

II. H. BUSINESS PLAN

Introduction

The Business Development Plan for Nisqually-Mashel State Park Site is predicated on formation of a strategic alliance between the State of Washington and the Nisqually Tribe and associated or confederated tribes of the Pacific Northwest. This alliance or partnership between the Washington State Parks and Recreation Commission and the Native American peoples is foundational in establishing and maintaining the identity and purpose of the park. Native American partnerships, as well as partnerships or development and operating agreements with other private entities is key to enhancing market penetration and user demand, facilitating development and administering year-round operations that promote and sustain recreational and cultural values and, economic performance. A financial and operational partnership with the Nisqually Tribe is being actively explored by both parties as of the date of publication of this master plan, but the details of that partnership will not be worked out before the master plan is finalized.

The Business Plan addresses Traditional and Enterprise Recreation assets. Thus, a mix of recreation opportunities is created whereby Native American and other qualified service providers may enter into lease/development or concession agreements with Washington State Parks and Recreation Commission. These service providers will engage in enterprise activities such as RV Camping and other activities as identified in the Recreation Activities Menu and facilities development concepts articulated in the Master Plan.

As previously stated, the economic performance objective at build-out of the Nisqually-Mashel State Park Site is to generate sufficient operating revenues, through enterprise activities and user fees that will offset up to 50% of annual operating expense. Thus alliances are the principal vehicle that facilitates the development process, implements the planned 20-year phased capital improvement program, establishes a progressive operational capacity and creates revenue centers. A principal instrument that forms the primary Native American alliance may well be a Development & Operating Agreement. This agreement must contain articles establishing the basis of implementing capital investments with multiple phases implemented over a 20-year time frame. The following outlines key elements of such an agreement.



Development & Operating Agreement Outline:

- Subject of Agreement, Term and Definitions
- Project Development, Phasing and Elements
- Project Funding
- Project Design and Construction
- Assurances
- Operations Following Construction
- General Provisions

Business Development Strategy

The recreation market and user demand research for Nisqually-Mashel State Park Site revealed a potential for up to 484,920 annual visitors after build-out of all facilities. Peak use occurs during the month of August and is projected at 115,896 visitors. A daily visitation at peak use is projected to be up to 4,000 persons.

A Recreation Activities Menu indicates the following opportunities for visitors:

- Special Events
- Seasonal Celebrations
- RV Camping
- Tent Camping
- Cabins/Yurts
- Merchandising
- Equestrian Activities
- Cultural Attractions
- Interpretative Exhibits
- Education Programs
- Hiking
- Fishing Pond
- Passive Recreation

A coordinated State and Tribe marketing plan will be organized to advertise the Nisqually-Mashel State Park Site, its facilities, services, resources and recreation opportunities. The electronic multi-media and print Market Plan will be geographically targeted to local, state, other USA, national and international populations segmented by age group, lifestyle, user interests and socio-economic profile. Marketing activity is to be correlated with seasonal influences, levels of development, and operational and service capacity.



Development Phases and Cost Projections

To facilitate recreation activities, the park’s initial development program is organized into four (4) phases, covering a twenty (20)-year period. The following table lists development phases with the attending time frame and budget projections for the State and the Tribe. The cost projections include construction, design, architectural and engineering services, contingencies and other soft costs.

Phase	Years	Parks	Tribal/Partners
Phase 1	2011-2013	\$ 1,099,812	\$ -0-
Phase 2	2014-2018	\$ 5,788,398	\$ 13,798,100
Phase 3	2019-2023	\$ 22,878,388	\$ 9,005,500
Phase 4	2024-2028	\$ 20,233,402	\$ 12,196,400
Totals:		\$ 50,000,000	\$ 35,000,000

Note: Detail budget information may be found in the Capital Development Plan section.

Park Plan Development Plan Description

The 20+ year phased development program projects Washington State Parks and Recreation Commission capitalization at \$50 million and Nisqually Tribal and Partner capitalization at \$35 million (2008 dollar values). There are three (3) specific objectives:

1. Strategic Alliance: The initial capital investment objectives will be facilitated through agreements between the State of Washington, the Nisqually Tribe and Native American Nation(s), and other private entities which invest in development and operations within the next 5 to 10 years. Actionable items for the Nisqually-Mashel State Park Site development program will focus on establishing:

- **Identity:** Creation of “The Peoples Park” – in concept, spirit and identity as centerpiece of building an activated destination and enterprise/attraction park within the nation, state and region.
- **Integration:** The Park Master Development Plan integrated with Business and Investment Plan – creating traditional and enterprise recreation, new revenue centers and progressive operational cash flow through attractions, events, facilities and programs.
- **Implementation:** Sequentially and strategically identify State, Native American and private development responsibilities. Implement capital improvements, land acquisition and infrastructure development in support of the business development plan. Establish operations, service opportunities and economic performance objectives.



Consideration may be given to soliciting lease/development and operations proposals from Recreation Vehicle and Camping corporations to facilitate early development and operations of camping activity. If a privately operated camping facility is considered, allowances for RV space densities and amenities will need to be made in accordance with private business and investment models. The overall space allocated to RV Campground development and ancillary facilities would need to be considered.

Economic Performance Objectives

National, state and local economic conditions, the cost of governmental services and fund allocation priorities have generated a paradigm shift in the institutional structure of public recreation and its capacity to deliver leisure services.

The current and long term budget affects the ability of Washington State Parks and Recreation Commission to function as a major leisure services provider, and may continue to generate operating fund reductions and minimal investment capital. Yet the need for and importance of quality recreation for the citizens have not diminished nor has demand for recreation experiences by visitor populations coming to the Pacific Northwest.

It is therefore essential that economic objectives be supported by developing quality facilities and providing recreation services, events and programs that create new revenue centers. Such centers are to be designed to generate operating revenues that reduce dependency on tax-based funding and establish an economic balance of revenues earned plus services rendered within the institutional structure of the Nisqually-Mashel State Park Site. This action is predicated on adopting Enterprise Recreation as a major component of the facilities development plan while preserving traditional recreation and resource stewardship responsibilities.

Investment objectives are to be formulated on the basis of a business model that seeks to achieve a 50% offset of the total operating cost of the Nisqually-Mashel State Park Site. Private partnerships that establish enterprise recreation development are to be balanced in terms of scope and service capacity, with traditional recreation, preservation, conservation or non-revenue generating projects. Priority is to be given to revenue producing investments and development objectives until a balance of enterprise and traditional recreational assets within the Park are achieved.

Additional steps include defining investment and development priorities, funding methods, partnerships and the organizational structure required to facilitate, produce and administer enterprise recreation activities. As a menu for recreation development opportunities and investments is formulated over the 20-year phased development program, it will become necessary to test feasibility through additional market research, project scoping, economic performance analysis and formation of operating agreements.

Revenue generating capital projects identified within the 2009-2028 Phase 1-4 Master Development Program are listed as follows.

- **Phase 1** No revenue generating projects
- **Phase 2** Bridge and Peoples Center
- **Phase 3** Camping, Events Center, Picnicking, Village Store, Leschi's Village, Peoples Center Observatory, Tour facilities
- **Phase 4** Added Camping, Equestrian Center

Note: See detail description of capital projects in Land Use Plan, Transportation Plan and Capital Development Plan Sections of the Master Plan.

Operations

The Nisqually-Mashel State Park Site is to be operated jointly by the State of Washington and the Nisqually Tribe and/or its approved designees or partners, and participation by other private service providers. Primary stewardship and law enforcement responsibilities will belong to the State of Washington. Additional administrative and maintenance functions are to be divided equitably between the Washington State Parks and its partners or lease/concession service providers.

ENTERPRISE RECREATION

Several factors are considered in organizing an enterprise recreation activities menu. These include market and business development options, area recreation services, site size and natural resource features, recreation opportunities, environmental constraints, operational requirements, revenue values and public benefit. Enterprise activities at the Nisqually-Mashel State Park Site are scheduled for development in Phases 3 and 4 which are programmed to occur between 2019 and 2028. Development activities are market driven and are expected to be implemented and operated by the Nisqually Tribe, associated or confederated Native Americans, other private entities and the Washington State Parks and Recreation Commission.

1. Recreation Vehicle Camping:

Phase 3, 2019-2023: A 50-space full service recreation vehicle camping facility.



The averaged RV occupancy is separated into three operating periods during a twelve month time frame indicated as follows.

- 3 months @ 100% occupancy = 4,500 site nights
- 6 months @ 55% occupancy = 4,950 site nights
- 3 months @ 25% occupancy = 1,125 site nights

Projected annual use of the 50-space RV campground generates 10,575 site nights. If an annual occupancy rate of about 58% is achieved the total site nights rented to RV users is projected to be about 10,575. The suggested site night rental rate charged by the state is \$28 thus the projected RV camping annual revenue is **\$296,100**.

NOTE: The rental rates and revenue amounts indicated are for 2008 dollar values and will modify for the development and operating Phase indicated.

Phase 4, 2024 -2028: Additional 60 individual RV spaces, five (5) group RV camp sites with 15 spaces each, generating 75 RV spaces. There are 135 individual and group RV spaces.

The averaged RV occupancy is separated into three operating periods during a twelve month time frame indicated as follows.

- 3 months @ 100% occupancy = 12,150 site nights
- 6 months @ 55% occupancy = 13,365 site nights
- 3 months @ 25% occupancy = 3,038 site nights

Projected annual use of the 135 individual and group RV spaces generates 28,553 site nights. If an annual occupancy rate of about 58% is achieved, the total site nights rented to RV users is projected to be approximately 28,553. The suggested site night rental rate charged by the state is \$28, thus, the projected RV camping annual revenue is **\$799,484**.

NOTE: The rental rates and revenue amounts indicated are for 2008 dollar values and will modify for the development and operating Phase indicated.

Another option for developing and managing an RV campground would be for a private camping operator to construct and operate the facility within the park. In order to make the operation financially feasible for a private enterprise, the campground density would need to increase significantly from current State Park standard designs. State park campgrounds are generally 3-4 campsites per acre,



while a private enterprise would require the facility to be developed at 15 campsites per acre. Under this option, the total number of campsites in the park would not necessarily increase, and the location of the RV camping facility would stay consistent with the Land Use Plan. State Parks could benefit from having a private enterprise construct and operate the RV campground in a number of ways. Benefits could include:

1. The total cost of park development borne by the state would be reduced;
2. The campground could potentially be developed much sooner than it could if its development were reliant on public funding;
3. Having camping in the park earlier would benefit the other park developments, including the People's Center;
4. Because the private enterprise would be operating the RV campground, fewer operations staff persons would be necessary; and
5. If the same number of campsites were developed in a smaller footprint in the park, more of the park would be reserved for open space and wildlife habitat, and a shorter road system would result in less stormwater and its associated impacts.

If the Parks and Recreation Commission would like to consider having the park's RV campground constructed and operated by a private enterprise, then an additional economic analysis of that enterprise should be completed. Additionally, the park's Design Guidelines would need to be adjusted to account for the higher density in the campground.

2. Village Store & Merchandising:

Phase 3, 2019-2023: A Village Store that provides a retail outlet for Native American crafted products, convenience items, food, beverages, apparel and other merchandise. Patronage for the Village Store is attracted from day-use visitors, Village Center visitors, campers, tours, river floats and persons attending events. Total annual visitors to the Nisqually-Mashel State Park Site after complete development and stabilization is projected to range from 404,100 to 484,920.

Peak use months are July and August. Descending use time frames are moderate which includes May, June, September and October, and minimal which is January, February, March, April, November and December.

Projected patronage for the Village Store is separated by peak use and off-season visitation for three segments of the operating year. Estimated patronage is a



percentage of the peak, moderate and minimal visitor projections applying the low end of the range. Patronage projections are indicated as follows.

▪ Peak	181,035	@ 12%	=	21,724
▪ Moderate	175,380	@ 7%	=	12,277
▪ Minimal	47,685	@ 5%	=	2,384

Total Annual Patronage: 36,385

Phase 4, 2024-2028: An expanded Village Store that provides broader selection of retail commodities; of Native American crafted products, convenience items, food, beverages, apparel and other merchandise. Patronage for the Village Store is attracted from day use visitors, campers, tours, river floats and persons attending events. Total annual visitors to the Nisqually-Mashel State Park Site after complete development and stabilization is projected to range from 404,100 to 484,920. The lower range is applied.

Peak use months are July and August. Descending use time frames are moderate which includes May, June, September and October, and minimal which is January, February, March, April, November and December.

Projected patronage for the Village Store is separated by peak use and off-season visitation for three segments of the operating year. Estimated patronage is a percentage of the peak, moderate and minimal visitor projections applying the low end of the visitor range. Patronage projections are indicated as follows.

▪ Peak	181,035	@ 15%	=	27,155
▪ Moderate	175,380	@ 9%	=	15,842
▪ Minimal	47,685	@ 7%	=	3,338

Total Annual Patronage: 46,335

Economic performance for merchandising is measured in terms of per-capita expenditures. Stores that offer a diverse product line including apparel and specialty items along with food, beverages and convenience items, tend to realize higher per-capita expenditures. The following are expenditure rates applied to the patronage projections indicating a range of gross revenue generated by the Village Store.

Phase 3, 2019-2023: Village Store Revenue Projections



▪	21,724	@	\$10-\$18	=	\$ 217,240	-	\$ 391,032
▪	12,277	@	\$18-\$15	=	\$ 98,216	-	\$ 184,155
▪	2,384	@	\$6-\$12	=	\$ 14,304	-	\$ 28,608

Total Annual Patronage: \$ 329,760 - \$ 603,795

Phase 4, 2024-2028: Village Store Revenue Projections

▪	27,155	@	\$10-\$18	=	\$ 271,550	-	\$ 488,790
▪	15,842	@	\$18-\$15	=	\$ 126,736	-	\$ 237,630
▪	3,338	@	\$6-\$12	=	\$ 20,028	-	\$ 40,056

Total Annual Patronage: \$ 418,314 - \$ 766,476

NOTE: Revenue amounts indicated are ranges and approximations which are influenced by facility size location, product quality and diversity, display, pricing, advertizing and customer relations. The projections shown are not to be used for capital or operations financing purposes.

3. Events & Amphitheater:

An events and performance facility designed for cultural events, educational activities and seasonal celebrations, festivals and special occasions. The Events & Amphitheater facility is designed to accommodate up to 1,000 persons at peak use. Production of events will depend on the capacity of the Nisqually Tribe, State Parks and event organizers, their marketing resources and the character and quality of event being promoted.

The number of events held or produced at the site will vary from year to year. As the Nisqually-Mashel State Park Site becomes known throughout the market area as an events facility, the type, size, character and quality of events will evolve. As the events production calendar fills and the attraction value develops on the basis of character and patron enjoyment, the economic value of certain events will increase. Most if not all events will not have a gate, ticketing or entry basis of revenue and will rely on food, beverage, merchandising sales and other revenue sources.

A hypothetical menu of the type and number of events that may be facilitated in **Phase 3, 2019-2023**, is suggested in the following list in descending order of possible attendance at each event, number of events and total event attendance.



EVENT TYPE	AVG. EVENT ATTENDANCE	NUMBER of EVENTS	TOTAL ATTENDANCE
• Fourth of July Celebration	1,000	1	1,000
• Native American Pageants	800	6	4,800
• Summer Music Festival	500	12	6,000
• Story Telling Festival	250	15	3,750
• Environmental Learning Symposiums	100	10	1,000
• Plays, Skits and Demonstrations	75	22	1,650
TOTALS:		66	18,200

A hypothetical menu of the type and number of events that may be facilitated in **Phase 4, 2024-2028**, is suggested in the following list in descending order of possible attendance at each event, number of events and total event attendance.

EVENT TYPE	AVG. EVENT ATTENDANCE	No. of EVENTS	TOTAL ATTENDANCE
• Fourth of July Celebration	1,000	1	1,000
• Native American Pageants	800	8	6,400
• Summer Music Festival	500	16	8,000
• Storytelling Festival	250	20	5,000
• Environmental Learning Symposiums	100	15	1,500
• Plays, Skits and Demonstrations	75	26	1,950
TOTALS:		86	23,850

Revenue generated from event activities are estimated on a per-capita value basis. There are no ticketed events that generate revenue through a gate fee or parking fee. All revenue that is a result of events is generated by the sale of food, beverages, merchandise and novelties by vendors and concessionaires. Some events will not warrant vendor or concession participation. The following indicates a projection of events revenue on the basis of estimated per-capita expenditure values.

Phase 3, 2019-2023

EVENT TYPE	TOTAL ATTENDANCE	PER-CAPITA VALUE	TOTAL REVENUE
• Fourth of July Celebration	1,000	\$ 8.80	\$ 8,800
• Native American Pageants	4,800	\$ 4.30	\$ 20,640
• Summer Music Festival	6,000	\$ 9.30	\$ 55,800
• Story Telling Festival	3,750	\$ 1.80	\$ 6,750



• Environmental Learning Symposiums	1,000	\$ 1.10	\$ 1,100
• Plays, Skits and Demonstrations	1,650	\$ 1.60	\$ 2,640
TOTALS:	18,200		\$ 95,730

Phase 4, 2024-2028

EVENT TYPE	TOTAL ATTENDANCE	PER-CAPITA VALUE	TOTAL REVENUE
• Fourth of July Celebration	1,000	\$ 9.40	\$ 9,400
• Native American Pageants	6,400	\$ 5.60	\$ 35,840
• Summer Music Festival	8,000	\$ 9.90	\$ 79,200
• Story Telling Festival	5,000	\$ 2.40	\$ 12,000
• Environmental Learning Symposiums	1,500	\$ 1.70	\$ 2,550
• Plays, Skits and Demonstrations	1,950	\$ 2.20	\$ 4,290
TOTALS:	23,850		\$ 143,280

4. Equestrian Center - Recreational Riding:

Recreational riding on designated trails in a mountain environment is a popular pursuit of equine enthusiasts and the general public. An Equestrian Center that functions as a boarding and staging facility for recreational and trail riding is included in the Master Plan.

The train of rental horses boarded at the facility along with stall space for horse owner/rider needs as they traverse Cascade Mountain trails serve as the principle resource for creating revenue. Horse rentals, stall rentals and fees for services, incidental product sales and facility use become the basis for revenue activity.

The net market participation in all equine activity is projected to be from 159,996 to 232,790. (See Equine Market & Use Assessment in Appendix) Of this range of participation, it is projected that about 46% or between about 74,000 and 107,000 would have an interest in recreational and trail riding. Of this range of users, it is projected that 8.5% or between 6,290 and 9,095 rental riders annually would seek a recreation riding experience at the Nisqually-Mashel State Park Site. Approximately 70% of the recreation riders renting horses would occur during a four month period from June through September. There is no confirmed data indicating the numbers of horse owners and horses that may use the barns, stalls and bunkhouse facilities for trans-trail riding activity and overnight stays at Nisqually-Mashel State Park Site. It may be



assumed however that horse owners will place some use demand on the facilities as they traverse the Cascades on horseback.

The following is a projection of revenue generated from the equestrian activity as presently envisioned in the Master Plan

**Equestrian Center
 Annual Revenue Projections
 Phase 4, 2024-2028**

USE CATEGORY	PARTICIPATION	PER-CAPITA VALUE	REVENUE
Recreation Riding/Rentals	9,095	25.50	\$ 231,923
Stall Rental	1,300	10.50	\$ 13,650
Bunkhouse Rental	1,850	18.00	\$ 33,300
Misc. Revenue	10,945	3.80	\$ 41,591
Total:			\$ 320,464

5. Park Entry Fees:

The State of Washington has adopted statutes that prohibit collection of park entry fees. However, in order to view the effect park entry fees may have on operating revenue, they are herein identified for awareness only.

Park entry fees are received at entry points during normal operating hours. The level(s) of entry fee revenue is corollary with projected visitor volumes through a 12-month operating period, party size and the fee amount charged. Entry Fees are applied on a per-capita basis to visitors 16 years of age or older. The estimated number of visitors 15 years and younger is 18% of the total visitor projection for any given month. To remain conservative in projecting entry fee revenue the low annual visitor estimate of 404,100 at build out and stabilization is applied. It is anticipated that the number of visitors will grow over time. As a general frame of reference, it is projected that by 2018, 30% or 121,230 visitors will use the park. By 2028, the conclusion of all development phases, the park will attract the projected 404,100 annual visitors.



The following is an estimate of park entry fee revenue by operating month and visitor projections. The projections are designated for 2018 and assumed build out of the Nisqually-Mashel State Park Site by 2028 and stabilized operations. Peak season applies a \$7 fee and off season a \$5 fee.

**Entry Fees Projection
 By 2018**
 (2008 Dollar Values)

MONTH	FEE	VISITORS	REVENUE
Jan	\$5.00	1,491	\$ 7,455
Feb	\$5.00	1,292	\$ 6,460
Mar	\$5.00	1,491	\$ 7,455
Apr	\$5.00	2,088	\$ 10,440
May	\$5.00	5,169	\$ 25,845
Jun	\$7.00	10,836	\$ 75,852
Jul	\$7.00	20,777	\$ 145,439
Aug	\$7.00	23,758	\$ 166,306
Sep	\$7.00	16,502	\$ 115,514
Oct	\$5.00	10,637	\$ 53,185
Nov	\$5.00	3,778	\$ 18,890
Dec	\$5.00	1,591	\$ 7,955
TOTALS:		99,410	\$ 640,796



**Entry Fees Projection
 By 2028**
 (2008 Dollar Values)

MONTH	FEE	VISITORS	REVENUE
Jan	\$5.00	4,971	\$ 24,855
Feb	\$5.00	4,307	\$ 21,535
Mar	\$5.00	4,971	\$ 24,855
Apr	\$5.00	6,959	\$ 34,795
May	\$5.00	17,231	\$ 86,155
Jun	\$7.00	36,119	\$ 252,833
Jul	\$7.00	69,255	\$ 484,785
Aug	\$7.00	79,194	\$ 554,358
Sep	\$7.00	55,006	\$ 385,042
Oct	\$5.00	35,456	\$ 177,280
Nov	\$5.00	12,592	\$ 62,960
Dec	\$5.00	5,302	\$ 26,510
TOTALS:		331,363	\$ 2,135,963

NOTE: Currently, Washington State Parks and Recreation Commission is prohibited by statute from charging park entry fees. If entry fees are to be charged for the Nisqually-Mashel State Park Site, there may be a need for legislative action allowing such to occur.

OTHER PROSPECTIVE REVENUE SOURCES:

Nisqually Tribe: The Master Plan identifies certain projects and activities that are to be undertaken by the Nisqually Tribe. These projects and activities may have some revenue potential or stimulate on site expenditures at other areas within the park. However, there is no substantive basis for determining revenue for the facilities and activity listed. The projects and activities are listed as follows.



1. People's Center:

The People's Center is a development node that becomes the focal destination point for the park. It provides an arrival point deep within the park, a welcome courtyard, an interpretive center, story telling and demonstrations, and serves as a portal to trails, overlooks, the Observatory, Leschi's Village, Mashel River High Bridge and the confluence of the Nisqually-Mashel Rivers.

There are a number of possible revenue centers that may be created at the People's Center, which may include food and beverages, however there is not sufficient data or information regarding operations of the facilities to make a projection.

2. Observatory:

The Observatory is a key feature of People's Center that provides a highpoint of experience through 360-degree views and, on a clear day, a view to Puget Sound. Interpretive materials and panels will enhance visitor knowledge of the terrain and historical sites within the park. A telescope may be made available to heighten visitor understanding and experiences.

There are no revenue centers designed into the Observatory however, similar to the High Bridge, the Observatory serves as an iconic feature that will likely stimulate economic activity through increased visitor interest and participation in the Nisqually-Mashel State Park Site.

3. Leschi's Village:

Leschi's Village is conceived as a recreation and living history site of the Nisqually Chief Leschi's ancient tribal village. At this time little is determined as to the scope, functions and character of Leschi's Village. It may be presumed that the village will be a sacred place and provide opportunity for visitors to see the style and character of pre-Columbian and post-Columbian Native American villages and the lifestyle they represent. Due to lack of information regarding development, scheduling, operational and management of the Leschi's Village, revenue generation estimates have not prepared for this feature of the park. However, Leschi's Village will serve as an attractor to the Park and stimulates revenue generation in terms of fees and sales in other areas of the park such as entry points, the Village Store, Camping and other revenue centers.

4. **High Bridge:**

The High Bridge is an added value attraction to the Nisqually-Mashel State Park that has no direct revenue generating capacity. This lack of capacity is due to its remote location, difficulty and cost of collecting fees and monitoring its use. Again, like Leschi's Village, the High Bridge serves as an attractor to the Park and stimulates revenue generation in terms of fees and sales in other areas of the park such as entry points, the Village Store, Camping and other revenue centers.

The High Bridge may achieve an "iconic" value and aid in developing unique qualities which drive visitor numbers and per-capita expenditures. The High Bridge also will influence length of stay and appreciation for the "experience vs. dollar value" park visitors' sense as a result of choosing to come to the Nisqually-Mashel State Park Site, as part of their individual or group recreation activity.

5. **Tours:**

Tours of the Native American sites and natural resource features of the Nisqually-Mashel State Park Site will be organized by the Nisqually Tribe and other public and private entities to promote environmental and cultural education of the resource, archeological sites and historic locations within the park. The size, number and frequency of tours can not be determined. There is no data base that would confirm a revenue value generated from tours.

FEES AND PERMITS

Washington State Parks and Recreation Commission has published Fees and Regulations that the Commission has developed for a number of revenue sources segregated by function, pricing and user characteristics. The following lists the fee and permit types that may apply to certain enterprise and traditional recreation activities. There is no basis of current data sufficient to distinguish ratios of participation, levels of use and per-capita values for a particular activity. Thus it may be assumed that additional operating revenue may be generated but no amounts are suggested.



1. Natural Investment Permit:

Permits required at state parks system-wide for watercraft launching and trailer dumping (included with campsite/overnight fee).

- Daily Permit: \$ 7.00
- Annual Permit: \$ 70.00

2. Regular Camping and Boating Fees:

Camping and boating fees vary throughout the state and are set in different fee schedules depending on the type of camping and boating activity.

- Standard Campsite: \$17 - \$23
- Utility Campsite: \$23 - \$32*
- Primitive Campsite: \$12 - \$14
- Extra Vehicle: \$10
- Reservations: \$6.50 - \$10.50

* Recommended fee for full service camping is \$28.

3. Group Day Use:

Activities that involve varied sized groups that use the site for recreation activities including events, picnics, educational programs and various other activities.

- Group Day Use Fee \$50 - \$500

4. Winter Sports Fees:

For motorized and non-motorized winter sports including sledding, cross country skiing, snowmobile and other winter sports activities.

- One Day Permit: \$10
- Seasonal Permit: \$30
- Special Groomed Trail Permit: \$30



REVENUE PERFORMANCE SUMMARY

The following summarizes revenue projections for those functions and activities for which sufficient data and information became available or was discovered through research.

Primary revenue sources, identified in the Master Plan include camping, merchandising, events, equine activities and park entry fees. Additional revenue may be generated through concession agreements, permits, fees, and as a result of miscellaneous product sales and services. There are several other potential revenue sources that may mature as the Nisqually-Mashel State Park Site develops its full operational and service capacity. However, at this juncture, insufficient data and functional definitions have been established to allow user and revenue projections to be made.

The following summarizes revenue projections for Phase 3, 2019-2023 and Phase 4, 2024-2028 of the development program and implementation schedule. It should be noted that the phases cover a twenty plus (20+) year period. Revenue amounts and related use projections are based on 2008 dollar values and fees that are currently established by Washington State Parks and Recreation Commission or as stated for a particular function.

PHASE 3, 2019-2023

FUNCTION	REVENUE PROJECTION
RV Camping	\$ 296,100
Village Store & Merchandising	\$ 329,760
Events & Amphitheater	\$ 95,730
Park Entry Fees	\$ 640,796
Total	\$ 1,362,386

PHASE 4, 2024-2028

FUNCTION	REVENUE PROJECTION
RV Camping*	\$ 1,095,584
Village Store & Merchandising	\$ 418,314
Events & Amphitheater	\$ 143,280
Equestrian	\$ 320,464
Park Entry Fees	\$ 2,135,963
Total	\$ 4,113,605

* Combines revenue projections for Phase 3 and Phase 4.



OPERATING EXPENSE & ECONOMIC PERFORMANCE

OPERATING EXPENSE PROJECTIONS:

Operations and maintenance requirements of Nisqually-Mashel State Park Site will grow as the development program is implemented and visitors to the park increase in numbers over the next 20 years. State Park’s projects, that at a time when the park is fully developed, stabilized and operating at peak capacity, there will be a need for up to fifty (50) Washington State Parks or Nisqually Tribal employees functioning in various capacities on the site.

Personnel requirements will include administrative and clerical staff, park rangers, skilled and non-skilled maintenance workers, park attendants and janitorial services personnel, specialists and equipment operators. The dynamics of the park in terms of facilities, natural resources, user demands and visitor concentrations, will require hiring seasonal and part time staff to augment full-time personnel. The following suggests an approximation of fulltime and seasonal staffing demands for all employment classifications as the four phases are implemented.

**Full-time and Seasonal Staffing
 Phase 1 to Phase 4**

FULL-TIME	PART-TIME	SEASONAL PEAK	
Phase 1, 2011-2013	5	6	11
Phase 2, 2014-2018	9	8	17
Phase 3, 2019-2023	15	13	28
Phase 4, 2024-2028	22	28	50

The park will need to acquire and maintain an inventory of vehicles, equipment, tools, materials and supplies of a sufficient magnitude to sustain operations, facilitate preventative maintenance and repairs, as well as engage in minor capital improvements within the park.

Applying a standard public agency Parks and Recreation operating budget format, the following are expenditure projections for staffing, operations and maintenance expenses as they may occur over development Phases 1 through 4 which is a 20+ year time frame. The projections are probabilities, averages and approximations and are not to be considered exact amounts for budgeting or financing purposes.



**PHASE 1 2011-2013
 Projected Annual O&M Expense**

FUNCTION	AMOUNT
Salaries, Wages & Benefits	\$ 314,160
Marketing & Advertising	8,500
Utilities/ Communication	19,760
Supplies & Materials	12,900
Cost of Sales (Food, Beverage & Products)	24,600
Maintenance Services	10,800
Equipment & Tools	26,800
Repairs & Replacement	6,400
Products & Programs Items	2,900
Other/ Miscellaneous	5,800
Projected Total	\$ 432,620

**PHASE 2 2014-2018
 Projected Annual O&M Expense**

FUNCTION	AMOUNT
Salaries, Wages & Benefits	\$ 527,072
Marketing & Advertising	11,500
Utilities/ Communication	23,510
Supplies & Materials	15,900
Cost of Sales (Food, Beverage & Products)	37,700
Maintenance Services	18,600
Equipment & Tools	28,500
Repairs & Replacement	11,400
Products & Programs Items	4,900
Other/ Miscellaneous	7,800
Projected Total	\$ 686,882



PHASE 3 2019-2023
Projected Annual O&M Expense

FUNCTION	AMOUNT
Salaries, Wages & Benefits	\$ 873,880
Marketing & Advertising	28,650
Utilities/ Communication	111,060
Supplies & Materials	88,900
Cost of Sales (Food, Beverage & Products)	434,930
Maintenance Services	116,530
Equipment & Tools	163,480
Repairs & Replacement	82,600
Products & Programs Items	21,400
Other/ Miscellaneous	13,900
Projected Total	\$ 1,935,330

PHASE 4 2024-2028
Projected Annual O&M Expense

FUNCTION	AMOUNT
Salaries, Wages & Benefits	\$ 1,404,246
Marketing & Advertising	38,500
Utilities/ Communication	282,110
Supplies & Materials	162,380
Cost of Sales (Food, Beverage & Products)	651,560
Maintenance Services	188,500
Equipment & Tools	287,300
Repairs & Replacement	112,600
Products & Programs Items	39,680
Other/ Miscellaneous	23,800
Projected Total	\$ 3,190,676



**NISQUALLY-MASHEL STATE PARK
ECONOMIC PERFORMANCE SUMMARY
Phases 1 to 4
(2009 - 2028)**

BUDGET CATEGORY	PHASE 1	PHASE 2	PHASE 3	PHASE 4
Operating Expenses:	\$ 432,620	\$ 686,882	\$ 1,935,330	\$ 3,190,330
Operating Revenues:	\$ -0-	\$ -0-	\$ 1,362,386	\$ 4,113,605
Fund Balance	<\$ 432,620>	<\$ 686,882>	<\$ 572,944>	\$ 923,275
<Deficiency>/ Positive	<100%>	<100%>	<29.7%>	22.4%

NOTE: Phase 3 indicates that revenue offsets expenses by about 70%. Phase 4 indicates a possible positive cash flow. However the amount shown does not consider net revenue returns after taxes and concession agreements, administrative overhead and other incidental expenses which will reduce fund balance returns.

BASIS OF OPERATING EXPENSE PROJECTIONS:

The following are brief explanations of the basis for expense projections by item.

- **Salaries, Wages & Benefits:** A \$36,800 average annual salary or wage of full time employees for all classifications plus 26% benefits. A \$24,500 average wage for seasonal employees of all classifications plus 12% benefits.
- **Marketing & Advertising:** Comparative values for marketing and advertizing cost of enterprise venues and state and national park budget allocations, FY 2007-2008.
- **Utilities/ Communication:** Water consumption and service rates at \$8.40 per 1000 gal. and HCF (748 gal.) at \$3.04 depending on RV or other domestic user points. Electricity for RV at \$6.25 per site night and domestic rates for other points of use. Other utilities at standard demand and service rates.
- **Supplies & Materials:** Comparative values for budget allocations for state and national parks with high levels of user demand and enterprise attractions.



- **Cost of Sales:** Wholesale and retail cost ratios of 12% to 15% retained earnings before taxes, fees and licenses. Cost comparison with national parks concession agreements and vender sales.
- **Maintenance Services:** Comparative values, budgets and allocations on an area and per-capita basis, and consideration of complexity of the site, distribution of planned development nodes and environmental conditions.
- **Equipment & Tools:** Comparative values and acquisition cost to establish an equipment inventory. Consideration of site requirements, facilities distribution and environmental conditions.
- **Repairs & Replacement:** Comparative demands for parks and enterprise facilities.
- **Products & Programs Items:** Projection of probable cost.
- **Other/ Miscellaneous:** Projection of probable cost and park budget allocations, contingencies and unknown expenses.

NOTE: *The revenue and expense projections provided in this assessment are not to be considered for financing or budgeting purposes. The assessment is predicated on concepts and several hypothetical principles. The projections are interdependent on final scope and character of the development program, organizational structure, administrative capacities of the state and key participants, and agreements established between Washington State Parks and Recreation Commission and its public and private partners, concessionaires and service providers. The projections are also influenced by economic conditions, social attitudes and interests in recreation and leisure activities and market acceptance of the experience that the Nisqually-Mashel State Park Site Master Plan intends to provide.*

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