<td>2</td>
<td>TV</td>
<td>$125</td>
<td>$250</td>
<td>44</td>
<td>50</td>
<td>NA</td>
<td>$38,000 B</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elijah Clark State Park</td>
<td>Lincoln</td>
<td>20</td>
<td>2</td>
<td>TV</td>
<td>$125</td>
<td>$135**</td>
<td>165</td>
<td>68</td>
<td>40</td>
<td>$71,100 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fort Yargo State Park</td>
<td>Winder</td>
<td>3</td>
<td>2</td>
<td>TV</td>
<td>$150</td>
<td>$130*</td>
<td>50</td>
<td>$28-$30</td>
<td>75</td>
<td>$26,650 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Richard B. Russell State Park</td>
<td>Elberton</td>
<td>20</td>
<td>1 &amp; 2</td>
<td>TV/Wifi</td>
<td>$145</td>
<td>$165**</td>
<td>28</td>
<td>6</td>
<td>35</td>
<td>$26,650 B</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tugaloo State Park on Lake Hartwell</td>
<td>Lavonia</td>
<td>20</td>
<td>2</td>
<td>TV</td>
<td>$145</td>
<td>$145</td>
<td>105</td>
<td>25</td>
<td>35</td>
<td>$58,590 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vogel State Park</td>
<td>Blairsville</td>
<td>35</td>
<td>1 &amp; 2</td>
<td>TV/Wifi</td>
<td>$140</td>
<td>$135**</td>
<td>105</td>
<td>25</td>
<td>35</td>
<td>$71,000 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A.H. Stephens State Historic Park</td>
<td>Crawfordville</td>
<td>4</td>
<td>2</td>
<td>TV</td>
<td>$145</td>
<td>$125*</td>
<td>25</td>
<td>10</td>
<td>30</td>
<td>$71,000 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mistletoe State Park</td>
<td>Appling</td>
<td>10</td>
<td>2</td>
<td>TV</td>
<td>$200</td>
<td>$150**</td>
<td>90</td>
<td>22</td>
<td>40</td>
<td>$71,000 L</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Seasonality: Low (Dec.-March) / High (April-Nov) | **Higher during Masters Week

NA: Not Applicable

Source: PKF Consulting USA, LLC; individual property management and www.GeorgiaStateParks.org

The primary competitive market offers the following:

- Number of cabins/cottages range from 3 to 35
- Number of bedrooms range from one to three
- Cabin amenities vary by property: TV, Wi-Fi, linens, towels, patio/porch, fireplace, outdoor grill, picnic table and full kitchen (with dishwasher, refrigerator, microwave, stove/oven, pots and pans, tableware, glassware, and utensils).
- A selective number of cabins are pet friendly with a maximum of two pets allowed per cabin. Guests usually bring their dogs and pay a $40 to $45 fee.
- Seasonality: low season (December-March) & high season (April-November)
- Cabin prices range from $100 to $145 (low season) and $125 to $165 (high season and can be higher during Masters Week)
- Tent/Trailer/RV campsites amenities offer hot showers, water and electric hookups, dump stations, and some sewage hookups. RV pull through sites offer water and electric hookups, dump stations and some sewage hookups.

- Camping:
  - Number of tent/trailer/RV campsites range from 25 to 165
  - Cost of tent campsites range from $19 to $28
  - Cost of RV campsites range from $26 to $32
  - Number of RV pull through sites ranges from 7 to 68
  - Maximum RV length range from 25 to 50 feet (majority are 40 or 50 feet)
  - Majority offer supplies/groceries, ice, firewood and a gift shop

- Water Activities:
  - Majority are on lakes with total lake acreage ranging from 17 to 55,590 (Lake Hartwell has the largest total acreage)
  - All of the parks offer fishing and majority have a swimming beach, boat rentals for fishing, and kayak, canoe, pedal or paddleboard rentals.
  - Few offer waterskiing and only two have a marina.

- Outdoor Activities & Sports:
  - Majority offer nature and hiking trails with several offering biking trails.
  - Only five offer equestrian trails.
  - Majority offer some sporting activity such as golfing, volleyball and tennis.

The following page shows a map of the competitive market with the primary competitive set identified by the blue circles and the Subject identified by the red circle. This is followed by interviews we had with park management, including Elijah Clark State Park, Richard B. Russell State Park, Tugaloo State Park, Black Rock Mountain State Park, Don Carter State Park and Fort Yargo State Park.
Section V – Cabin and Campsite Market Analysis

### Elijah Clark State Park

| Location: | 2959 McCormick Highway Lincolnton, GA 30817 |
| Park type: | Lakeside (Clarks Hill Lake) |
| Park size (acres): | 447 |
| Number of Cabins/Cottages: | 20 |
| Number of Bedrooms/Baths: | 2/1 |
| Cottage Amenities: | TV, microwave, screened porch, coffee maker, BBQ/grill, Pet friendly (only two cottages) |
| 2013 Annual Occupancy: | 84-92% |
| 2013 Price Range: | $125-$135 |
| Average Length of Stay: | 5 nights |
| Major Demand from: | GA and SC |
| Seasonality: | Low (Dec.-Mar. 15) High (Mar. 16- Nov.) |
| Tent/Trailer/RV Campsites: | 165 (91 waterfront sites) |
| Tent/RV site price per night: | $25/ $28 |
| Campsite Amenities: | Water, cable, electric, some have living pad, dump service ($20 charge optional) |
| Park Activities: | Camping, fishing, boating, swimming/beach, waterskiing, mini golf, volleyball and basketball. |
| Additional Information: | This park is located in northeast Georgia, about 63 miles southeast of Hart State Park. It is the largest state park with most campsites. In 2014, the Department of Natural Resources invested $150,000 to renovate the cottage bathrooms including tubs, sinks, floor tile, closets, light fixtures and vanity mirrors. Twenty two waterfront campsites were updated which included upgrading from 30 amp to 50 amp. |
### Richard B. Russell State Park

| Location: 2650 Russell State Park Drive Elberton, GA 30635 |
| Park Type: Lakeside (Russell Lake) |
| Park Size (acres): 2,508 |
| Number of Cabins/Cottages: 20 |
| Number of Bedrooms/Baths: 2/2 |
| Cottage Amenities: Wi-Fi, TV, microwave, refrigerator, dishes, pots/pans, dishwasher, screened porch, coffee maker, BBQ/grill, pet friendly (only two cottages-$45 per dog, max 2), docks or shared docks, sewage (lift or individual tank) |
| 2013 Annual Occupancy: 60-70% |
| 2013 Price Range: $145-$165 |
| Average Length of Stay: 3-4 nights |
| Major Demand from: GA, NC, SC, TN, KY, OH and Canada (75-80% out of state) |
| Seasonality: Low (Dec.-Feb. 15) High (Feb. 16- Nov.) |
| Tent/Trailer/RV Campsites: 28 (17 waterfront sites) |
| Tent/RV site price per night: $27/ $30 |
| Campsite Amenities: Water, electric, picnic table, fire ring, comfort station |
| Park Activities: Camping, fishing, boating, swimming/beach, waterskiing, hiking/biking and golf. |
| Additional Information: This park is located in northeast Georgia, about 25 miles southeast of Hart State Park. Elberton County received federal grants to add Wi-Fi throughout the county that included the State park. We are not aware of the Wi-Fi cost. The manager identifies the property as a Destination Park with the four demand drivers; rowing teams coming to train & compete in winter, vacation summer getaway and golfing/fishing trips during spring and fall. Due to the high demand, the manager believes that an additional 5 cottages, 25 campsites and a Marina would benefit the park. |
## Tugaloo State Park

<table>
<thead>
<tr>
<th>Location:</th>
<th>1763 Tugaloo State Park Rd, Lavonia, GA 30553</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park Type:</td>
<td>Lakeside (Lake Hartwell)</td>
</tr>
<tr>
<td>Park Size (acres):</td>
<td>393</td>
</tr>
<tr>
<td>Number of Cabins/Cottages:</td>
<td>20</td>
</tr>
<tr>
<td>Number of Bedrooms/Baths:</td>
<td>2/2, 2/1.5, 2/1 (2/2 is the most popular floor plan)</td>
</tr>
<tr>
<td>Cottage Amenities:</td>
<td>TV, microwave, refrigerator, dishes, pots/pans, dishwasher, screened porch, coffee maker, BBQ/grill, pet friendly (only three cottages-$40 per dog, max 2)</td>
</tr>
<tr>
<td>2013 Annual Occupancy:</td>
<td>Not available</td>
</tr>
<tr>
<td>2013 Price Range:</td>
<td>$120-$145</td>
</tr>
<tr>
<td>Average Length of Stay:</td>
<td>2-3 nights (5 night min. in June &amp; July)</td>
</tr>
<tr>
<td>Major Demand from:</td>
<td>TN, SC, AL and GA (Atlanta-during the weekend)</td>
</tr>
<tr>
<td>Seasonality:</td>
<td>Low (Dec.-Mar.) High (April- Nov.)</td>
</tr>
<tr>
<td>Tent/Trailer/RV Campsites:</td>
<td>105 (38 waterfront sites)</td>
</tr>
<tr>
<td>Tent/RV site price per night:</td>
<td>$27/ $32 (waterfront); $24/ $29 (non-waterfront)</td>
</tr>
<tr>
<td>Campsite Amenities:</td>
<td>Water, electric, picnic table, fire ring, BBQ/Grill, comfort station</td>
</tr>
<tr>
<td>Park Activities:</td>
<td>Camping, fishing, boating, swimming/beach, waterskiing, hiking, min-golf, tennis and volleyball.</td>
</tr>
<tr>
<td>Additional Information:</td>
<td>This park is located in northeast Georgia, about 23 miles northwest of Hart State Park. Due to the high demand, the park is considering to add more dog friendly cottages and Wi-Fi. During low season, the park offers 20 percent off for seniors and special discounts: 25 percent off on the weekend and 30 percent off weekday. The booking window is 14 days in advance and for holidays its 90 days in advance.</td>
</tr>
</tbody>
</table>
### Black Rock Mountain State Park

<table>
<thead>
<tr>
<th>Location</th>
<th>3085 Black Rock Mountain Parkway, Mountain City, GA 30562</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park Type</td>
<td>Mountain/Lake</td>
</tr>
<tr>
<td>Park Size (acres)</td>
<td>1,743</td>
</tr>
<tr>
<td>Number of Cabins/Cottages</td>
<td>10</td>
</tr>
<tr>
<td>Number of Bedrooms/Baths</td>
<td>2/1.5 &amp; 3/2</td>
</tr>
<tr>
<td>Cottage Amenities</td>
<td>TV, microwave, refrigerator, dishes, pots/pans, dishwasher, screened porch, coffee maker, BBQ/grill, sewage, pet friendly (only two cottages-$45 per dog, max 2)</td>
</tr>
<tr>
<td>2013 Seasonal Occupancy</td>
<td>Not available</td>
</tr>
<tr>
<td>2013 Price Range</td>
<td>$130-$150</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>3-4 nights (7 night min. in Summer)</td>
</tr>
<tr>
<td>Major Demand from</td>
<td>FL and GA (mainly Atlanta)</td>
</tr>
<tr>
<td>Seasonality</td>
<td>March-November</td>
</tr>
</tbody>
</table>

| Tent/Trailer/RV Campsites | 44                                                        |
| Tent/RV site price per night | $27/ $30                                                  |
| Campsite Amenities        | Water, electric, picnic table, BBQ/Grill, fire ring, comfort station |
| Park Activities           | Camping, fishing, boating, and hiking.                    |

**Additional Information**

This park is located in northeast Georgia, about 65 miles northwest of Hart State Park. The booking window has been 30-60 days or even 1 year in advance. The park only offers Wi-Fi at the visitor center/gift shop located on the mountain top and at the trading post near the campground.
### Don Carter State Park

| Location:  | 5000 N. Browning Bridge Rd, Gainesville, GA 30506 |
| Park Type: | Lakeside (Lake Lanier) |
| Park Size (acres): | 1,316 |
| Number of Cabins/Cottages: | 8 |
| Number of Bedrooms/Baths: | 2/2 |
| Cottage Amenities: | Wi-Fi, TV, microwave, refrigerator, dishes, pots/pans, dishwasher, screened porch, coffee maker, BBQ/grill, picnic area, pet friendly (only one cottage-$45 per dog, max 2), no sewage- one dump station in park. |
| 2013 Annual Occupancy: | Not applicable (opened July 15, 2013) |
| 2013 Price Range: | $125-$225 |
| Average Length of Stay: | 2 nights |
| Major Demand from: | a 60 mile radius (local business during weekday) |
| Seasonality: | Low (Dec.-Mar.) High (April- Nov.) |
| Tent/Trailer/RV Campsites: | 44 ( 4 lakeside sites) |
| Tent/RV site price per night: | $25/ $29 |
| Campsite Amenities: | Water, electric, picnic table, fire ring, comfort station |
| Park Activities: | Camping, fishing, boating, swimming/beach, waterskiing, and hiking. |
| Additional Information: | This park is located in northeast Georgia, about 72 miles west of Hart State Park. The park opened July 2013 and is the only state park on Lake Lanier Islands. |
Section V – Cabin and Campsite Market Analysis

Fort Yargo State Park

| Location: | 210 S. Broad Street Winder, GA 30680 |
| Park Type: | Lakeside (Fort Yargo Lake) |
| Park Size (acres): | 1,816 |
| Number of Cabins/Cottages: | 3 |
| Number of Bedrooms/Baths: | 2/2 |
| Cottage Amenities: | TV, microwave, BBQ/grill, and picnic table |
| 2013 Annual Occupancy: | Not available |
| 2013 Price Range: | $135 |
| Average Length of Stay: | 3-4 nights |
| Major Demand from: | TX, NC, SC, VA and GA (Atlanta-day trips) |
| Seasonality: | Low (Dec.-Feb. 15) High (Feb. 16- Nov.) |
| Tent/Trailer/RV Campsites: | 50 |
| Tent/RV site price per night: | $28/ $30 |
| Campsite Amenities: | Water, electric, picnic table, fire ring, BBQ/grill, comfort station |
| Park Activities: | Camping, fishing, boating, swimming/beach, waterskiing, hiking/biking, disc-golf, tennis and volleyball. |

Additional Information: This park is located in northeast Georgia, about 75 miles southwest of Hart State Park. The park will add 10 camper cabins by the end of Summer/Fall 2014. There are 5 yurts sold for $70 plus tax per night.
Section V – Cabin and Campsite Market Analysis

Supply
The potential new additions to supply of the primary competitors within northeast Georgia are the following: Richard B. Russell State Park management is considering an additional five cottages, 25 campsites and a Marina. (No set plans or completion date were confirmed.) Tugaloo State Park management is considering additional dog friendly cottages and adding Wi-Fi. (No set plans or completion date were confirmed.) Fort Yargo State Park management confirmed that additional 10 camper cabins will be developed by the end of Summer/Fall 2014. The various recreation areas along Lake Hartwell may also be adding cabins or upgrading various amenities. We are not aware of any recreation areas along Lake Hartwell that are developing lodges, cabins/cottages or improving current campgrounds at this time.

Demand & Seasonality
Based on our interviews, the cabins/cottages annual occupancy ranges from 60 percent to 90 percent. (Some did not have exact occupancy data available.) Major demand is coming from Georgia (Atlanta, Athens, Augusta, & Savannah) and South Carolina (Greenville, Spartanburg, & Anderson). The majority of the parks identified the low season as December to March and high season from April to November. However, Blackrock Mountain State Park is a seasonal park open only nine months out of the year. Hart SORA is also a seasonal park open only six months out of the year.

Pricing
The pricing for cabins/cottages ranges from $120 to $145 (low season) and $135 to $225 (high season) with an average length of stay between two to five nights. The pricing for the campsites range from $19-$28 for tents sites and RV sites $26-$32. Hart SORA offers the lowest pricing for both tent sites ($19) and RV sites ($26).

Average Length of Stay and Booking Window
The average length of stay is two to five nights with a minimum restriction over the summer (such as a minimum stay of five to seven nights for some of the parks interviewed). The booking window ranges from couple days up to 13 months in advance for high demand periods. Hart SORA does not allow advanced bookings.
Historical Performance
The historical performance analyzed is for the following three parks of the primary comp set: Elijah Clark State Park, Richard B. Russell State Park, and Tugaloo State Park. These parks offer 20 cabins which is the most comparable to the proposed facilities at the Subject site, discussed later in this report. According to historical performance data for FY 2010, the three state parks had positive returns however did not utilize strategic revenue management practices to maximize revenue. This is the most current historical data available from the state parks business plans finalized in 2012. The following chart presents the FY 2010 data for the three parks:

<table>
<thead>
<tr>
<th>Park Name</th>
<th>Visitation</th>
<th>Total Operating Budget</th>
<th>Total Earned Revenues</th>
<th>Operational Cost Recovery</th>
<th>Average Operating Cost per Visitor</th>
<th>Average Earned Revenue per Visitor</th>
<th>Average Cost Recovery (FY 2008-2010)</th>
<th>Primary Service Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elijah Clark State</td>
<td>134,216</td>
<td>$593,590</td>
<td>$658,993</td>
<td>111%</td>
<td>$4.42</td>
<td>$4.91</td>
<td>112%</td>
<td>GA (Savannah, Atlanta, Augusta, &amp; Athens); SC (Aiken, Columbia &amp; Greenville)</td>
</tr>
<tr>
<td>Park</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Clarks Hill Lake</td>
</tr>
<tr>
<td>Richard B. Russell</td>
<td>562,515</td>
<td>$504,817</td>
<td>$582,463</td>
<td>112%</td>
<td>$0.90</td>
<td>$1.00</td>
<td>115%</td>
<td>GA (Atlanta, Augusta &amp; Athens); SC (Greenville, Spartanburg &amp; Anderson); NC (Asheville)</td>
</tr>
<tr>
<td>State Park</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lake Richard B. Russell (boating/fishing), Arrowhead Pointe Golf Course, cottages &amp; swimming beach</td>
</tr>
<tr>
<td>Tugaloo State Park</td>
<td>401,715</td>
<td>$547,367</td>
<td>$584,724</td>
<td>107%</td>
<td>$1.36</td>
<td>$1.46</td>
<td>102%</td>
<td>GA (Atlanta); SC (Greenville &amp; Spartanburg); NC (Asheville)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lake Hartwell, camping, cottages, boat ramps, swimming beach and trails</td>
</tr>
</tbody>
</table>

Source: Georgia Department of Natural Resources-State Parks Business Plans

- Total operating budget ranged from $504,800 to $593,600
- Total earned revenues ranged from $582,000 to $659,000
- Operational cost recovery ranged from 107 percent to 111 percent
- Average operating cost per visitor ranged from $0.90 to $4.42
- Average earned revenue per visitor ranged from $1.00 to $4.91
- Average cost recovery (FY 2008-FY 2010) ranged from 102 percent to 115 percent
- Primary service markets included: GA (Atlanta, Athens, Augusta, & Savannah), SC (Aiken, Columbia, Greenville, Spartanburg, & Anderson), and NC (Asheville)
- Primary attractions: Lake, fishing, boating, swimming beach, golf, cottages, camping and trails

In addition, the total number of full-time employees in FY2010 was seven for all three parks and total part-time employees ranged from 10 to 13.
CABIN AND CAMPSITE MARKET ANALYSIS CONCLUSION

According to interviews with management of the primary competitive parks, there is a strong demand for cabins and tent/trailer/RV campsites in the market. This demand has led several of the parks to increase capacity or upgrade their facilities. The parks for which we were able to review financial statements operated profitably, despite the fact that there was minimal revenue management. We conclude that there is sufficient demand in the market to expand the facilities at Hart State Park/Hart SORA. The Subject may benefit from a private operator, who could add value by improving the supporting amenities and introducing revenue management pricing strategies during peak demand periods.
SECTION VI – CONCLUSIONS
INTRODUCTION

This section analyzes the proposed facilities for the Subject site and concludes that given adequate attention to detail, effective local partnerships, and high quality marketing and management the development will be of a high enough quality to achieve positive returns. The following paragraphs provide a list of facilities and amenities that would generate a competitive advantage and should be considered in future studies. Exact sizing and bedroom configuration should be determined with the architect of the project. These proposed facilities are based on the research presented throughout the report.

PROPOSED FACILITIES

The proposed Project is expected to have the following facilities and amenities:

- The Project could support a total of 20 cabins ranging in price from $125 to $200, based on 2014 dollars.
- Because of the closure of the five cabins at Hart SORA, we understand that the facilities are in need of significant renovations and upgrades to repair existing problems, comply with ADA and building code regulations, and enhance the guest experience. These are necessary to insure the lodging facilities are competitive with comparable facilities in the area.
- A selective number of cabins will be pet friendly with a maximum of two pets allowed per cabin. Guests will have to pay a pet fee (usually is $40 to $45).
- Cabin amenities: each cabin has lake access and lake views, a fireplace, cable TV, Wi-Fi, patio/porch, central heat and air, a full kitchen (with dishwasher, refrigerator, microwave, and stove/oven), an outdoor grill and a picnic table. All linens, towels, pots and pans, tableware, glassware, and utensils are provided.
- Maintain and upgrade the current Hart SORA that includes 62 tent/trailer/RV campsites, offers fishing on the lake, boat ramp/dock, waterskiing, nature/biking trails, and playground.
- RV campsite upgrades would include larger pads, deeper turning radius, and 50 amp service.
- Campsite gift shop with camping supplies/groceries, ice/firewood and souvenirs.
- Consider offering a fishing pier, a marina pump station, yurts, camper cabins, paddle-in tent campsites, primitive backcountry campsites, pioneer camping, group camping, enclosed group shelters, picnic shelters, and picnic sites.
Section VI – Conclusions

- Offer bike rentals, small boat rentals (for fishing, kayaking, canoeing, and/or paddle boarding) and large boat rentals (in partnership with Hartwell Marina).
- Offer geocaching which is enjoyed by adults and children. (Geocaching is an outdoor recreational activity of searching for a hidden prize via a GPS or smartphone with a GPS app.)
- Zip lines and other revenue generating activities.
- Lakefront restaurant and bar with banquet/meeting room. It is important that the restaurant be accessible from courtesy docks on the water.
- Sufficient parking

Cabins/Cottages
Typically cabin layout and bedroom mix will be designed by the architect. The cabins are expected to meet or exceed current standards of modern cabin design and amenities. The cabins will include all the standard amenities in a modern cabin such as a fireplace, cable TV, Wi-Fi, patio/porch, central heat and air, a full kitchen (with dishwasher, refrigerator, microwave, and stove/oven), an outdoor grill and a picnic table. All linens, towels, pots and pans, tableware, glassware, and utensils are provided.

Food and Beverage
The Subject at a minimum should provide a seasonal lakeside restaurant and bar with small banquet room including some outdoor dining with premium lake views. The location of the cabins and the surrounding land uses provide ample opportunity to provide an above average food and beverage experience for special events (such as weddings), local residents/businesses, park visitors and other lake users including marina and mega ramp visitors. We have assumed a strong food and beverage component, given the characteristics of the market, would be a significant competitive advantage for the Subject.

CONCLUSION
The facilities and amenities described above combined with the premier location are expected to give the Subject a significant advantage over other area parks by attracting leisure and some group demand. The Subject would be expected to achieve revenues similar to or better than comparable parks as a result of the improved product (new quality cabins with premium lakeside views, upgraded campsites and outdoor recreation) and professional developer and management that applies strategic revenue management practices to maximize revenue generation. This proposed development will have a positive impact on tourism for the city and the surrounding communities.
Section VI – Conclusions

It is our finding that the Lake Hartwell market will currently support cabins/cottages, traditional and higher-end recreational vehicle campgrounds, a lakeside restaurant with adequate courtesy docks, and other outdoor leisure amenities. It should be noted that a hotel or lodge component might become feasible in the future once additional supporting amenities, such as those discussed in this report, are in place and Hart SORA and the City of Hartwell has established itself as a tourist destination. The City of Hartwell should nonetheless plan for the ultimate development of a hotel in its land use plan, infrastructure planning, and environmental assessments that will be undertaken as part of this action. Recognizing ground leases through governmental entities are not attractive to many resort developers, it important that the City of Hartwell be in a position to offer favorable lease terms in order for the private sector to finance, construct, and operate the lodging and recreational facilities without subsidy. Lease agreements should list hotel development as a permitted use and include a renewable lease term of fifty-years with provisions that enable the lease to be financeable. A hotel developer considering the opportunity would view the length of the lease as being an important factor, and would be unlikely to undertake the project unless a financeable, long term lease (50 years) could be established.
ADDENDUM
Charts: 2012 National RV Park and Campground Operations Survey

The 2012 National RV Park and Campground Operations Survey was conducted by RCC Associates for the National Association of RV Parks and Campgrounds (ARVC). Overall, 554 total responses were received for a 20 percent rate of response out of the total 2,900 ARVC membership base. Note that total percentages sum to more than 100 percent due to the possibility of multiple responses in the various categories. The survey grouped respondents according to RV park/campground size. Of the total sample, parks with 0-100 sites represent 47 percent, parks with 101-249 sites represent 37 percent, parks with 250-499 sites represent 11 percent, and parks with 500+ sites represent 5 percent. In the United States, 39 states were represented by at least 1 campground/park. Georgia represents 2.1 percent. The top five states were California (9.5 percent), Florida (7.9 percent), Pennsylvania (7.4 percent), Texas (6.9 percent), and Michigan (6.0 percent). The states not represented included Arkansas, Delaware, Hawaii, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Utah, Vermont, and West Virginia. The key findings from this survey are presented in the following charts.

Source: 2012 National RV Park and Campground Operations Survey (ARVC)
**Type of RV Park/ Campground/ Business Organization:** Tourist/overnight parks (67 percent), and/or seasonal site parks (50 percent), destination parks (33 percent), long term/non-seasonal/residential parks (31 percent), franchised (10 percent), adult only parks-no children (5 percent), membership parks (3 percent), and timeshare/condominium/co-op parks (2 percent). Larger parks are comparatively more likely to be seasonal site parks, destination parks, as well as adult only, membership, and timeshare/condominium/co-op parks. Nearly half of all parks and campgrounds overall (48 percent) are incorporated. The larger parks (more than 250 sites) tend to be incorporated under state law much more often than the smaller parks (68-71 percent). Smaller parks (less than 250 sites) are more likely to be organized as an individual or family operation (sole proprietorship—23 to 26 percent) more often than the larger parks and campgrounds (6 to 7 percent). The incidence of partnerships is generally similar across all park sizes (14 percent overall).

*Source: 2012 National RV Park and Campground Operations Survey (ARVC)*
**Rental Types Offered:** The majority of parks/campgrounds also offered some type of rental units, such as cabins, park models, tents/teepees, and trailers and yurts (60 percent of all parks/campgrounds—a 16 percent increase from 44 percent in 2010). Of all these types of units, basic and full amenity cabins were the most commonly available (by 44 to 45 percent), followed by rental trailers (30 percent), park models (25 percent), and then partial amenity cabins (23 percent). Larger parks generally tend to have all of these types of rental units, particularly park model rentals.

Source: 2012 National RV Park and Campground Operations Survey (ARVC)
**Monthly/Weekly/Nightly Rental Units:** In general, full amenity cabins were consistently reported as one of the most common type of monthly, weekly, or nightly rental unit available. Basic cabins are also commonly available at many parks/campgrounds, usually on a nightly or weekly basis. Rental trailers and park models tend to be more common for monthly rentals. The following show the top four rankings for monthly/weekly/nightly rental units.

- **Monthly:** Full amenity cabins (44 percent), rental trailers (39 percent), park models (28 percent) and basic cabins (19 percent)
- **Weekly:** Full amenity cabins (41 percent), basic cabins (36 percent), rental trailers (33 percent) & partial amenity cabins (21 percent)
- **Nightly:** Basic cabins (45 percent), full amenity cabins (40 percent), rental trailers (28 percent) and partial amenity cabins (23 percent)

*Source: 2012 National RV Park and Campground Operations Survey (ARVC)*
**RV Site Rentals by Type:** Overall, the majority of RV sites offer water, electric, and sewer (49 to 52 percent). Water, electric, sewer, and TV/cable follow at 39 to 45 percent. Water and electric only are the most common among monthly/weekly/nightly rental RV sites (54 percent), but less common for seasonal (24 percent) and annual rentals (11 percent). Tent sites and primitive sites are also more likely to be primarily monthly/weekly/nightly. Water, electric, sewer, and TV/cable are more common at the bigger parks on an annual rental basis.

*Source: 2012 National RV Park and Campground Operations Survey (ARVC)*
**Average Rental Rates for Rental Units:** Nightly rental rates for the different types of units available were fairly consistent across the different size parks as well as by type of unit. Basic cabins are the most affordable type of rental unit priced between $55 and $66 per night (low and high season rates). Full amenity cabins have the highest rental rates at $99 to $137 per night (low and high season). Partial amenity cabins are priced between $73 and $85 per night. Similar to full amenity cabins, park trailers are priced at $95 to $125 per night.

*Source: 2012 National RV Park and Campground Operations Survey (ARVC)*
**Premium Site Amenities:** The majority of campgrounds that had premium sites available (33 percent overall) provided: location/view (71 percent), larger site sizes (64 percent), free Wi-Fi services (62 percent), and paved patio (33 percent) as a part of the site’s amenities. Other amenities such as tables/chairs (16 percent), patio furniture (12 percent), propane grill (7 percent), delivered newspapers (3 percent), and hot tub (1 percent) were less common. Thirty-one percent of all campgrounds that had premium sites had some other type of amenity.
**Discounts Offered:** Three out of four parks/campgrounds offered discounts. The types of discounts varied greatly; however, military (57 percent), Good Sam (56 percent), and AAA (38 percent) were the most common type of discounts offered. Other common discounts offered included passport America, FMCA, organized groups, and AARP (all by 20-22 percent of parks). Parks with 500 or more sites, generally, offered more discounts than smaller parks. One-third of all parks offered at least one other type of discount not listed below.

*Source: 2012 National RV Park and Campground Operations Survey (ARVC)*
Outdoor Recreation Facilities: There was a wide variety of outdoor recreation facilities provided by parks/campgrounds. Larger parks tend to offer more outdoor recreation than smaller parks. More than half of all reporting parks/campgrounds indicated the following outdoor recreation facilities as available:

- Horseshoe pits (72 percent)
- Playgrounds (68 percent)
- Fishing (56 percent)
- Basketball (54 percent)
- Outdoor swimming pool (53 percent)
- Open/roofed pavilion (52 percent)

The outdoor recreation facilities that required fees by parks most often were the following:

- Boat dock space (26 percent)
- Open/roofed pavilion (26 percent)
- Miniature golf (22 percent)
- Boat launch (15 percent)
- Fishing (12 percent)

The results are shown on the following page.
Figure 37
Outdoor Recreation Facilities Provided

Source: 2012 National RV Park and Campground Operations Survey (ARVC)
Services for Customers: Many customer services were offered by parks/campgrounds. Over half of all parks/campgrounds provide the following services:

- Wireless Internet (92 percent of all parks provide this service and 90 percent provide this service free of charge. In 2010, 72 percent of parks offered Wi-Fi and 43 percent charged for the service.)
- Laundry (90 percent)
- Dump station (76 percent)
- Firewood (76 percent)
- Meeting/multi-use room (55 percent)

Second tier of provided services:

- RV storage area (47 percent)
- Vending machines (42 percent)
- Staff attended entrance (34 percent)

The results are shown on the following page.
Source: 2012 National RV Park and Campground Operations Survey by ARVC
APPENDIX C.2:
FEASIBILITY STUDY
Appendix C2

Redacted Public Version of Feasibility Study
January 5, 2016

Mr. David Alrich
City of Hartwell
456 East Howell Street
Hartwell, Georgia 30643

Re: Campground and Event Center at Lake Hartwell

Dear Mr. Alrich

In accordance with our engagement letter and subsequent discussions, we have completed an evaluation of the economic feasibility of the proposed development to be located at Hart State Park, Hartwell, Georgia. We understand that a professional evaluation of the economic feasibility of this project is required by the Army Corps of Engineers in order to lease the properties to a third party.

It is our understanding that a portion of Hart State Park will be re-developed with a full service restaurant and event center. Currently, Hart State Park is situated on land overlooking Lake Hartwell that the Army Corps of Engineer leases to the State. Existing facilities include roadways and infrastructure, RV sites, tent camping sites, courtesy docks, ranger residence, campground manager residence, and five cabins. The proposed new developments will include a two-level 10,000 square foot seasonal restaurant (not included in this analysis), lakeside event open air pavilion, cove-side event venues, even dock, open air pavilion with event lawn, over flow parking, “Cricket” theatre with terraced lawns. All of these facilities will be operated by the event operator. In addition, the existing cabins will be refurbished and utilized by the event planner for wedding parties or special guest that book events at the event center. The campground manager’s residence will be utilized by the event manager for food storage and preparation for events. Additional development plans indicate a future hotel and conference center. Included in this facility will be a 5,000 square foot air conditioned conference that will be utilized by the event planner for indoor events. We have provided a financial operating pro forma for this tenant, Sub Lessee 2.

In addition to the Event Center, we have also reviewed the operating pro forma provided by the prospective tenant for the Camp Ground. We have included the pro forma for the campground in this report for your reference, Sub Lessee 1.

This report has been prepared for your use and guidance in determining the most suitable course of action for the City of Hartwell with respect to the future development of Hart State Park as a tourism destination and to assist in lease negotiations. As in all studies of this type, the estimated results are based upon our assumption that competent and efficient management will operate the Project.
1. We have assumed that Sub Lessee 2 will construct the four pavilions and infrastructure as proposed. We assume that operations would begin January 1, 2017.

2. We will have no obligation to update our findings regarding changes in market conditions that occur subsequent to the completion of our fieldwork. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed Project.

3. The information and analyses provided to you in presentation and/or report form will be intended solely for your information and use. They may also be used in connection with your efforts to secure financing for the development. Our work product cannot be used in connection with the sale of bonds for the Project without our prior written consent. Additional fees may be required in connection with our review of any memoranda associated with such an offering.

3. The scope of our study and report thereon would not include the possible impact of zoning or environment regulations, licensing requirements, or other such matters unless they have been brought to our attention and are disclosed in the report.

4. Any drafts or preliminary information communicated to you during the course of the assignment are for your internal management use only and may not be disclosed to any outside parties without our prior consent.

5. PKF Consulting USA/CBRE Hotels cannot be held liable in any course of action resulting in litigation for any dollar amount that exceeds the fees collected from this assignment.

Following completion of our work, we would be available to discuss further development strategy for the Project, specifically relating to design issues, financing strategies and project cost estimates. Such additional consultation is not, however, included within the scope of work for this assignment.
Pages 3-7 contain proprietary trade secret information and is not subject to public record.
Sub Tenant 1 – Camp Ground

The following operating pro forma was provided by the prospective lessee that would renovate and operate the existing camp ground facilities. We have reviewed the operating pro forma and considered it to be reasonable based on our knowledge of similar facilities in the area. However, our scope of assignment for Sub Lessee 1 was not to provide a separate forecast but to only review the operating pro forma as provided. Provided on the following page is the operating pro forma provided by Sub Lessee 2.
Pages 9-11 contain proprietary trade secret information and is not subject to public record.
We thank you for your cooperation and assistance during the course of our research. If you require additional clarification or documentation, please give us a call at any time.

Sincerely yours,
PKF Consulting USA
A Subsidiary of CBRE, Inc.
May 6, 2016

Mr. David Alrich  
City of Hartwell  
456 East Howell Street  
Hartwell, Georgia 30643

Re: Proposed Restaurant at Lake Hartwell

Dear Mr. Alrich,

In accordance with our engagement letter and subsequent discussions, we have completed an update of the economic feasibility of the proposed development to be located at Hart State Park Hartwell, Georgia. We understand that a professional evaluation of the economic feasibility of this project is required by the Army Corps of Engineers in order to lease the properties to a third party.

It is our understanding that a portion of Hart State Park will be re-developed with a full service restaurant and event center. Currently, Hart State Park is situated on land overlooking Lake Hartwell that the Army Corps of Engineer leases to the State. Existing facilities include roadways and infrastructure, RV sites, tent camping sites, courtesy docks, ranger residence, campground manager residence, and five cabins. The proposed new developments will include a two-level 10,800 square foot seasonal restaurant (not included in this analysis), lakeside event open air pavilion, cove-side event venues, even dock, open air pavilion with event lawn, over flow parking, “Cricket” theatre with terraced lawns, All of these facilities will be operated by the event operator. In addition, the existing cabins will be refurbished and utilized by the event planner for wedding parties or special guest that book events at the event center. The campground manager’s residence will be utilized by the event manager for food storage and preparation for events. Additional development plans indicate a future hotel and conference center. This study includes the economic feasibility for the restaurant to be located at Lake Hartwell We have provided a financial operating pro forma for this tenant.
This report has been prepared for your use and guidance in determining the most suitable course of action for the City of Hartwell with respect to the future development of Hart State Park as a tourism destination and to assist in lease negotiations. As in all studies of this type, the estimated results are based upon our assumption that competent and efficient management will operate the Project.
1. We have assumed that tenant will construct the restaurant as proposed. We assume that operations would begin January 1, 2018.

2. We will have no obligation to update our findings regarding changes in market conditions that occur subsequent to the completion of our fieldwork. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed Project.

3. The information and analyses provided to you in presentation and/or report form will be intended solely for your information and use. They may also be used in connection with your efforts to secure financing for the development. Our work product cannot be used in connection with the sale of bonds for the Project without our prior written consent. Additional fees may be required in connection with our review of any memoranda associated with such an offering.

3. The scope of our study and report thereon would not include the possible impact of zoning or environment regulations, licensing requirements, or other such matters unless they have been brought to our attention and are disclosed in the report.

4. Any drafts or preliminary information communicated to you during the course of the assignment are for your internal management use only and may not be disclosed to any outside parties without our prior consent.

5. CBRE Hotels cannot be held liable in any course of action resulting in litigation for any dollar amount that exceeds the fees collected from this assignment.

Following completion of our work, we would be available to discuss further development strategy for the Project, specifically relating to design issues, financing strategies and project cost estimates. Such additional consultation is not, however, included within the scope of work for this assignment.

Proposed Facilities

Based on our understanding the prospective tenant will develop a 10,800 square foot seasonal restaurant and bar. The restaurant would be overlooking the lake with water views and proximate to a marina where boats will have access to dock. The venue will be able to cater to a wide audience as it will be open to support the remainder of the
development as well as those boating on Lake Hartwell. This facility will allow the other amenities such as the event center to hold more events as there will be a food and beverage outlet to support it.

Projected Annual Operating Results for Restaurant

Basis of Assumptions

The estimated annual operating results are based on assumptions that reflect industry trends and historical operating results achieved by comparable restaurants/marina restaurants and specific market and operational considerations relative to this proposed facility. In view of these assumptions, the statements presented at the conclusion of this section reflect our estimates of operating results for the proposed restaurant in the first five years of operations.

Our forecast is based on our analysis of similar restaurants and our review of comparable facilities in the area. Our utilization estimated the number of covers and average revenue generate per cover which are based on market research that we have conducted and have summarized in this report.

From this basis, we have considered the effects of inflation, sales volume or utilization, fixed and variable expense components, and age of the property on operating revenues and expenses for the five year periods from January 1, 2018 through December 31, 2022. We have assumed 2020 (Year 3) as the stabilized year.

Estimated Utilization

It is our understanding that the Lake Hartwell Restaurant will capture a large amount of demand from those boating on Lake Hartwell and from events held at the event center, as the area has a need for newer and better designed facilities. The Restaurant will also benefit from the Campground as they are expecting annual visitation of 50,000 per the Campground Sublease.

Based on our research we have projected that the utilization of all the venues will be seasonal. The summer will be peak as the Lake Hartwell sees the most traffic then. Based on our research we can assume the restaurant will have its highest utilization from June-September. We have calculated utilization based on the number of covers the restaurant would receive annually. We have based our assumptions on industry trends and operating results achieved by comparable restaurants. We have assumed the utilization will ramp up and stabilize in year three. As a result we have assumed 26,000 covers in a stabilized year. This assumption takes into consideration when the restaurant will either closed or not fully operational in the winter months (December-February). Below you will see a table that represents utilization of the restaurant in a stabilized year.
Fundamental to the estimate of operating results is our assumption that the event center and restaurant will be competently and efficiently managed and marketed by an experienced restaurant operator with an established record in managing similar facilities.

**Inflation**

While we are unable to provide a definitive estimate of the future inflation rates, we do believe that the inflation rate will continue to be a significant factor in the ongoing performance of restaurants tends to adapt more easily to inflation than other major
investments, since rates can be easily adjusted in response to changing costs. We have projected operating income and expenses in inflated dollars.

Our inflation assumption of 3.0 percent in 2017 and thereafter is intended only to portray an expected long term trend over the projection period in price movements, rather than a specific point in time. It should be noted that inflation is caused by many factors, and unanticipated events and circumstances will affect the forecasted rate. Therefore, the operating results computed over the projection period will vary from actual, and the variations may be material.

Estimated Revenues

Total revenue includes food revenue and beverage (alcoholic) revenue. Based on comparable restaurants we believe 26,000 attendees in a stabilized year is reasonable and as a result, total revenue in year three (a stabilized year) is estimated to be $1,101,692. We have based our revenue projections off of revenue generated per cover.

- **Food Revenue-** The operator is expected to provide food and beverage options to all events. We have estimated that $25 of revenue per guest or $649,031 in food revenue is sufficient.

- **Beverage (Alcoholic) Revenue-** Revenue from alcoholic beverage is separate from the food revenues. In a stabilized year we have projected $15 per guest or $389,419 of revenue.

Estimated Expenses

Expenses for the “Lake Hartwell Restaurant” are based on industry standards for similar types of restaurants and reflect typical expenses for facilities of this size. We have used Restaurant Operations Report published by National Restaurant association as a reference. Please see below a statement published by the National Restaurant.
Cost of Goods Sold

Cost of goods sold includes the cost of the food & beverages (alcoholic & non-alcoholic). The payroll affiliated with food and beverage sales includes expenses related to bartenders, caterers, and waiters.

- **Food Sales** - This expense line item includes revenue from the sale of food in the restaurant. Food sales also include nonalcoholic beverages such as coffee, tea, juices, bottled water, and soft drinks. The cost of goods sold for food in a stabilized year would be $227,161 or 35 percent of food sales.

- **Beverage Sales** - This expense line item includes revenue from the sale of alcoholic beverages such as wine, spirits, and beers. Beverage sales do not include nonalcoholic beverages as they are included in food sales. The cost of goods for beverage in a stabilized year would be $116,826 or 30 percent of beverage sales.

- **Payroll** - This expense line item includes any salary expense related to bartenders, caterers, and waiters. The payroll expense in an stabilized year is expected to be $363,458 or 35 percent of total revenues.
Other Controllable Expenses

Other Controllable Expenses that are not chargeable to a particular operating department and are not classified as fixed expenses are classified as undistributed operating expenses.

These expenses were estimated after examination of actual operating statistics of comparable conference centers and hotels in addition to industry averages.

- Direct Operating Expense – These expenses are directly involved in providing service to the customer, such as uniforms, laundry, cleaning and other supplies, menus, linens, glassware etc.

- Marketing – To achieve the results we have projected at the respective rates, we have estimated marketing expenses of $133,778 in the third year of operations. This expense includes all advertising and sales promotion expenses, including the salaries of sales managers, production of brochures and the cost associated with attracting the demand estimated. These costs are necessary in order to attract and maintain sufficient levels demand.

- Repair & Maintenance – This includes the costs of maintaining the interior and exterior of the structure, as well as signage, landscaping, parking lot and grounds. It also includes maintenance contracts for POS systems and other equipment, as well as repairs to furniture, bar, equipment etc. We have estimated a cost of $20,769 in a stabilized year.

- Utilities – We have estimated utility costs of $25,961 in a stabilized year, which will include HVAC (heating, ventilation and air conditioning), electricity, gas, water and sewer charges.

Non Controllable Expenses

- Occupancy Costs – This includes all taxes and property insurance. These costs are sometimes called “fixed charge” as they usually are determined by the financial setup of the restaurant and usually not by the trend of its business. We have estimated occupancy costs to be $31,154 or 3 percent of total revenues.

- Ground Lease - To be determined.

Reserve for Replacement

A cash reserve for replacement of furniture, fixtures, and equipment (F, F&E) has been included. This expense provision is 4 percent of sales. This should ensure that
sufficient funds are available for replacing used or damaged FF&E, in a timely fashion to maintain the quality status of the restaurant.

Conclusions

Below is a five year projection of the Lake Hartwell Restaurant with 2020 representing the stabilized year.

<table>
<thead>
<tr>
<th>Lake Hartwell Restaurant - Sublease</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Revenue</td>
<td>$517,881</td>
<td>$583,456</td>
<td>$649,031</td>
<td>$668,502</td>
<td>$688,557</td>
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<tr>
<td>Beverage (Alcoholic) Revenue</td>
<td>$310,729</td>
<td>$350,074</td>
<td>$389,419</td>
<td>$401,101</td>
<td>$413,134</td>
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<td>Other</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Total Revenue</td>
<td>$828,610</td>
<td>$933,530</td>
<td>$1,038,450</td>
<td>$1,069,604</td>
<td>$1,101,692</td>
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<tr>
<td>Expenses</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Food COGs</td>
<td>$181,258</td>
<td>$204,210</td>
<td>$227,161</td>
<td>$233,976</td>
<td>$240,995</td>
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<tr>
<td>Beverage COGs</td>
<td>$93,219</td>
<td>$105,022</td>
<td>$116,826</td>
<td>$120,330</td>
<td>$123,940</td>
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<td>Payroll</td>
<td>$290,014</td>
<td>$326,736</td>
<td>$363,458</td>
<td>$374,361</td>
<td>$385,592</td>
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<td>Total Departmental Expenses</td>
<td>$564,491</td>
<td>$635,967</td>
<td>$707,444</td>
<td>$728,667</td>
<td>$750,527</td>
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<td>Direct Operating Expense</td>
<td>$41,431</td>
<td>$46,677</td>
<td>$51,923</td>
<td>$53,480</td>
<td>$55,085</td>
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<td>Marketing</td>
<td>$24,858</td>
<td>$28,006</td>
<td>$31,154</td>
<td>$32,088</td>
<td>$33,051</td>
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<td>Repair &amp; Maintenance/Cleaning</td>
<td>$16,572</td>
<td>$18,671</td>
<td>$20,769</td>
<td>$21,392</td>
<td>$22,034</td>
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<td>Utilities</td>
<td>$20,715</td>
<td>$23,338</td>
<td>$25,961</td>
<td>$26,740</td>
<td>$27,542</td>
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<tr>
<td>Occupancy Costs</td>
<td>$24,858</td>
<td>$28,006</td>
<td>$31,154</td>
<td>$32,088</td>
<td>$33,051</td>
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<tr>
<td>Ground Lease</td>
<td>$33,144</td>
<td>$37,341</td>
<td>$41,538</td>
<td>$42,784</td>
<td>$44,068</td>
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<td>Capital Reserve (4%)</td>
<td>$161,579</td>
<td>$182,038</td>
<td>$202,498</td>
<td>$208,573</td>
<td>$214,830</td>
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<tr>
<td>Total Undistributed Expenses</td>
<td></td>
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<td></td>
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<tr>
<td>NOI</td>
<td>$102,540</td>
<td>$115,524</td>
<td>$128,508</td>
<td>$132,363</td>
<td>$136,334</td>
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<tr>
<td>NOI % of Revenue</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: PKF Consulting | CBRE Hotels, Please note that these pro forma financials are proprietary and not subject to Public Reco

We thank you for your cooperation and assistance during the course of our research. If you require additional clarification or documentation, please give us a call at any time.

Sincerely yours,
CBRE Hotels