Updated Market Analysis and Cash Flow Projections

for a Proposed Campground at Greylock Glen

Adams, Massachusetts

March 8, 2016

Prepared for:

Ms. Donna Cesan, AICP
Director
Community Development Department
Town of Adams
Town Hall
8 Park Street
Adams, MA 01220-2039

Pinnacle
Advisory Group

Pinnacle Advisory Group
Hospitality Consulting
Asset Management
Hospitality Asset Restructuring
Real Estate Appraisal
Litigation Support

Rachel J. Roginsky, ISHC
Principal

March 8, 2016

Ms. Donna Cesan, AICP
Director
Community Development Department
Town of Adams
Town Hall
8 Park Street
Adams, MA 01220-2039

Dear Ms. Cesan:

Per the terms of our engagement letter, we have updated our research and analysis with respect to a proposed campground that will be included as part of the $40-million Greylock Glen Resort Project. With implementation of the Greylock Glen Resort Project and other efforts, Adams intends to become the "recreational hub of the Berkshires." It is our understanding that the Town of Adams will issue a request for proposal to developers and operators with the goal of completing the contracting and site planning process for operations to begin in May of 2018. While the intent is to have a private developer and operator, the Town may also evaluate the potential of the facility as a municipal facility.

Our analysis on the proposed campground included extensive market-based research on the supply and demand for campground facilities on a local and regional basis. Based upon the data available, along with our own analyses, opinions, and conclusions, we have prepared an opinion on the site's suitability as a campground and have prepared projections of occupancy, average rate, and cash flow from operations. The conclusions presented in this report are based upon our current knowledge of the market for campgrounds and their related ancillary facilities in the defined market area as of the completion of our fieldwork conducted January and February of 2016.

As in all studies of this type, the estimated annual performance levels for the subject campground are based on competent and efficient management and presume no significant changes in the competitive dynamics in the market other than those specifically discussed in the report. Projections contained herein are based upon estimates and assumptions that are subject to uncertainty and variability. While we do not represent the projected results as those which will ultimately be achieved, we have prepared them conscientiously based upon the most reliable forms of information available to us and our extensive experience in the lodging and real estate industries. We have no obligation, unless subsequently so engaged, to update this study because of events occurring subsequent to the completion of this study. Additional limitations regarding our research and projections are presented at the end of this report.

We appreciate having the opportunity to present this summary of our findings to you. Please do not hesitate to call us should you have any questions or wish to have us elaborate on any of the material presented in this report.

Sincerely,

Pinnacle Advisory Group

Pinnacle Advisory Group

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Introduction and Scope

Introduction

Pinnacle Advisory Group was engaged by the Town of Adams, to evaluate the demand for a proposed campground at the Greylock Glen development in the Town of Adams. In our efforts to provide insight on this campground, we made projections of occupancy, average daily rate, and resulting projected cash flow.

For the purposes of this analysis, we have assumed that the proposed campground would open in May of 2018. Our projections are presented in fiscal years.

Scope of Research and Analysis

The primary scope of work completed during our research and analysis included:

1. Meetings and discussions with representatives of the Town of Adams to gather relevant data and input for the proposed development;
2. Identification of the supply of existing local and regional campground facilities, which we deemed of relevance to this analysis. Properties were deemed to be of relevance if they would potentially compete for demand with the subject campground;
3. Research with the primary set of campgrounds which included an interview with management when available. Primarily competitive campgrounds included those campgrounds that have similar characteristics such as; size, quality, market mix, access to leisure demand generators, and geographic location. Facilities where such research was conducted include the following:
   - Historic Valley Campground
   - Hidden Valley Campground
   - Clarksburg State Park
   - Savoy Mountain State Forest
   - Mt. Greylock State Reservation
   - Pittsfield State Forest
   - Fernwood Forest Campground
   - Peppermint Park Camping Resort
   - Pine Hollow Campground
   - Mohawk Trail State Forest
   - Mohawk Park
   - October Mountain State Forest
   - Aqua Vista Valley Campground
   - Summit Hill Campground
   - Woodford State Park
   - Cherry Plain State Park
   - Country Aire Campground
   - Alps Family Campground
   - DAR State Forest
   - Greenwood Lodge & Campsites
4. Gathering of information regarding the performance levels and trends of the identified campgrounds via our interviews with on-site management, the Massachusetts Department of Conservation and Recreation, and other online resources specializing in campground data;

5. Review of broader-based campground supply and demand dynamics in the subject market, via discussions with our industry contacts in the area as well as thorough examination of data available from online resources;
6. Interviews with government officials and other individuals with regard to the area's campground market, including gathering detailed information regarding other proposed developments. Interviews were supplemented with research on the internet regarding the area economy and development patterns as well as via collection of data from Site to do Business (STDB);
7. Preparation of projections of occupancy and average rate for the subject campground for a period of five fiscal years beginning May 2018;
8. Collection and evaluation of financial operating data for a selection of comparable campgrounds including available data from the Department of Conservation and Recreation reporting State facility's occupancy, rate and a selection of expense items;
9. Preparation of projected financial operating results for the subject campground for five fiscal years beginning on May 2018; and
10. Preparation of this comprehensive report detailing our findings, conclusions and recommendations on the basis of the above.

Area Analysis

Overview of the Town of Adams and Berkshire County

The Town of Adams is home to approximately 8,300 year-round residents and is a quaint nineteenth century New England town with an active downtown and many historic buildings. Adams is located within Berkshire County, a renowned tourist destination nestled in the rolling Appalachian Mountains on the western end of Massachusetts and borders New York, Connecticut, and Vermont. Within convenient driving distance from both Boston and New York, the appeal of the Berkshires is a restful, idyllic getaway for tourists seeking rich cultural attractions, numerous outdoor recreational activities, picturesque towns, and farm-fresh dining. National Geographic named the Berkshires as #7 on a list of the "World's Best Places".

Area Map

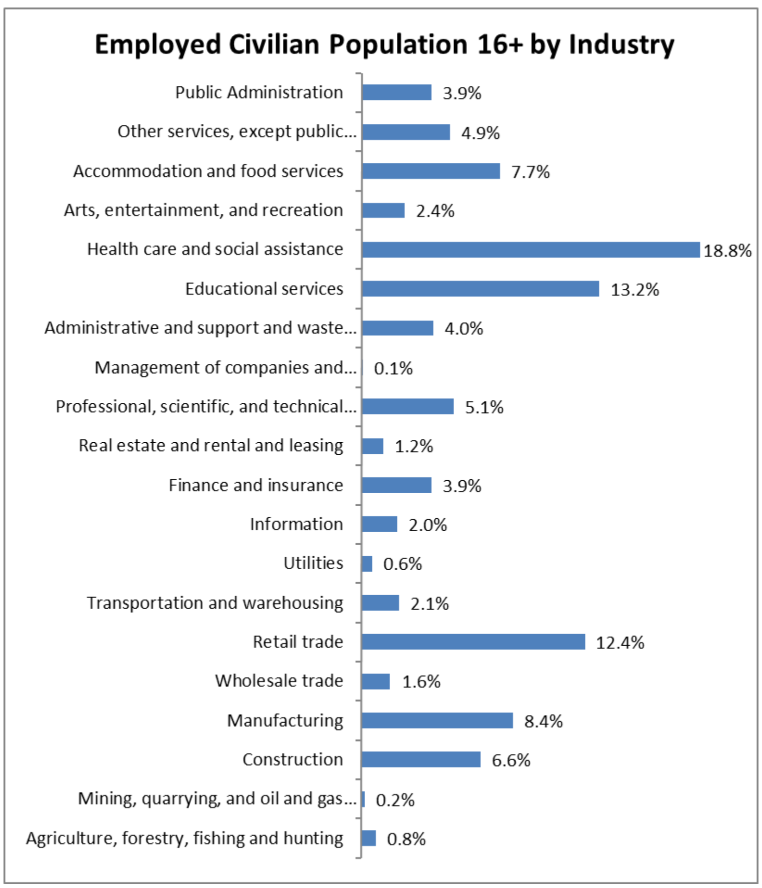
Economic and Demographic Analysis

Based on the fieldwork conducted in the area and a review of a wide variety of economic and demographic data sources, we have evaluated a host of statistics to determine trends that will and do influence lodging demand and travel. A primary source of economic and demographic statistics used in this analysis is the Site to Do Business (STDB) and the Bureau of Labor Statistics (BLS). The following paragraphs discuss the information derived from these and other sources, providing an economic frame of reference for the subject campground. The data is presented in three categories; Berkshire County, the Commonwealth of Massachusetts, and the United States.

Employment

Employment is a key economic indicator on the regional level. The characteristics of an area's work force provide an indication of the type and amount of visitation that is likely to be generated by local businesses.

As noted in the table below, the educational services and healthcare industries are the largest employment sectors in Berkshire County led by such institutions as Williams College, Mass College of Liberal Arts, and healthcare anchored by Berkshire Health Systems (BHS) which includes Berkshire Medical Center (BMC) of Pittsburgh, the largest hospital in the county and a teaching affiliate of the University of Massachusetts Medical School. BMC has been a recipient of the Healthgrades Distinguished Hospital Award for Clinical Excellence for three straight years (2013, 2014 and 2015) and a four-time overall recipient, ranking it among the Top 5% of Hospitals in the Nation. Additionally, given that Berkshire County is a tourist destination, the retail trade and accommodations/food service sectors are the third and fifth largest industries in the county.



Unemployment

The following table details unemployment rates for the town of Adams, Berkshire County, Commonwealth of Massachusetts, and the United States as a whole.

Unemployment Rates

Year	Adams, MA	Berkshire County	Massachusetts	United States
2005	6.1%	4.4%	4.8%	5.1%
2006	6.2%	4.4%	4.9%	4.6%
2007	6.6%	4.5%	4.6%	4.6%
2008	7.1%	5.3%	5.5%	5.8%
2009	10.1%	7.7%	8.1%	9.3%
2010	10.3%	8.7%	8.3%	9.6%
2011	9.1%	7.8%	7.2%	8.9%
2012	8.8%	7.2%	6.7%	8.1%
2013	9.0%	7.3%	6.7%	7.4%
2014	8.0%	6.5%	5.8%	6.2%
YTD Nov '14	6.8%	5.6%	5.0%	5.4%
YTD Nov '15	6.4%	5.3%	4.5%	4.8%

Source: Bureau of Labor and Statistics

Note: Not Seasonally Adjusted, YTD 2015 unemployment figures have been reported as prelimimary

As noted in the table above, unemployment in Berkshire County at year-end 2014 was 6.5 percent, the lowest unemployment rate since 2008. Data through November 2015 suggest that the unemployment levels across all areas analyzed have continued to decline with the recovering economy. Unemployment in Berkshire County has reached 5.3 percent compared to the same time last year which was 5.6 percent.

Population

The following table outlines historical and projected population trends for the town of Adams, Berkshire County, Commonwealth of Massachusetts, and the United States as a whole.

Population				
	Adams, MA*	Berkshire County	Massachusetts	United States
2000	8,809	134,953	6,349,097	281,421,906
2010	8,485	131,219	6,547,629	308,745,538
2015	8,271	130,180	6,689,353	318,536,439
Compound Annual Growth Rates				
CAGR 2000 - 2010	-0.37%	-0.28%	0.31%	0.93%
CAGR 2010 - 2015	-0.51%	-0.16%	0.43%	0.63%
Projected				
2020	8,280	128,939	6,880,602	330,622,575
CAGR 2015 - 2020	0.02%	-0.19%	0.57%	0.75%

Source: STDB, Berkshire Benchmarks

** Adams, MA 2015 population based on 2014 numbers and 2020 estimate based on STDB growth estimate*

As of 2015, the population in Berkshire County was estimated at 130,180. Population in Berkshire County has declined since 2000, declining by nearly 5,000 people over the past 15 years. Projections as prepared by STDB indicate that population is expected to decline by a compound annual rate of 0.19 percent between 2015 and 2020 while Massachusetts is projected to grow 0.57 percent.

Average Household Income

The following table details average household income and compounded annual growth rates from 2000 into 2015 and projections for 2020 for the Berkshire County, Commonwealth of Massachusetts, and the United States.

Average Household Income			
	Berkshire County	Massachusetts	United States
2000	$51,859	$66,365	$56,644
2010	$63,461	$88,257	$70,173
2015	$65,575	$92,593	$74,699
Compound Annual Growth Rates			
CAGR 2000 - 2010	2.04%	2.89%	2.16%
CAGR 2010 - 2015	0.66%	0.96%	1.26%
Projected			
2020	$73,591	$105,052	$84,910
CAGR 2015 - 2020	2.33%	2.56%	2.60%

Source: STDB

As noted in the table above, average household income in the Berkshire County grew by 2.04 percent between 2000 and 2010 and further increased by 0.66 percent between 2010 and 2015. Average household income is expected to increase by 2.33 percent between 2015 and 2020, which is slightly lower than the growth in Massachusetts and in the United States as a whole.

Transportation

The transportation infrastructure is an integral component to the success of any real estate development. The purpose of a well-organized transportation network is to provide businesses and customers with good locations, easy access, and functionalism.

Highway Transportation

Visitors to campgrounds are almost all traveling via major highways and roads. The Adams/Greylock area is primarily a drive-to market and can be accessed via Route 8, which travels in a north/south direction through Adams. Interstate highways that connect Adams to the greater region include Interstate 90 and Interstate 91. Interstate 90 or the Massachusetts Turnpike travels in an east/west direction connecting Adams to major metropolitan cities such as Boston to the east and Albany (NY) to the west. Interstate 91 travels in a north/south direction and connects with New York City and Hartford (CT) to the south. The following chart summarizes approximate driving times from the major metropolitan areas.

Driving Time from Major Metropolitan Cities
Adams, MA

City	Time
Albany, NY	1 hr 20 min
Hartford, CT	1 hr 50 min
Boston, MA	3 hours
New York, NY	3 hr 50 min

Compiled by Pinnacle Advisory Group

Tourism

Leisure travel is the lifeblood for the camping industry in the Berkshires and aside from a small portion that can be considered group business, it is all recreational, or leisure focused. Approximately 2.5 million visitors travel to the Berkshires every year to take advantage of the rich cultural attractions, the numerous outdoor activities, and/or to attend one of several events. The visual and performing arts are one of the biggest draws to the Berkshires. The area is home to famous art museums such as the Norman Rockwell Museum, Massachusetts Museum of Contemporary Art (Mass MoCA), Williams College Museum of Art, and the Clark Art Institute. Furthermore, the Berkshires are home to Tanglewood in Lenox, home to the Boston Symphony Orchestra during the summer months. Additionally, Shakespeare & Company, Williamstown Theatre Festival, and the Barrington Stage Company draw significant attendance. MASS MoCA offers several performing arts festivals every year, which attract several thousand people over the course of a weekend. Many of these visitors camp in nearby campgrounds and at nearby high schools and other private/public land. These festivals could provide a nice boost for the Greylock Glen campground.

The natural beauty and the numerous outdoor activities also draw a number of visitors to the area. The picturesque towns, the vibrant fall foliage, its location along the Appalachian Trail, as well as activities such as hiking, biking, golfing, and fishing are popular draws. Mount Greylock is a top tourist destination for Berkshire County as it is home to the highest peak in the state. The proposed $40 million Greylock Glen Resort Project, envisioned as a four-season recreation and environmental education destination in the Town of Adams at the base of Mount Greylock, will be a major tourist attraction which will also provide a variety of accommodations to area tourists.

There are several new proposed cultural amenities planned for the Adams area including a contemporary art museum, an “extreme” model train and architecture museum, and the redevelopment of Greylock Mill. Thomas Krens, the former director of the Solomon R. Guggenheim Foundation, is behind the proposed 160,000-square-foot global contemporary art museum to be located near the Harriman & West Airport and is also leading the proposed development of the "extreme" model train exhibit modeled after Hamburg, Germany's highly visited Miniatur Wunderland. Greylock Mill (also named Cariddi Mill) was acquired in 2015 with plans to redevelop the 240,000-square-foot complex to include retail, manufacturing, restaurant and hotel operations. The new owner is applying for a brownfields covenant to aid in the redevelopment of the massive structure.

Higher Education

There are three institutions of higher education located near Adams. Williams College, a private liberal arts college located in Williamstown, has an enrollment of 2,100 students and currently occupies first place in U.S. News & World Report's 2014 ranking of the 266 liberal arts colleges in the United States. The Massachusetts College of Liberal Arts is a public liberal arts college with approximately 2,300 students located in North Adams. Berkshire Community College is a two-year community college located in Pittsfield with approximately 3,000 students enrolled.

Impact on Campground Demand

The following factors are expected to affect the Adams and Berkshire County area campground market over the next ten years.

- The Berkshires is a major tourist destination in New England with world class museums, premier performing arts, picturesque towns, and numerous outdoor activities.
- The Greylock Glen development, a four-season recreational destination will include a multi-use trail system, a performing arts amphitheatre, outdoor center, camping facilities, and outdoor environmental art. When complete, the Greylock Glen development will attract a significant number of new tourists to Adams, which will have a positive effect on the area’s visitation and campground demand.
- Williams College, the Massachusetts College of Liberal Arts, and Berkshire Community College could provide a solid base of demand from students if marketed well.
- The Town of Adams will be marketed as the “recreational hub” of the Berkshires which will help increase visitation and should have a positive impact on the area’s economic growth.

- Economic indicators including average household income and employment indicate that the economy in Berkshire County in the short-term is recovering from the most recent economic downturn and that in the long-term the economy is stable.

Overall, based on our review of the leading economic indicators presented herein, we are of the opinion that over the long-term, the Adams and Berkshire County area will remain a strong tourist destination and the area will experience modest growth following the completion of the Greylock Glen development in the coming years.

Site Analysis

The following summarizes the advantages and the disadvantages that we have identified for the site:

Advantages

- The site's location within the Berkshires is a tourist destination renowned for its scenic beauty and world-class cultural attractions that draws 2.5 million visitors from New England and beyond. Partnerships with different venues and recreation outlets in the area have the potential to be mutually beneficial; helping attract guests and market the new facilities.
- The site borders the 12,500-acre Mount Greylock State Reservation, a stunning backdrop of mountain vistas and lakes that is an ideal location for camping and outdoor activities.
- In addition to the proposed campground, the $40 million Greylock Glen Resort Project will include a multi-use trail system, a performing arts amphitheatre, an outdoor center, and outdoor environmental art. It is felt that when complete, the campground development will attract a significant number of new tourists to Adams.
- Guests of the proposed campground facilities will have direct access to several outdoor endeavors such as hiking, biking, and fishing during the spring, summer, and fall, as well as cross-country skiing, snowshoeing, ice fishing, and snowmobiling during the winter.
- There are two development sites, Site A and Site B. "Site A" consists of 6.9 acres of land and is largely open in character with relatively flat terrain making it suitable for more intensive year-round use. "Site B" consists of 4.9 acres of sloped land and suitable for low intensity development in order to minimize the erosion to wetlands and riverfront areas.
- The Town's current master plan for the entire project has passed both local and State land permitting requirements.
- Construction required for campgrounds is not time or labor intensive, specifically for the campground as proposed.
- There is already existing campground demand in the Berkshires with campsites known for their outdoor activities and recreational offerings. However, very few campgrounds in the area offer cabins, an opportunity for significant growth in this particular aspect of the market.
- Both sites are essentially "shovel-ready" with road upgrades and the first phase of utilities improvements completed.
- With a mix of rustic cabins and "eco-shelters", Site A is envisioned to be in operation year-round. Site B would likely be closed during the winter, given reduced demand at this time of year and the need to make operations and snow removal less cumbersome. This mix will allow the campground to accommodate a variety of demand through all four seasons.

Disadvantages

- Accessibility to Adams, MA within the Berkshires is difficult as it is not located along Interstate 90 or 91. In order to access the town one must travel along Route 8 a lesser traveled highway which has less vehicular traffic.
- Seasonality throughout New England can make it difficult to operate year round lodging facilities as there is less demand during the winter months in areas without winter activities. While the Berkshires do offer winter recreational activities, this time of year is considered the off season as visitation declines substantially. The swings in demand from season to season, matched with dependence on favorable weather conditions make it difficult to project business levels.
- There are 20 campgrounds within 30 miles of the proposed site which offer similar facilities. With so many options for campers the market could be highly competitive. However, the proposed facilities at Greylock Glen will provide a unique and more upscale offering which should set it apart from the competition.
- Though campsites have low operating costs the rate structures are very low, which could mean unfavorable profit margins.
- Similar to hotels, campgrounds have many different price points which appeal to many different types of visitors. The Greylock Glen campground is envisioned as a high-end product which would appeal to the most discerning campers who expect a high-level of amenities. Not only are there few comparables in the region, but also the rate structures tend to be higher for high-end campgrounds.

Conclusion

The site's location within the Berkshires positions the proposed campground well to capture the strong base of leisure camping demand that already exists in the region. The subject development will be very attractive in the late spring, summer, and early fall, particularly on the weekends. As with all New England campgrounds, the location is at a disadvantage as it lacks a strong draw during the late fall, winter, and early spring months particularly due to occasional harsh weather conditions. As such, the goal is to develop a lodging concept that will help in attracting new camping demand during periods when demand is most needed. The annual Thunderbolt Ski Run attracts thousands of visitors in early March. The Town believes many of these visitors would be interested in staying in cabins. The cross-country skiing, snowshoeing, and snowmobiling aspect of the Greylock Glen development, and the winter events like the popular Thunderbolt Ski Run and Thunderfest should assist in attracting new winter sports enthusiasts to the area and the ability to offer cabins and eco-shelters will help to attract visitors during this time.

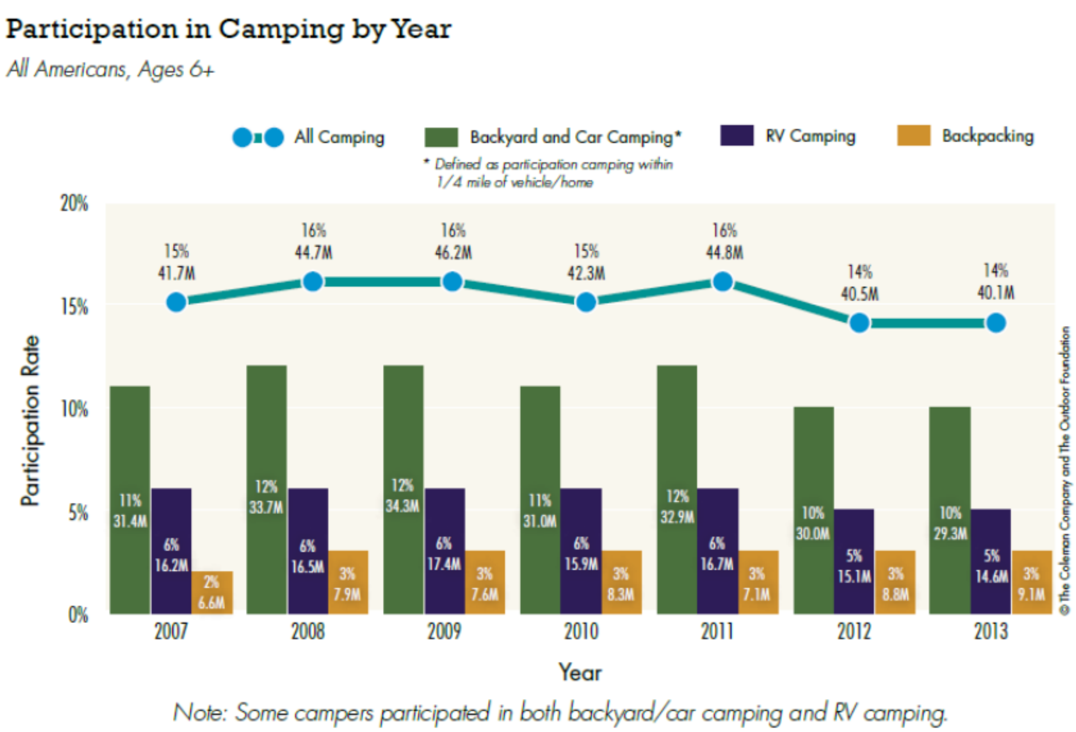
The site is located a distance from the major highways in the region, which significantly increases drive times to major urban centers such as Boston and New York. Overall, we believe that the site is in an excellent position to capture campers; however, the challenge will be the subject site's shortcomings due to its seasonality and accessibility.

Campground Industry Analysis

Industry Profile

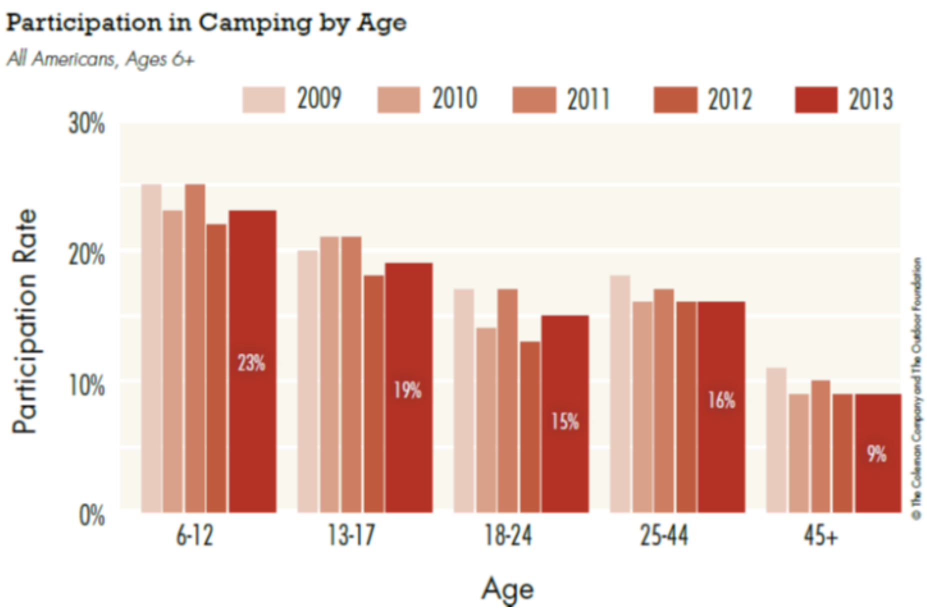
The active outdoor recreation industry contributes an estimated $730 billion to the US economy annually. Participation in this industry is described by The Outdoor Foundation as, those that go on day or overnight, healthy and active outdoor trips to take part in activities such as hiking, biking, camping or wildlife viewing. According to The Outdoor Foundation's National Economic Impact Report, New England's contribution to the industry was $22,941,000 to the industry which includes over $2 million in retail sales, over $17 million in trip-related sales and $3 million in federal and state taxes. The Outdoor Foundation and its partners produced the 2014 American Camper Report (the most recent report available), an in depth research project analyzing long-term camping trends. Findings from this report have been presented in this section to provide information on the U.S. camping industry.

Camping participation rates have been down the past several years, decreasing in 2012 and again in 2013 to approximately 40.5 and 40.1 million, respectively. More than 40.1 million Americans participated in camping in 2013 and accounted for 597.7 million daily outings. Of all American camping participants, 4 percent are New England residents. As evidence of the below table, overall participation in camping decreased in 2012 and 2013, RV camping and backyard and car camping down approximately 3.3 and 2.3 percent, respectively. Backyard/car camping is defined at camping within .25 miles of your home or car.



Source: The Outdoor Foundation, 2014 American Camper Report

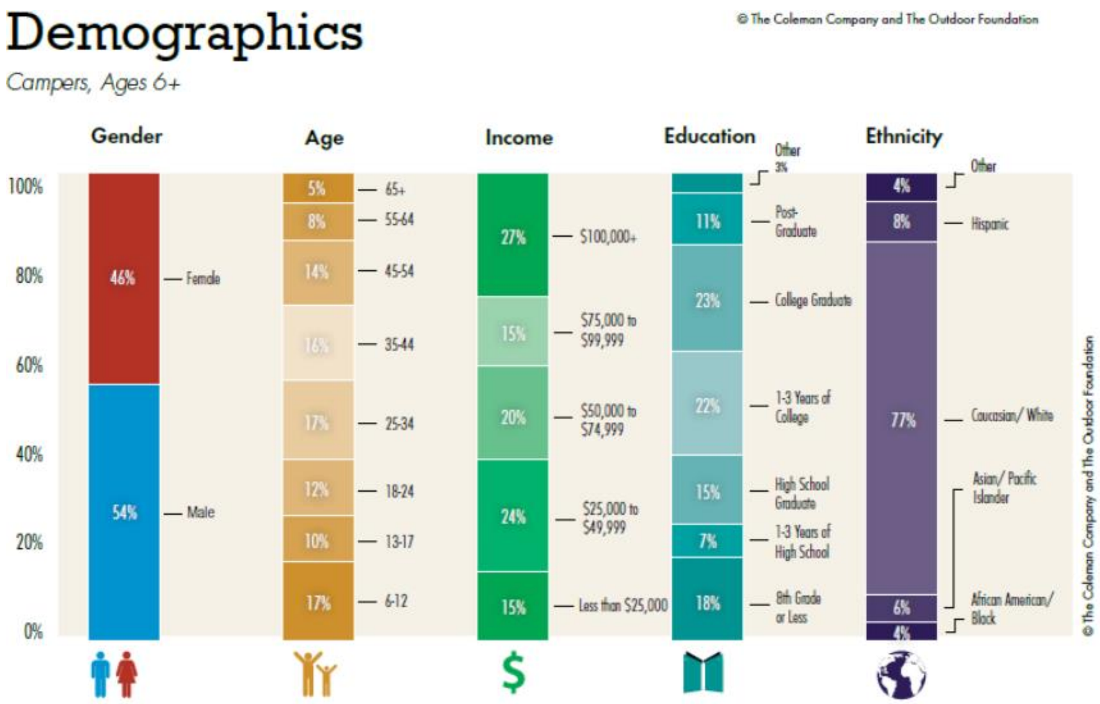
Camping is an affordable alternative to a hotel, depending on one's means of travel, camping trips can be taken close to home or across the country and campers can choose between a variety of accommodation types; cabins, RVs, tents and more. Due to this flexibility, camping is considered by many experts to be recession-proof and attractive to a wide demographic. Of those surveyed for The Outdoor Foundation's report, approximately two-thirds are planning three or more camping trips in the next year, demonstrating the interest Americans have for this activity in good economic times and bad. Americans will likely continue to look for low-cost activities that involve the entire family in order to escape the long-term economic turmoil and the increasing dependency on media and technology.



Source: The Outdoor Foundation, 2014 American Camper Report

The life cycle of camping displayed above is similar to other outdoor activities. Participation declines dramatically as one grows older and no longer lives with family members, as shown above by the 18-24 age groups. It recovers among adults between 25 and 44, and then declines again once over the age of 45. In 2013, camping participation increased among children ages 6 to 12, adolescents ages 13 to 17, and young adults ages 18 to 24 whereas age groups 25 and older remained the same.

Campers are a diverse group of consumers. The below graph shows the demographic of gender, age, income, education level, and ethnicity of campers throughout the United States.



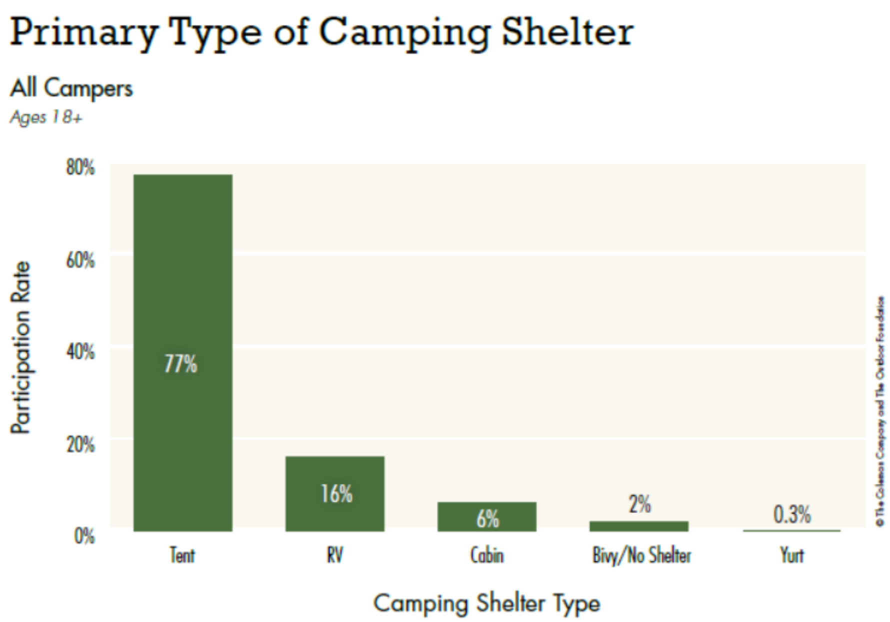
Source: The Outdoor Foundation, 2014 American Camper Report

The split on gender is almost equal, with male campers making up 54 percent. While trends in age groups between 2009 and 2013 were discussed previously, the above table shows that campers aged 25 to 54 represent more than half of all campers. Nearly forty-two percent of camping participants have an annual household income of over $75,000 with at least some college experience, whether it is 1 to 3 years or having graduated. A large majority, 77 percent, of America's campers are Caucasian/White.

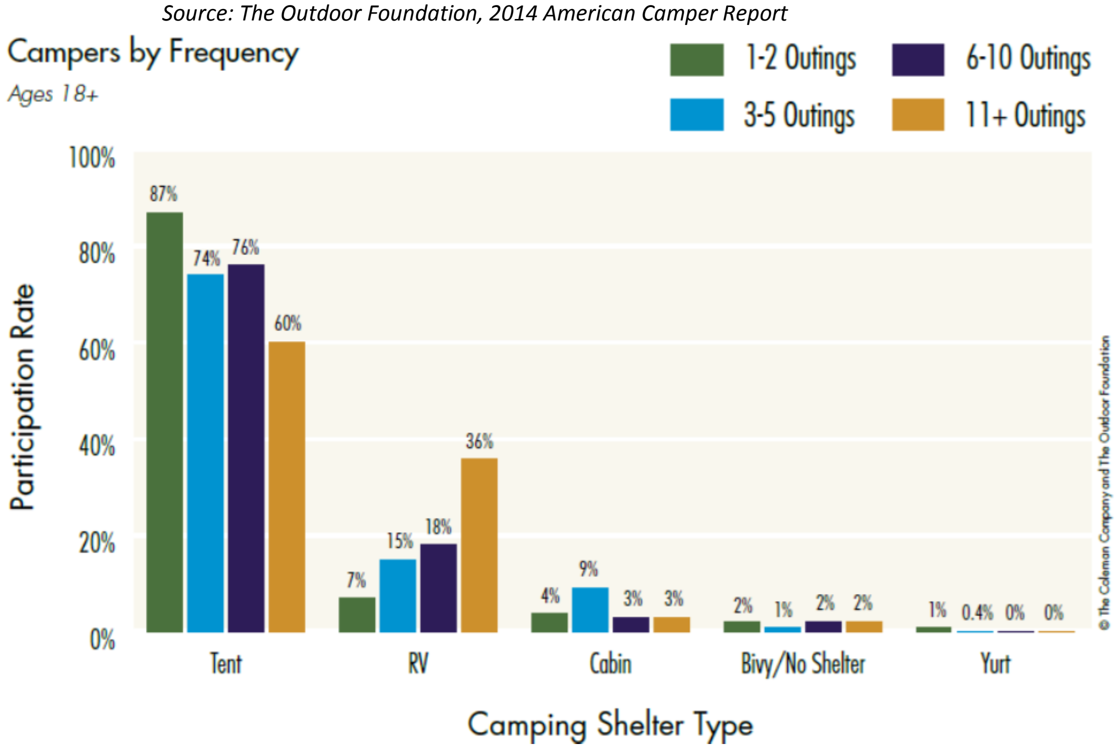
As previously indicated, based on the 40.1 million Americans that went camping in 2013 for a total of 597.7 million outings, the average American spent 14.9 days camping annually. There are various types of camping options and many campgrounds offer a variety to appeal to all preferences. These can include, but are not limited to:

- ***Tent sites*** - A flat space or pad for a variety of tent sizes.
- ***Cabins*** - Usually including two or more rooms, and accommodating four or more people, cabins typically have private bathrooms and a kitchen area with a refrigerator.
- ***Backcountry/Backpacking*** - Combining the activities of hiking and camping for an overnight stay in the outdoors. A backpack allows a hiker to carry supplies and equipment to accommodate one or multiple days on a trail, into areas past where automobiles or boats may travel. This would usually be a crossover with another accommodation type such as a tent or cabin.
- ***Drive-Up or Pull-In*** – Camping with your car in close proximity to the actual campsite. This too would crossover with another accommodation type such as a tent or cabin.
- ***Recreational Vehicle (RV)*** - A motor trailer equipped with living space and amenities found in a home.
- ***Backyard*** – Camping in close proximity to your home. This would crossover with another accommodation type, typically a tent.

- ***Bivy/No Shelter*** - A variety of improvised camp sites such as those used in scouting and mountain climbing. It may often refer to sleeping in the open with a bivouac sack, but it may also refer to a shelter constructed of natural materials.
- ***Eco-shelters*** - Also known as yurts, these circular, domed tent-like structures typically with wood floors, electricity, heating, lockable doors and sleeping accommodations usually for four or more people.



Source: The Outdoor Foundation, 2014 American Camper Report



Source: The Outdoor Foundation, 2014 American Camper Report

Tenting is the most popular type of camping with 77 percent of campers preferring this method. The table above suggests that tenting is likely even more common as it is used by those participating in other types of camping such as Backcountry/Backpacking or Drive-Up camping. RV camping is the second most common form of accommodations followed by cabins which are found in many public and private parks throughout the country, especially regions like New England with adverse seasonal weather conditions.

As with the types of accommodations campers choose, there are also different types of venues and campgrounds to choose from. Campgrounds can be run publicly (such as local, state or national park campgrounds) or privately. In 2013, 67 percent of campers, chose to camp in state, local, and national parks.

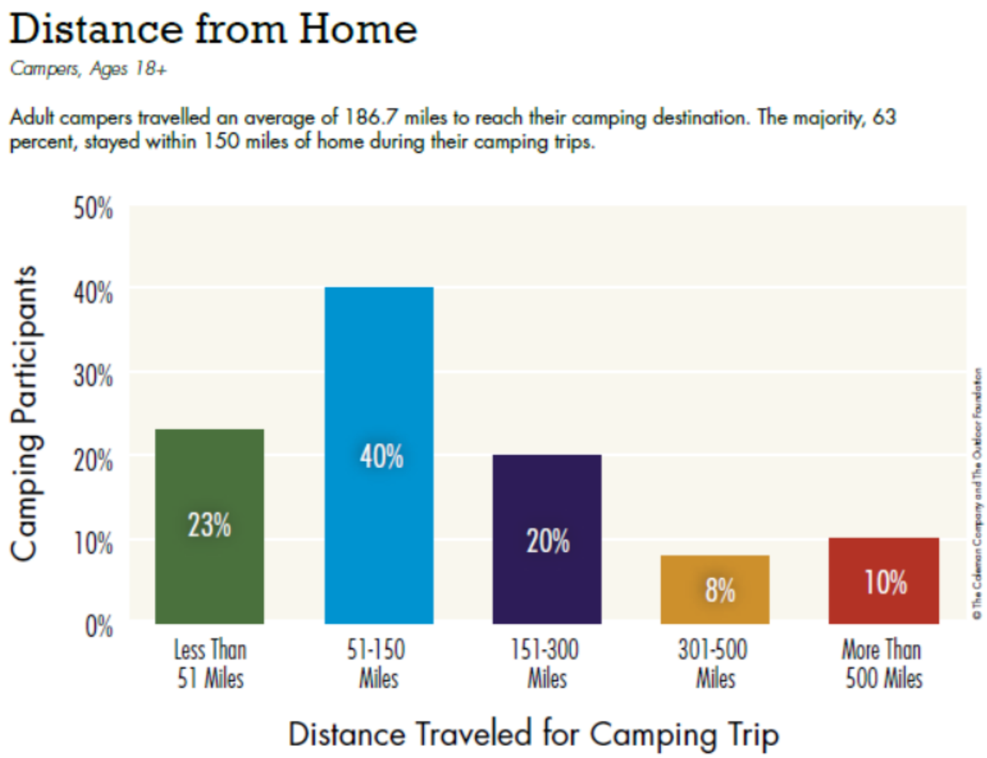
Camping Venue

Campers, Ages 18+

"In which venue did you camp in the last 12 months?"	
State Park Campground	43%
National Park Campground	14%
Local Park Campground	10%
Back country/Wilderness	9%
Event	7%
Private Land/Cabin	5%
Backyard	4%
National Forest	4%
Private Campground	2%
Scout Camps	1%
BLM Land	1%
KOA	1%
Other Campsites	1%
Other	2%

Source: The Outdoor Foundation, 2014 American Camper Report

Campers travel anywhere from a few miles to over 500 miles in order to get to their final camping destination. The table below compares travel distances of those backyard/car camping and participants camping with an RV.



Source: The Outdoor Foundation, 2014 American Camper Report

Campers traveling and camping in RVs are willing to travel further as they have invested a large amount of money in their vehicle which provides them with amenities a tent camper does not have such as restrooms, showers, refrigerators, heat/air conditioning, etc. An estimated 63 percent of adult campers traveled within 150 miles of their home. This travel distance is a national average and will likely vary greatly when looked at within specific regions.

More than 40 million Americans, approximately 14 percent of the US population over the age of six, camp annually. While camping participation has decreased slightly the past couple of years, decreased gas prices should encourage increased participation.

Local Market Analysis

Our report has focused on determining the feasibility of a campground development by examining the potential market support and financial viability for a lodging development of this type to be located in the well-known Berkshire Region of Massachusetts in the Town of Adams.

Identification of Relevant Local Supply

In order to evaluate the current and prospective status of the camping industry in the surrounding area, it was necessary to define a competitive supply of campgrounds to study. This does not infer that these campgrounds are the only ones catering to demand that is potentially available in the area. The defined supply is intended to represent the grouping of campgrounds for which performance measures and the general character of the market can be assessed when examining the potential future demand in the area.

The identified set of campgrounds was selected based on input from the operators of campground facilities in the area and our knowledge of the camping market. Relevant factors considered in determining the defined competitive set include geographic location, demand generators, rate structure, market mix, and quality of facilities. Because Adams, MA is located close to both New York and Vermont state borders, the campgrounds listed overlap into these states.

Campgrounds with these criteria are within a 30 mile driving distance of the proposed site and outlined in the following table. It should be noted that the local market is comprised of state campgrounds as well as those run independently offering a variety of facilities, types of accommodations, and amenities.

Campground Competitive Market
Berkshires - Adams, MA

Campground	Location	Operations	Acres	Sites	Season*	Pool/Body of Water	Site Fees (cabins)**
Historic Valley Campground	North Adams, MA	Private	26	100 (Tent, RV)	May - Oct	Lake	$25-$40
Hidden Valley Campground	Lanesboro, MA	Private	40	110 (Tent, RV)	May - Oct	Pool	$34-39 ($85-125)
Clarksburg State Park	Clarksburg, MA	MA State	370	45 (Tent, RV)	May - Sept	Pond	Inland
Savoy Mountain State Forest	Florida, MA	MA State	11,000	45 (Group, Tent, RV, Cabin)	May - Oct	Pond(2)	Inland
Mt. Greylock State Reservation	Lanesborough, MA	MA State	12,500	27 (Group, Tent)	May - Oct	-	Primitive
Pittsfield State Forest	Pittsfield, MA	MA State	10,000	33 (Group, Tent)	May - Oct	Pond	Limited
Fernwood Forest Campground	Hinsdale, MA	Private	115	44 (Tent, RV	May - Oct	Lake	$28 - $38
Peppermint park Camping Resort	Plainfield, MA	Private	80	191 (Tent, RV)	May - Oct	Pool	$36 - $42
Pine Hollow Campground	Pownal, VT	Private	N/A	60 (Group, Tent, RV)	May - Oct	Pond	$30 - $37
Mohawk Trail State Forest	Charlemont, MA	MA State	6,400	53 (Group, Tent, RV, Cabin)	May - Oct	River	Inland
Mohawk Park	Charlemont, MA	Private	N/A	40(Tent, RV, Cabin)	May - Oct	River	$30 - $35
Country Aire Campground	Charlemont, MA	Private	N/A	190 (Tent, RV, Cabin)	May - Oct	Pool	$25 - $35 ($105)
October Mountain State Forest	Lee, MA	MA State	16,500	47 (Tent, RV, Yurt)	May - Oct	-	Inland
Aqua Vista Valley Campground	Petersburgh, NY	Private	26	160 (Tent, RV)	May - Oct	Pool, River	$30-$40
Summit Hill Campground	Washington, MA	Private	N/A	106 (Tent, RV)	May - Sept	Pool	$38-42
Woodford State Park	Bennington, VT	VT State	400	103 (Tent, Lean-to, Cabin)	May - Oct	Resevoir	$18-$29 ($48-50)
Cherry Plain State Park	Berlin, NY	NY State	175	30 (Tent)	May - Oct	Pond	$12-$19
Alps Family Campground	Averill Park, NY	Private	N/A	Unavailable (Tent, RV, Cabin)	May - Oct	Pool, Pond	$30-$32 ($50-$80)
DAR State Forest	Goshen, MA	MA State	1,770	51 (Group, Tent, RV)	May - Oct	Lake	Inland
Greenwood Lodge & Campsites	Woodford, VT	Private	120	40 (Tent, RV)	May - Oct	Pond (3)	$27 - $38 ($76-$79)

** While some facilities indicate a summer season, those that offer cabins typically operate them year-round*

*** State Park Fees are based on the criteria set by the State. These are shown later in the report.*

Source: ReserveAmerica, property management. Compiled by Pinnacle Advisory Group

Because a large amount of the campgrounds listed above do not offer cabins, nor do they offer year round facilities, we contacted management of other campgrounds from different parts of New England that do offer these types of accommodations to understand their booking trends, amenities and rate structures.

Camping fees in Massachusetts State Parks are structured as follows for the 2016 season:

2016 State Park Camping Fees Per Night
Massachusetts

	Out of State Resident	State Resident
Coastal Campground	$27	$22
Inland Campground	$20	$17
Limited Service Campground	$16	$14
Primitive Service Campground	$10	$8
Group Campsite	$35 (1-25) +$1/person over 25	
Safari Field Camping	$20	$20
Cabin (small)	$55	$50
Cabin (medium)	$65	$60
Cabin (group)	$100	$90
Yurt (small)	$50	$45
Yurt (large)	$60	$55
Yurt (group)	$100	$90

Source: MA Dept of Conservation & Recreation

Other nearby states including New Hampshire, New York and Vermont follow a similar structure with a large range in pricing, dependent on the individual facilities. Massachusetts has differentiated its 29 State Parks into four different types which garner different fees. These four categories are explained below according to the Massachusetts Department of Conservation & Recreation.

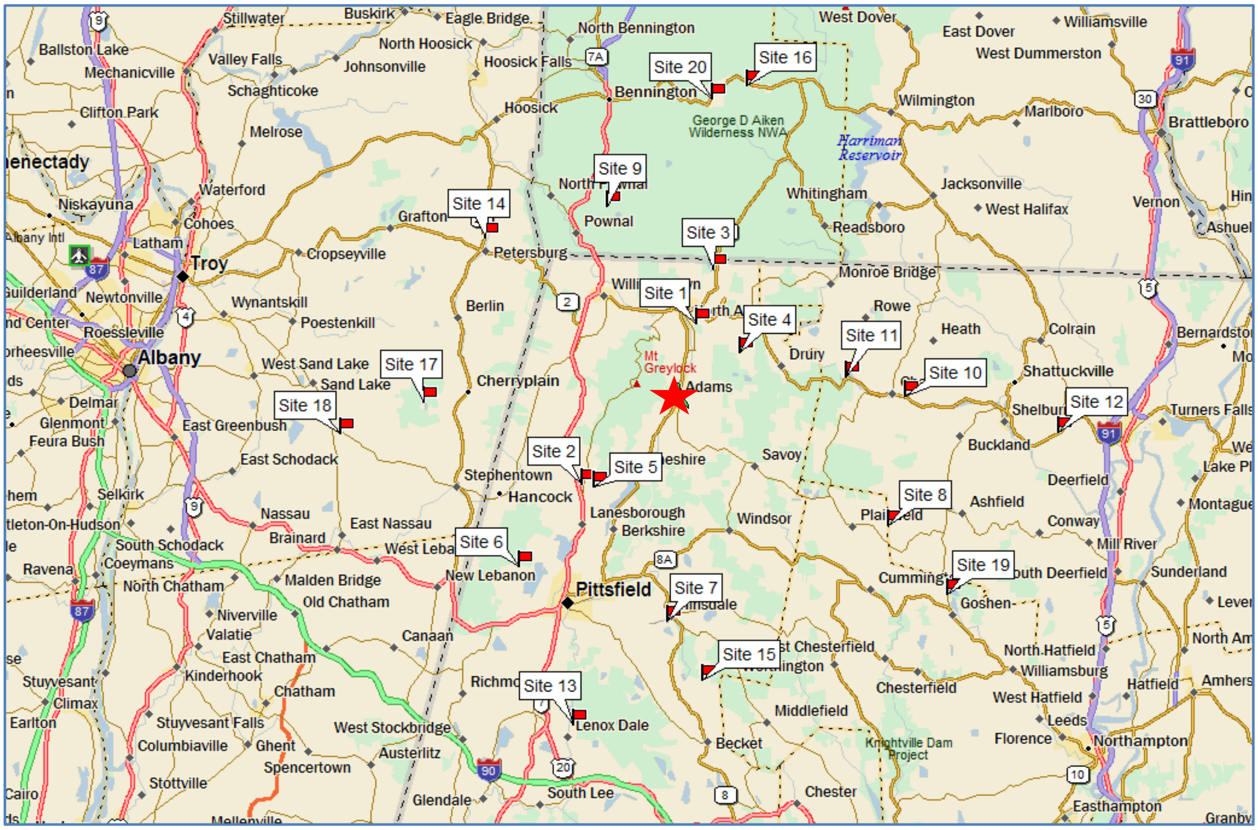
- **Established Campgrounds (Coastal or Inland fee categories) -** These campgrounds offer flush toilets, showers, access to water, staffing, and interpretive programs. Some may offer electric or water hookups, dumping stations, or yurts and cabins. Individual campsites will be designated and include a high-use parking area and table, grill and/or fire ring. Campgrounds offer access to a public telephone. Camp store or other developed amenities may be available.

- **Limited Service Campgrounds (Limited Service fee category) -** These campgrounds offer toilets and access to drinking water. Some use self-registration and park staff may be off-site. Individual campsites are designated and generally include individual tables, grills or fire rings. Campgrounds offer access to public telephone. Departmental programs may be available.

- **Primitive Service Campgrounds (Primitive Service fee category) -** These campgrounds offer composting or pit toilets. Access to drinking water is not available, and customers are encouraged to bring an one gallon per person per day for their camping stay. Showers are not available. The campgrounds are in remote locations and park staff may be off-site. Individual campsites are designated and may not include individual tables, grills or fire rings. Access to a public telephone is NOT available, and mobile telephone coverage is limited. Interpretive programs may be available.

- **Recreational Vehicle (RV) Camping -** Most RVs require larger campsites and campers prefer access to electric and water hookups, and dumping stations.

Interviews were conducted with the facilities deemed of most critical importance to this analysis. These interviews were supplemented with internet research and collection of operating and financial data for the remaining facilities. The campground facilities outlined above as the competitive market are shown in the following map in relation to the proposed site, indicated by the star at the center of the map.



Competitive Market
Map Legend

1	Historic Valley Campground	8	Peppermint Park Camping Resort	15	Summit Hill Campground
2	Hidden Valley Campground	9	Pine Hollow Campground	16	Woodford State Park
3	Clarksburg State Park	10	Mohawk Trail State Forest	17	Cherry Plain State Park
4	Savoy Mountain State Forest	11	Mohawk Park	18	Alps Family Campground
5	Mt. Greylock State Reservation	12	Country Aire Campground	19	DAR State Forest
6	Pittsfield State Forest	13	October Mountain State Forest	20	Greenwood Lodge & Campsites
7	Fernwood Forest Campground	14	Aqua Vista Valley Campground		

Source: Compiled by Pinnacle Advisory Group

The existence of these 20 campgrounds along with many others in the immediate area illustrates the demand in support of these types of facilities. Furthermore, conversations with campground managers suggest that demand for these types of accommodations during the peak season outpaces the existing supply. Management at numerous parks indicated that they experience sell out nights every weekend from the week of July Fourth to Labor Day as well as weekends during fall foliage viewing, often turning away demand during these periods. It was also indicated that though majority of the parks do not offer cabin rentals, they are requested throughout the season.

Demand Generators

As discussed briefly in a previous section, there are many demand generators which attract visitors, specifically campers, to the Berkshires throughout the year.

The Berkshires offer a variety of venues with performing arts including Tanglewood, Jacob's Pillow Dance, as well as many local theaters such as Berkshire Theater and Williamstown Theater. These events bring in attendees from all over the country as well as international travelers. Offering a full schedule of events throughout the summer on weekends and weekdays, these venues are large attractions for the area.

In addition to performing arts, the area has also become well known for its wide variety of art museums. Clark Art Institute, Mass MoCA, and the Norman Rockwell Museum are just a few that bring people to the area. These facilities also offer events throughout the summer months.

Outdoor recreation is a large draw to the area, if not the largest, throughout the calendar year. The Berkshires are home to Mount Greylock, the Appalachian Trail, along with many other state run parks. Nearby Long Trail and Green Mountain Forest located in Vermont help to generate camping demand in the summer months as well. Visitors have a wealth of activities to choose from throughout the year including, hiking, biking, water sports, fishing in the summer and cross-country skiing, snowmobiling, downhill skiing, ice fishing and snowshoeing in the winter. In an effort to increase visitation to the Berkshires, the Town of Adams has created events around outdoor activities such as the Thunderbolt Ski Race, Thunderfest, the Mount Greylock Ramble (Ramblefest), and the Mount Greylock Century.

Seasonality

Due to the above demand generators, there are significant seasonality swings in demand due in large part to New England's weather patterns and events taking place within the Berkshires. While New England is known for its four distinct seasons which offer a variety of outdoor recreation activities, the Berkshires also has its museums, performing arts, and natural beauty.

After discussions with operators of the above competitive set, it is apparent that the Berkshires experience the bulk of their visitation during the July and August with September and October being almost as strong due to its foliage viewing. The shoulder season is in the spring, when students are on spring vacations and families visit the area to take part in the area's activities. Visitation is lowest during the winter months, November through January, when a large amount of outdoor recreation is done in the northern portion of New England. Almost all of the competitive campgrounds listed above are operated seasonally for this reason, with a small portion offering cabins year-round.

Market Demand

During the course of our fieldwork, we obtained operating statistics for several of the public State-run campgrounds in Massachusetts as well as information from management during our interviews with privately run facilities. From this information we were able to determine that there is indeed a need for a facility such as the one being proposed. The proposed Greylock Glen campground will offer a higher amenity level than these existing facilities, which in turn should garner additional demand that has not yet been captured in the market.

Massachusetts has 10 state-run parks in the Berkshires that offer overnight accommodations. These 10 parks had an average occupancy of 45 percent on a seasonal basis in 2015, which was a one percent increase from the prior year. Occupancy on a seasonal basis for this region has increased approximately 2 percent on a compound annual basis since 2011. Given their locations, size differences and the variety of amenities offered, it is important to note that these selected parks had occupancies ranging from 23 to 95 percent in 2015. All 10 parks are operated on a seasonal basis with the exception of Beartown Forest and Mohawk Trail State Park which offers cabins year round. Management at these parks indicated that demand is weather dependent but weekends during the months of July and August are sold out, while weekdays are strong and typically range from 60 to 80 percent. Occupancies are also high during the fall season during fall foliage viewing and follow similar trends to the summer months at a slightly lower visitation. One manager estimated occupancy to be approximately 80 percent on the weekends, while weekdays are frequently performing at 50 to 60 percent. The shoulder periods are during the spring with peak demands being weekends with favorable weather and weekdays during school vacation times. There are very few campgrounds open during the winter in the Berkshires though other states such as Vermont and New Hampshire open facilities to attract those visiting for winter recreation.

Evaluation of Demand Segments

Demand for overnight campground lodging emanates from three market segments: transient leisure, group, and seasonal leisure (those staying a full season).

Transient Leisure

Tourism generates significant camping demand in Berkshire County. According to management from the campgrounds identified earlier, transient campers (those staying one to three nights), are accommodated on weekends between the months of May through October, with the spring and fall months acting as shoulder months. Late June through early September are considered the peak.

The development of the proposed campground and its amenities will attract transient leisure demand that is both induced and unaccommodated. The Greylock Glen development, once complete, is expected to draw a significant number of new tourists to the region. Additionally, this proposed facility will be the only operator in the Berkshires offering such facilities year-round. As such, new or induced demand will be a component of the proposed campground's leisure market. Unaccommodated leisure demand will occur on peak days throughout the summer when other campgrounds are completely sold out. Thus, the subject campground would be able to capture transient leisure demand from visitors that previously could not be accommodated by the existing set of local campgrounds. Leisure demand in the competitive market is strong and we believe that the proposed subject will be in a good position to capture this demand and achieve strong rates during peak spring, summer, and fall weekends.

Group

The tranquility of Greylock Glen and the ability to partake in a wide range of four-season outdoor activities such as hiking, biking, cross-country skiing, snowshoeing, and snowmobiling, will be a popular selling point for groups. These could include Girls Scouts, Boy Scouts, schools, youth groups, associations, and other not-for-profit organizations.

The broader Greylock Glen Outdoor Recreation & Environmental Education Center will complement this campground and will help attract these groups as well. Students and professors from the area schools and universities could use the campground as an educational platform. A good example of this is the Massachusetts College of Liberal Arts located in North Adams which offers a concentration in environmental studies.

This market segment typically pays relatively low rates, nevertheless, this market segment is expected to be a target market for the off season and shoulder months when transient demand is projected to be low.

Seasonal Leisure

In addition to the popularity of the visual and performing arts, the Berkshires are a destination due to its natural beauty. The land that exists at Greylock Glen, with its mountain vistas, home to the highest peak in the state, and beautiful lakes within a quaint New England town, encapsulates perfectly why the Berkshires are such a popular destination for tourists. This area often caters to campers staying for a full season, sometimes three to four months.

This type of camper, referred to as seasonal leisure campers, typically choose to live out of their RVs which offer electricity, water, and sewer accessibility not often offered at tent only sites. In many cases, camps, including State-run campgrounds, have a limit to the length of stay, usually two weeks, which prohibit this type of camper. The proposed campground facility will not accommodate large RVs and will likely have a minimum length of stay so it will not target this market segment.

Facility Assumptions

The site of the proposed campground is located in Adams, MA on two individual sites totaling 11.8 acres. The following summarizes what is planned for the camp development as provided to us. It should be noted that our projections are exclusively based on these assumptions.

Camping Facilities

The Town's concept for the campground at the Greylock Glen Resort includes a variety of accommodation types to suit a wide range of users and seasonal conditions. The Town strongly favors a mix of accommodations and has determined that there is enough demand for alternatives to tent sites such as cabins, yurts and eco-shelters. Different accommodation types will allow for different camping experiences at a range of cost options throughout different parts of the year.

Each option offers varying levels of rusticity and comfort. Total site dimensional requirements encompass all components of an individual campsite including access path, tent platform or trailer parking, fire pit, picnic table and surrounds. The four accommodation types in the current plan are as follows,

- **Tents Sites** (**1,500 sq ft) -** Traditional tent sites offer space for varying tent sizes. A designated tent pad or platform provides a flat, comfortable surface and reduces the natural tendency towards site creep and erosion within the site. The proposed tent sites would have no hook-ups providing utilities.

- **Pull-in Sites for small trailers of 15 feet or less (2,200 sq ft) -** While RVs will not be accommodated; several pull-in sites will accommodate small pull-along trailers of 15 feet or less. These sites will be located within Site A, but will not be offered at Site B. The proposed pull-in sites would have no hook-ups providing utilities.

- **Eco-Shelters, Yurts or Permanent Canvas Tents (1,500 sq ft) -** Eco-shelters allow for camping without the need to bring a tent. Yurts, which are popular accommodations found in many different geographic regions throughout the world. A yurt's wooden structure with canvas exteriors allows for use throughout every season. The proposed eco-shelters would have no hook-ups providing utilities.

- **Rustic Cabins** (**1,500 – 1,700 sq ft) -** Rustic wood cabins with individual wood stoves (or small gas stoves), basic bathroom and kitchen facilities will be provided within each individual cabin. Given these proposed facilities, it is understood that the proposed cabins will have water, electricity, sewer and possibly gas, as well as either a fireplace or wood stove for heat.

The breakdown on accommodations at the individual sites will be as follows (this is as currently proposed, but is subject to change):

Campground Accommodations
Adams, MA

Type	Site A (year-round)	Site B (seasonal)	TOTAL
Tent Sites	30	20	50
Pull-In Sites	15	0	15
Eco-Shelters	25 *	20	45
Cabins	30 *	0	30
Total	100	40	140

** Available year round*
Source: Town of Adams, MA

Additional Facilities & Amenities

While rustic in nature, the campground at Greylock Glen will offer a higher-level of amenities which will provide guest comfort and attract a diverse clientele. All facilities within the campground will be built, operated, and maintained in a sustainable manner, with the utmost respect and concern for the environment in which they are part. The table below illustrates the range of amenities that have been approved under the current plan. Several of the amenities are required while others are optional.

Approved Campground Amenities
Adams, MA

Amenity	Required	Optional
Site A (6.9 acres)		
Comfort Station with	√	
Camp Store, Ranger	√	
Swimming Pool		√
Group Gathering Area		√
Recycling Station	√	
Site B (4.9 acres)		
Comfort Station	√	
Recycling Station	√	

Source: Town of Adams, MA

Other amenities, specifically related to activities for campers that will be offered, include but are not limited to,

- A multipurpose facility which would allow for meetings, group events, seminars, etc.
- Outdoor recreational opportunities afforded by close proximity to Greylock State Reservation. The trail system around the Glen is ski, bike, and equestrian friendly, thereby expanding the recreational options.

- Access to the entire Greylock Glen Outdoor Recreation & Environmental Education Center is provided via well-marked and maintained trails from the campground.
- A shuttle, which can accommodate bikes, will be available round-trip, with convenient drop off and pick-up locations throughout town such as, downtown Adams and the nearby Ashuwillticook bike trail. The Town of Adams will eventually be traversed entirely by the Ashuwillticook Rail Trail – a rails-to-trails recreational path. Once the Glen project is completed, the Town plans to operate a shuttle from the Rail Trail to the Glen bike/hiking trails. The Town will continue to maintain the Adams Visitors Center along the Rail Trail, though the Berkshire Visitors Bureau will move their offices to Pittsfield, MA.

Utilities

All municipal utilities will be available at the site once infrastructure improvements are undertaken by the Town of Adams. The Town received $2 million for the first phase of roadway and utility improvements needed to support the proposed Greylock Glen Outdoor Recreation & Environmental Education Center and completed those improvements with focuses along Gould Road. Phase I included full depth reclamation and new paving of 7,580 LF of roadway; new water/sewer mains; new natural gas distribution system; and repairs to the existing drainage system. These publicly-funded improvements have created a “shovel-ready” site, enabling development of the campground at Greylock Glen to move forward and have the roadway access and utility capacity to operate.

The Town will apply for remaining funds from the state’s MassWorks Infrastructure Program. The proposed improvements under MassWorks Phase II will result in fully-functional utility systems required to serve the entire development project, including:

- 400,000-gallon water storage tank providing fire protection and domestic supply;
- 1,500 LF of 12” water main completing the new distribution system;
- Sewer pump station, completing the new sewer collection system;
- New utility line on Thiel Road bringing electrical and telephone service to future conference center and the water storage tank; and
- 500-space stabilized meadow parking area with lighting, soundstage power, and lawn seating capacity of 1,000 for concerts and other events.

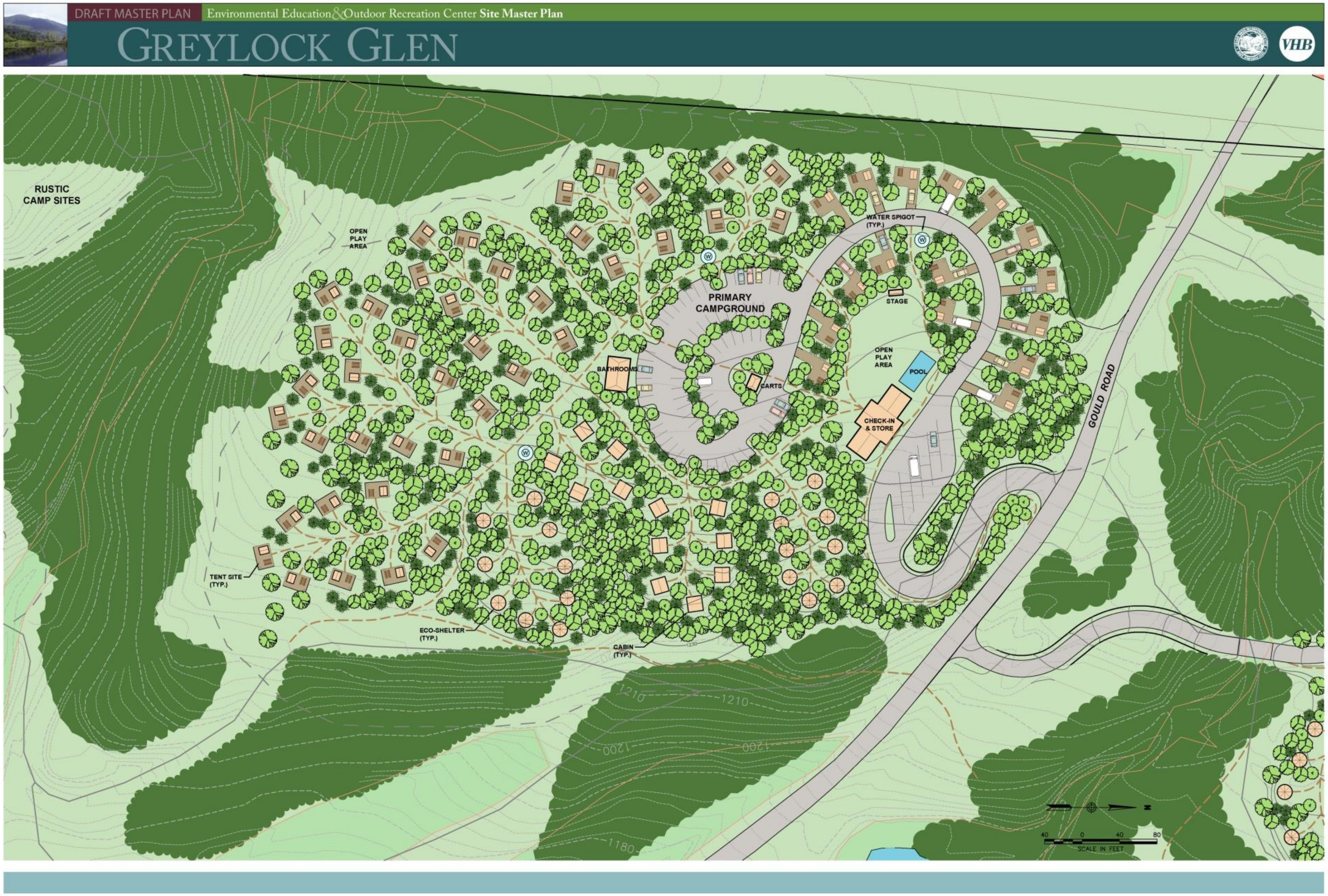
Sustainable Development Guidelines

The development will incorporate sustainability into site planning, construction, operational practices and programming. In order to embrace the principles of sustainability and protect the environment, incorporating sustainability concepts in the site plan, building design, and operations, the following goals will be met,

- Minimize adverse effects on the land;

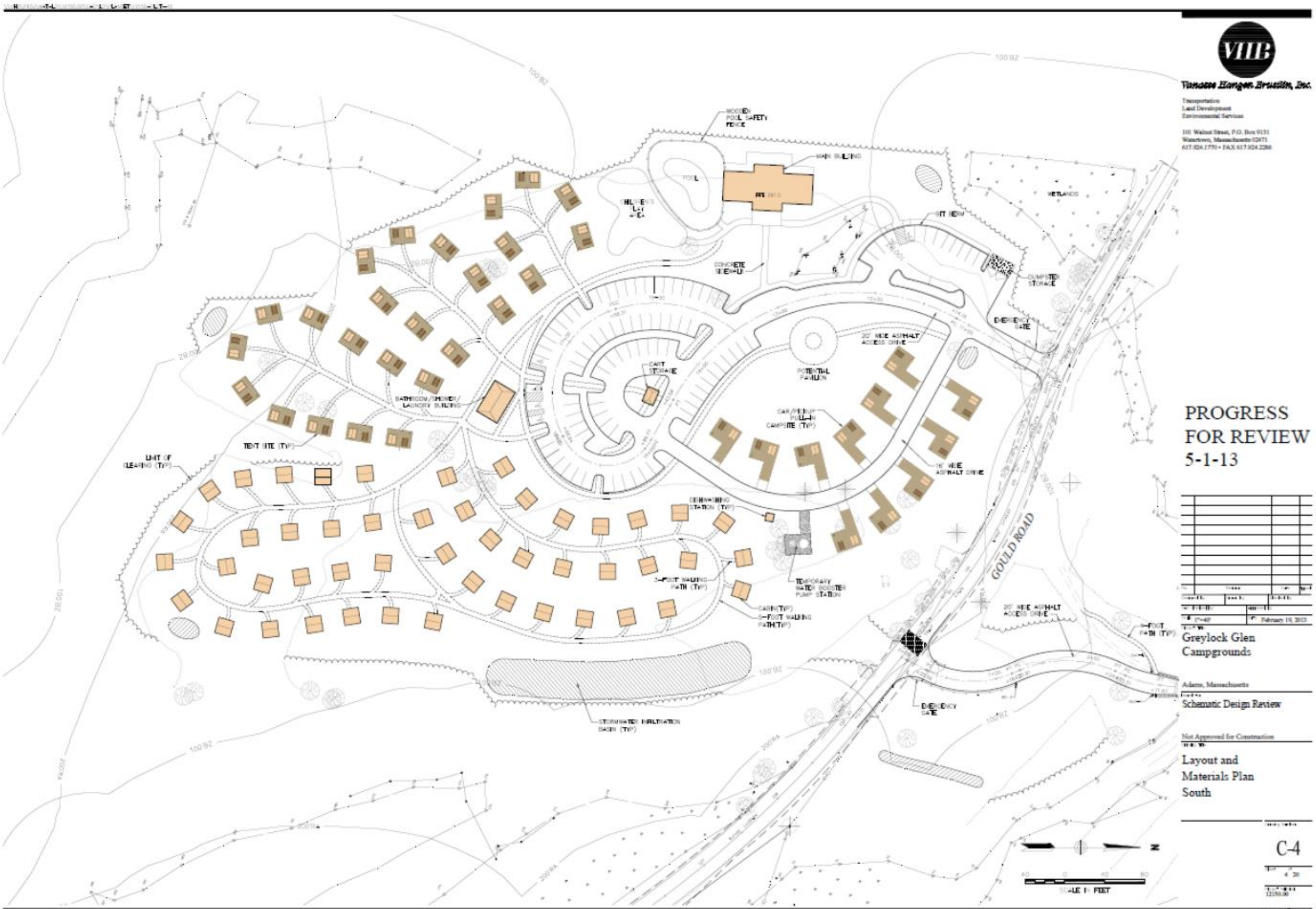
- Incorporate advanced environmental technologies and practices into the project, including renewable energy technologies, on-site storm water management and other green building technologies; and
- Commit to an operating philosophy, which recognizes the importance of reducing consumption, reusing materials, using local products and resources, and incorporating recycling into all aspects of the project's operation
- Sustainable design approaches and innovative technologies will be employed at the site and incorporated into the educational programming at the site.

The following images provided by the Town of Adams are the master plans for the campgrounds as well as the utility road improvements described above.

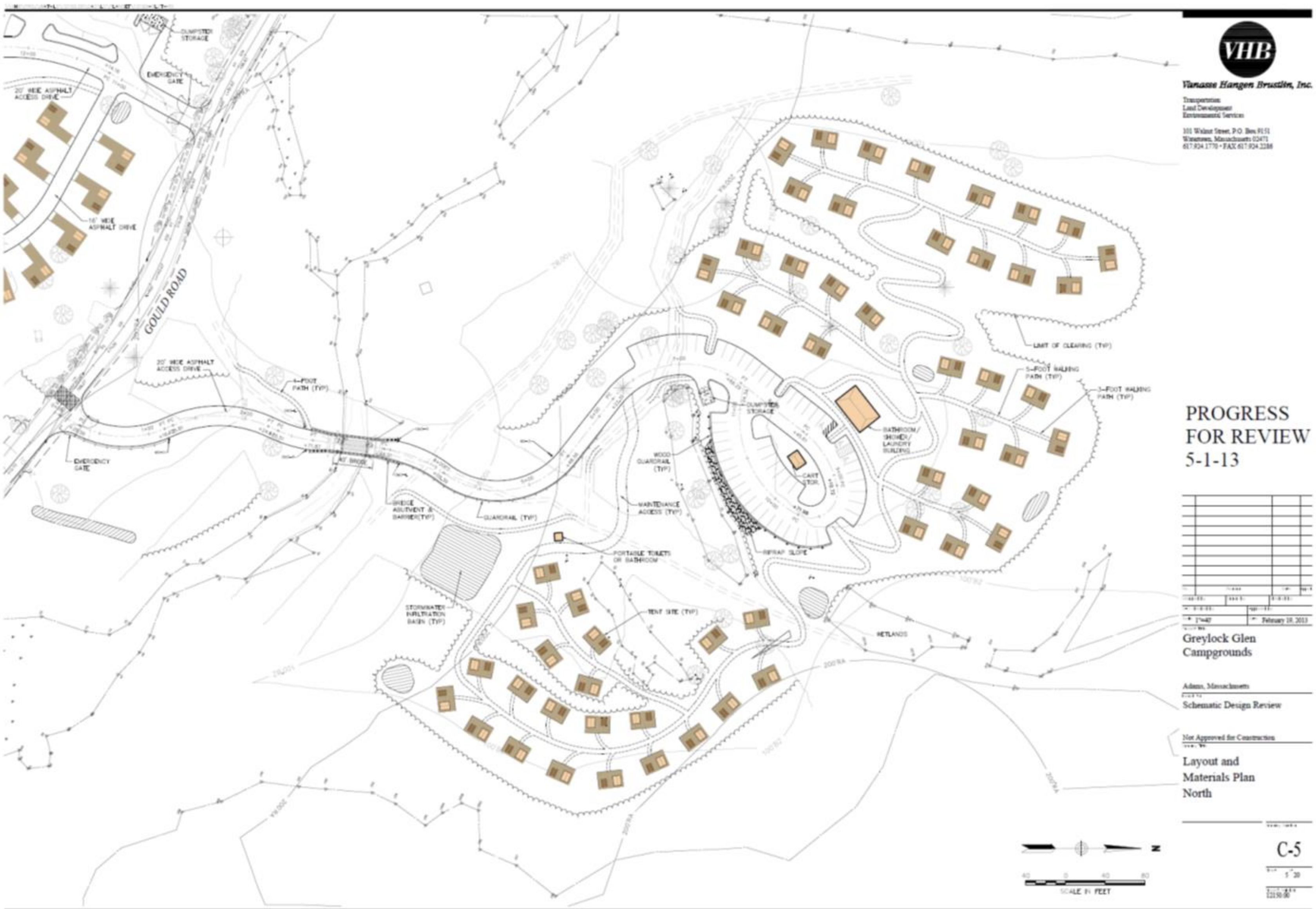

DRAFT MASTER PLAN
Environmental Education & Outdoor Recreation Center Site Master Plan
GREYLOCK GLEN
VHB
RUSTIC CAMP SITES
OPEN PLAY AREA
PRIMARY CAMPGROUND
WATER SPIGOT (TYP.)
STAGE
OPEN PLAY AREA
POOL
BATHROOMS
CARTS
CHECK-IN & STORE
GOULD ROAD
TENT SITE (TYP.)
ECO-SHELTER (TYP.)
CABIN (TYP.)
SCALE IN FEET

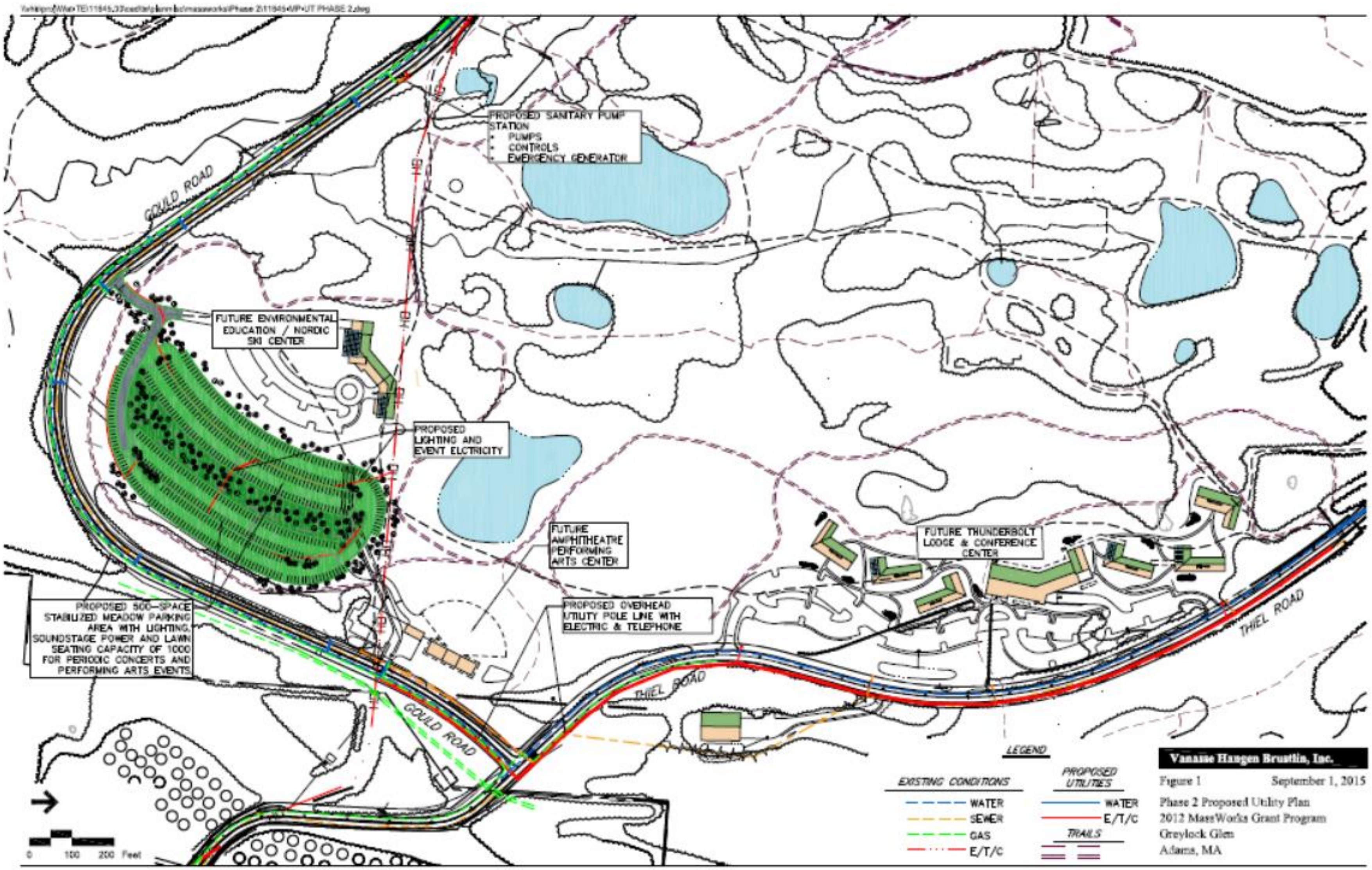

DRAFT MASTER PLAN
Environmental Education & Outdoor Recreation Center Site Master Plan
GREYLOCK GLEN
VHB
PRIMARY CAMPGROUND
SECONDARY CAMPGROUND
BATHROOMS
CARTS
WATER SPIGOT (TYP.)
TENT SITE (TYP.)
CABIN (TYP.)
ECO-SHELTER (TYP.)
SCALE IN FEET


VHB
Vanasse Hangen Brustlin, Inc.
WOODEN POOL SAFETY FENCE
MAIN BUILDING
POOL
CHILDREN'S PLAY AREA
CONCRETE SIDEWALK
WETLANDS
DUMPSTER STORAGE
EMERGENCY GATE
20' WIDE ASPHALT ACCESS DRIVE
POTENTIAL PAVILION
CART STORAGE
BATHROOM/SHOWER/LAUNDRY BUILDING
TENT SITE (TYP)
LIMIT OF CLEARING (TYP)
CAR/PICKUP PULL-IN CAMPSITE (TYP)
16' WIDE ASPHALT DRIVE
DISHWASHING STATION (TYP)
TEMPORARY WATER BOOSTER PUMP STATION
3-FOOT WALKING PATH (TYP)
CABIN SITTING AREA AND FIRE PIT/GRILL(TYP)
5-FOOT WALKING PATH(TYP)
STORMWATER INFILTRATION BASIN (TYP)
GOULD ROAD
PROGRESS FOR REVIEW 5-1-13
Greylock Glen Campgrounds
Adams, Massachusetts
Schematic Design Review
Not Approved for Construction
Layout and Materials Plan South - 35-Cabin Layout
C-4
SCALE IN FEET



VHB
Vanasse Hangen Brustlin, Inc.
PROGRESS FOR REVIEW 5-1-13
Greylock Glen Campgrounds
Adams, Massachusetts
Schematic Design Review
Not Approved for Construction
Layout and Materials Plan South
C-4
GOULD ROAD
MAIN BUILDING
POTENTIAL PAVILION
TENT SITE (TYP)
TEMPORARY WATER BOOSTER PUMP STATION
STORMWATER INFILTRATION BASIN (TYP)
EMERGENCY GATE
SCALE IN FEET


VHB
Vanasse Hangen Brustlin, Inc.
PROGRESS FOR REVIEW 5-1-13
Greylock Glen Campgrounds
Adams, Massachusetts
Schematic Design Review
Not Approved for Construction
Layout and Materials Plan North
C-5
GOULD ROAD
DUMPSTER STORAGE
EMERGENCY GATE
BATHROOM/ SHOWER/ LAUNDRY BUILDING
PORTABLE TOILETS OR BATHROOM
TENT SITE (TYP)
STORMWATER INFILTRATION BASIN (TYP)
WETLANDS
LIMIT OF CLEARING (TYP)
RIPRAP SLOPE
SCALE IN FEET


GOULD ROAD
PROPOSED SANITARY PUMP STATION
• PUMPS
• CONTROLS
• EMERGENCY GENERATOR
FUTURE ENVIRONMENTAL EDUCATION / NORDIC SKI CENTER
PROPOSED LIGHTING AND EVENT ELCTRICITY
FUTURE AMPHITHEATRE PERFORMING ARTS CENTER
FUTURE THUNDERBOLT LODGE & CONFERENCE CENTER
PROPOSED OVERHEAD UTILITY POLE LINE WITH ELECTRIC & TELEPHONE
PROPOSED 500-SPACE STABILIZED MEADOW PARKING AREA WITH LIGHTING, SOUNDSTAGE POWER AND LAWN SEATING CAPACITY OF 1000 FOR PERIODIC CONCERTS AND PERFORMING ARTS EVENTS
THIEL ROAD
GOULD ROAD
THIEL ROAD
0 100 200 Feet
LEGEND
EXISTING CONDITIONS
WATER
SEWER
GAS
E/T/C
PROPOSED UTILITIES
WATER
E/T/C
TRAILS
Vanasse Hangen Brustlin, Inc.
Figure 1
September 1, 2015
Phase 2 Proposed Utility Plan
2012 MassWorks Grant Program
Greylock Glen
Adams, MA

Revenue Projections

With the assumptions outlined above, we developed a set of operating projections for the proposed campground. We developed these projections on a month-by-month basis for a stabilized year of operation with the assumption that the facilities set forth in the previous section of this report would be developed, along with marketing efforts to make the Town of Adams the "recreation hub of the Berkshires". We have assumed that the proposed facilities will open May 1, 2018.

Campsite Occupancy

Based on the facility plans and our demand analysis, we believe that a campground with approximately 140 sites could achieve a stabilized occupancy of approximately 44 percent (annually). Furthermore, we believe that stabilization for the campground may occur during the third year of operations, or fiscal year 2021. As the sales and marketing program is executed and as repeat campers begin to familiarize themselves with the new campground facilities the occupancies will increase from 35 percent in year 1 up to 44 percent in year three. The data points summarized below support our stabilized occupancy projection.

- Given that many of the campgrounds in the Berkshires indicated that they experience sell out nights throughout the peak months we believe there is sufficient demand to warrant an additional campground.
- While there are similar facilities to what is being proposed throughout New England, there are no year round campgrounds in the Berkshires and a very limited supply of eco-shelters and cabins. Furthermore, management of facilities with cabins indicated that this type of accommodation is sold out throughout the year with limited availability.
- With the ability to offer new facilities in Adams which is in close proximity to many of the area's summer demand generators, the proposed campground at stabilization should outperform many of the competitive campgrounds in the area.

As outlined in the seasonality portion of the report, it is assumed that demand for the facilities will be strongest on weekend periods in the peak summer months, though weekend demand should remain strong in the shoulder months of May, June, September and October as well, weather permitting. Weekday demand is likely to also be strongest in the peak summer months during school vacation periods; it is likely that weekday demand will be marginal in the slower winter months for the cabins.

Winter demand for the year round accommodations, the eco-shelters and cabins, will be based on the recreational activities offered at the Greylock Glen Resort and the area at large, as well as the ability to cater to groups. Group business will be an important demand segment in the off-season.

The following table presents our estimates of occupancy on a weekday and weekend basis during a stabilized year of operations.

Proposed Adams MA Campground
Weekday vs. Weekend Occupancy

	Tent Sites		Pull-In Sites		Eco-Shelters		Cabins	
Month	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend
Jan					5%	15%	15%	35%
Feb					15%	25%	35%	55%
Mar					10%	20%	20%	45%
Apr					15%	25%	35%	55%
May	35%	50%	35%	50%	25%	50%	40%	60%
Jun	45%	60%	40%	60%	35%	60%	45%	70%
Jul	75%	90%	70%	85%	50%	75%	65%	85%
Aug	85%	95%	80%	90%	55%	75%	60%	85%
Sep	40%	75%	40%	70%	35%	60%	35%	75%
Oct	35%	60%	35%	55%	30%	55%	35%	65%
Nov					10%	20%	15%	35%
Dec					5%	10%	15%	35%
Average	53%	72%	50%	68%	22%	37%	35%	58%

Source: Pinnacle Advisory Group

Based on the above projected occupancies of weekdays and weekends, the resulting 44 percent stabilized occupancy was derived.

Proposed Adams MA Campground
Projected Stabilized Occupancy

	Tent Sites	Pull-In Sites	Eco-Shelters	Cabins	TOTAL
Sites Available	9,200	2,760	12,805	10,950	35,715
Sites Sold	5,294	1,513	4,277	4,520	15,604
Occupancy	58%	55%	33%	41%	44%

Source: Pinnacle Advisory Group

Campsite Rental Rates

Average rental rates were based on several factors:

1) projected occupancy levels for each type of accommodation;
2) anticipated quality of the proposed facility and planned amenities;
3) seasonal rates; and
4) the published rates at the competitive and comparable facilities.

In addition to evaluating these factors, we assumed that the proposed campground would be privately owned and operated and would therefore not be required to maintain lower rates that are more typical of state-run facilities.

The recommended rates for all four accommodation types is presented in the table below. These rates represent anticipated rates for a stabilized year of operation and are presented in 2015 dollars. We have assumed that annual increases in rate will reflect inflation, estimated at 3.0% per year.

Proposed Adams MA Campground
Nightly Rate Structure by Month

Month	Tent Sites	Pull-In Sites	Eco-Shelters	Cabins
Jan			$55	$85
Mar			$70	$95
Apr			$70	$95
May	$25	$40	$70	$95
Jun	$25	$40	$90	$135
Jul	$30	$50	$90	$135
Aug	$30	$50	$90	$135
Sep	$25	$40	$90	$135
Oct	$25	$40	$70	$95
Nov			$55	$85
Dec			$55	$85

Camping fees are presented in 2015 dollars
Rates are based on 2 person occupancy
Fees for additional guests is accrued in "Other Revenue"
Source: Pinnacle Advisory Group

The rates above reflect the rate structure which is commonly put in place throughout the camping industry, and account for 2 adult guests. Typically, a park will charge an additional fee for more guests based on their age. For example, children under the age of five are free, $10 per night for guests under the age of 18, and lastly $15 per night for any additional adults beyond the original two. The additional fee or other guests are included in “Other Revenue” within our financial projections.

It should be noted that the above rates represent average daily rates for a site. Specifically, the aforementioned rate structure takes into consideration rack rates, discounted rates for group visitors, and weekly rates.

Campsite Revenue Summary

The table which follows depicts the assumed number of days that the tent sites, pull-in sites, eco-shelters and cabins are open on a month by month basis leading to the monthly availability of sites for rental. We then present the projected occupancy figures for all four accommodation types and the number of sites sold on a monthly basis. Finally, we present projected rates (in 2015 value dollars) as well as the inflated rates, reflecting the estimated average rates for all four types of accommodations when the facility opens in May 2018.

Proposed Adams MA Campground
Stabilized Operating Projections

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Annual
Tent Sites													
Days Open	31	30	31	31	30	31	0	0	0	0	0	0	184
Available / Day	50	50	50	50	50	50	0	0	0	0	0	0	
Availability	1550	1500	1550	1550	1500	1550	0	0	0	0	0	0	9,200
Occupancy	39%	50%	78%	86%	51%	41%	0%	0%	0%	0%	0%	0%	**57.5%**
Sites Sold	598	750	1,206	1,336	761	642	0	0	0	0	0	0	**5,294**
Rates - 2015 $	$25	$25	$30	$30	$25	$25	$0	$0	$0	$0	$0	$0	**$27**
Revenues	$14,948	$18,750	$36,188	$40,094	$19,036	$16,042	$0	$0	$0	$0	$0	$0	**$145,057**
Rates - 2018 $	$27	$27	$33	$33	$27	$27	$0	$0	$0	$0	$0	$0	**$30**
Revenues	$16,334	$20,489	$39,543	$43,812	$20,802	$17,529	$0	$0	$0	$0	$0	$0	**$158,508**
Pull-In Sites													
Days Open	31	30	31	31	30	31	0	0	0	0	0	0	184
Available / Day	15	15	15	15	15	15	0	0	0	0	0	0	
Availability	465	450	465	465	450	465	0	0	0	0	0	0	2,760
Occupancy	39%	46%	73%	81%	49%	40%	0%	0%	0%	0%	0%	0%	**54.8%**
Sites Sold	179	209	339	378	222	186	0	0	0	0	0	0	**1,513**
Rates -- 2015 $	$40	$40	$50	$50	$40	$40	$0	$0	$0	$0	$0	$0	**$45**
Revenues	$7,175	$8,350	$16,953	$18,906	$8,875	$7,438	$0	$0	$0	$0	$0	$0	**$67,697**
Rates -- 2018 $	$44	$44	$55	$55	$44	$44	$0	$0	$0	$0	$0	$0	**$49**
Revenues	$7,840	$9,124	$18,525	$20,659	$9,698	$8,127	$0	$0	$0	$0	$0	$0	**$73,974**
Eco-Shelters													
Seasonality	S	P	P	P	P	S	O	O	O	S	S	S	
Days Open	31	30	31	31	30	31	30	31	31	28	31	30	365
Available / Day	45	45	45	45	45	45	25	25	25	25	25	25	
Availability	1395	1350	1395	1395	1350	1395	750	775	775	700	775	750	12,805
Occupancy	32%	42%	56%	60%	42%	36%	13%	6%	8%	19%	13%	18%	**33.4%**
Sites Sold	441	570	783	832	570	509	97	49	60	136	98	134	**4,277**
Rates -- 2015 $	$70	$90	$90	$90	$90	$70	$55	$55	$55	$70	$70	$70	**$82**
Revenues	$30,844	$51,263	$70,453	$74,841	$51,263	$35,634	$5,312	$2,693	$3,294	$9,516	$6,854	$9,385	**$351,352**
Rates -- 2018 $	$76	$98	$98	$98	$98	$76	$60	$60	$60	$76	$76	$76	**$90**
Revenues	$33,704	$56,016	$76,986	$81,780	$56,016	$38,939	$5,804	$2,942	$3,600	$10,398	$7,490	$10,256	**$383,931**
Cabins													
Days Open	31	30	31	31	30	31	30	31	31	28	31	30	365
Available / Day	30	30	30	30	30	30	30	30	30	30	30	30	
Availability	930	900	930	930	900	930	900	930	930	840	930	900	10,950
Occupancy	45%	52%	69%	66%	47%	43%	21%	20%	20%	44%	27%	41%	**41.3%**
Sites Sold	418	470	646	613	419	398	187	189	189	372	248	372	**4,520**
Rates -- 2015 $	$95	$135	$135	$135	$135	$95	$85	$85	$85	$95	$95	$95	**$113**
Revenues	$39,663	$63,413	$87,159	$82,772	$56,506	$37,822	$15,876	$16,097	$16,097	$35,328	$23,572	$35,328	**$509,633**
Rates -- 2018 $	$104	$148	$148	$148	$148	$104	$93	$93	$93	$104	$104	$104	**$123**
Revenues	$43,340	$69,293	$95,241	$90,447	$61,745	$41,329	$17,349	$17,589	$17,589	$38,604	$25,758	$38,604	**$556,889**

Source: Pinnacle Advisory Group

Most new facilities experience a "build up" period during which time the market is learning about the existence of the new facility. Marketing, advertising and sale efforts during this period should focus on introducing the new facility to potential users in the local and regional area. The table below illustrates the projected operating performance of the subject during its first five years of operation from the opening year in 2018, and depicts the period of buildup to stabilization in the third year of operation. The data presented is a combined performance for the tent sites, the pull-in sites, the eco-shelter and the cabins.

Proposed Adams MA Campground

Projected Performance

Year	Sites	Sites Sold	Occupancy	Average Rate
2018	35,715	12,483	35%	$68.81
2019	35,715	14,043	39%	$70.88
2020	35,715	15,604	44%	$73.00
2021	35,715	15,604	44%	$75.19
2022	35,715	15,604	44%	$77.45

Years represent fiscal years, May 1 through April 30

Source: Pinnacle Advisory Group

Financial Projections

Methodology

In order to project financial operating results for the proposed subject property, we reviewed financial operating data for similar facilities on a line-by-line basis. Specifically, financial operating data from the following key sources were analyzed:

- Financial operating data from campground properties with similar characteristics;
- Financial operating data from Massachusetts Department of Conservation and Recreation
- Industry Data from Biz Miner's Industry Financial Profile

Financial Projections

A summary of the underlying rationale and assumptions developed in preparing the estimated annual operating performance for the subject property is presented below. Fundamental to the estimates of operating results is the assumption of competent and efficient management at the property with a well-coordinated marketing plan for the campground. Among the primary responsibilities of management is the maintenance of the facility, the execution of an adequate marketing effort, and controlling operating costs effectively. Our projections of revenues and expenses have been made in 2015 value dollars, prior to adjustments for variations in occupancy and inflation; the financial model that we employ then inflates these inputs accordingly.

Inflation and Growth in Revenues and Expenses

The base revenue and expense categories are inflated to reflect current dollars for each projection year. Different types of inflation can affect each category for the various revenues and expenses, although a general rate of change has been applied for most revenues and expense line items. The Bureau of Labor Statistics the Consumer Price Index – Urban (CPI-U) increased at a compound annual growth rate of around 2.5 percent between 1991 and 2014. Keeping in mind the Federal Governments on-going efforts to keep inflation at bay and the policy of fast intervention through discount rate increases, we have assumed that the underlying CPI for the subject area will increase at a rate of three percent annually over the term of the projection period. The cash flow projection will utilize this underlying rate of inflation prognostication unless otherwise noted as the core rate of growth for all line items.

Departmental Revenues

- **Overnight Site Rentals** – Revenue generated through the sale of overnight site rentals, including tent, pull-in, eco-shelter and cabins, is calculated by multiplying the average rate for each type of site by the number of the sites sold. Projections of average rates and the number of units sold have been previously presented.

- **Store Sales** – As stated in the Facility Assumption section, a small convenience store will be located on site. Convenience items such as toiletries and basic food items would be sold from this location as well as other items such as ice, fire wood and basic camping necessities. We have projected that revenue generated from this source would be equivalent to 8% of the total site rental revenue.

- **Recreation Revenue** – This would include revenue generated through the rental of canoes, kayaks, fishing equipment and other recreation and adaptive use equipment throughout the year. Based on our discussions with the Town of Adams, these amenities would not be offered through the proposed campground. Given its close proximity to Mt. Greylock Glen and the Educational Center, these items would be offered through an independent party to the campground. We have included this item as this could be an option for additional revenue for an owner.

- **Other Revenue** – This would include revenue generated through fees charged for additional guests (all site fees assume a maximum of two adults per site; additional guests would be charged on a daily basis). This would also include any rental fees generated from the facilities for groups, dances, town meetings, etc. We have projected that revenue from this source would be equivalent to 11.5 percent of total overnight site rental revenue, 11 percent accounting for the additional fees and .5 percent representing revenue from the other sources.

Expenses

The chart below depicts the selected expense inputs utilized in our financial projections. The total dollar value represents the expense in the first year of operation.

Proposed Adams MA Campground
Expense Assumptions

Account	% of Sales		$ Total
Store Cost of Sales	% of Store Sales	85.0%	73,000
Recreation Cost	% of Recreation Rev.	0.0%	0
Other Services Cost	% of Other Services Rev.	0.5%	1,000
Payroll Expense		11.6%	149,000
Operating/ Cleaning		10.0%	128,000
Repairs/ Maintenance		7.0%	90,000
Vehicle Expenses		3.0%	38,000
Telephone Expenses		1.5%	19,000
Utilities		9.0%	115,000
Marketing and Promotion	% of Total Sales	7.5%	96,000
Other Office Expenses		1.5%	19,000
Dues/ Subscriptions		0.5%	6,000
License/ Permits		1.0%	13,000
Garbage		0.5%	6,000
Legal/ Accounting		1.0%	13,000
Travel/ Entertainment		0.5%	6,000
Common Area Expense			40,000
Property Taxes	Annual Amount		60,000
Insurance			12,000

Source: Pinnacle Advisory Group

We understand that should the campground be operated privately, a ground rent would be incurred which would then be reinvested into the Glen and used solely for maintenance and capital expenditure items (roadways, utilities, trails, conservation, etc.). For the purposes of our financial projections we have not included this in our cash flow analysis however a reserve for replacement of 3.5 percent of site rental revenue has been deducted.

Cash Flow Projections

A five year projection of estimated revenues and expenses for the proposed facilities is presented on the following page.

Proposed Adams MA Campground
INCOME STATEMENT

	Projections									
	2019		2020		2021		2022		2023	
	$	%	$	%	$	%	$	%	$	%
Overnight Units Available	**35,715**		**35,715**		**35,715**		**35,715**		**35,715**	
Occupancy	**35%**		**39%**		**44%**		**44%**		**44%**	
Average Site Rate	**$68.81**		**$70.88**		**$73.00**		**$75.19**		**$77.45**	
Revenue:										
Overnight Site Rental	859,000	83.6%	995,000	83.7%	1,139,000	83.7%	1,173,000	83.7%	1,209,000	83.7%
Store Sales	69,000	6.7%	80,000	6.7%	91,000	6.7%	94,000	6.7%	97,000	6.7%
Other Services Revenue	99,000	9.6%	114,000	9.6%	131,000	9.6%	135,000	9.6%	139,000	9.6%
Total Sales	**$1,027,000**	**100.0%**	**$1,189,000**	**100.0%**	**$1,361,000**	**100.0%**	**$1,402,000**	**100.0%**	**$1,445,000**	**100.0%**
Total Cost of Sales	**$59,000**	**5.7%**	**$69,000**	**5.8%**	**$78,000**	**5.7%**	**$81,000**	**5.8%**	**$83,000**	**5.7%**
Gross Profit	**$968,000**	**94.3%**	**$1,120,000**	**94.2%**	**$1,283,000**	**94.3%**	**$1,321,000**	**94.2%**	**$1,362,000**	**94.3%**
Operating Expenses										
Payroll Expense	119,000	11.6%	138,000	11.6%	158,000	11.6%	163,000	11.6%	168,000	11.6%
Operating/ Cleaning	103,000	10.0%	119,000	10.0%	136,000	10.0%	140,000	10.0%	145,000	10.0%
Repairs/ Maintenance	72,000	7.0%	83,000	7.0%	95,000	7.0%	98,000	7.0%	101,000	7.0%
Vehicle Expenses	31,000	3.0%	36,000	3.0%	41,000	3.0%	42,000	3.0%	43,000	3.0%
Telephone Expenses	15,000	1.5%	18,000	1.5%	20,000	1.5%	21,000	1.5%	22,000	1.5%
Utilities	92,000	9.0%	107,000	9.0%	122,000	9.0%	126,000	9.0%	130,000	9.0%
Marketing and Promotion	77,000	7.5%	89,000	7.5%	102,000	7.5%	105,000	7.5%	108,000	7.5%
Other Office Expenses	15,000	1.5%	18,000	1.5%	20,000	1.5%	21,000	1.5%	22,000	1.5%
Dues/ Subscriptions	5,000	0.5%	6,000	0.5%	7,000	0.5%	7,000	0.5%	7,000	0.5%
License/ Permits	10,000	1.0%	12,000	1.0%	14,000	1.0%	14,000	1.0%	14,000	1.0%
Trash Removal	5,000	0.5%	6,000	0.5%	7,000	0.5%	7,000	0.5%	7,000	0.5%
Legal/ Accounting	10,000	1.0%	12,000	1.0%	14,000	1.0%	14,000	1.0%	14,000	1.0%
Travel/ Entertainment	5,000	0.5%	6,000	0.5%	7,000	0.5%	7,000	0.5%	7,000	0.5%
Total Operating Expenses	**$559,000**	**54.4%**	**$650,000**	**54.7%**	**$743,000**	**54.6%**	**$765,000**	**54.6%**	**$788,000**	**54.5%**
Fixed Charges										
Common Area Expense	40,000	3.9%	41,000	3.4%	42,000	3.1%	44,000	3.1%	45,000	3.1%
Property Taxes/Fees	60,000	5.8%	62,000	5.2%	64,000	4.7%	66,000	4.7%	68,000	4.7%
Insurance	12,000	1.2%	12,000	1.0%	13,000	1.0%	13,000	0.9%	14,000	1.0%
Total Fixed Charges	**$131,000**	**12.8%**	**$135,000**	**11.4%**	**$139,000**	**10.2%**	**$144,000**	**10.3%**	**$148,000**	**10.2%**
Income Before Taxes	**$278,000**	**27.1%**	**$335,000**	**28.2%**	**$401,000**	**29.5%**	**$412,000**	**29.4%**	**$426,000**	**29.5%**
Less: Reserve for Replacement	30,000	2.9%	35,000	2.9%	40,000	2.9%	41,000	2.9%	42,000	2.9%
Net Operating Income	**$248,000**	**24.1%**	**$300,000**	**25.2%**	**$361,000**	**26.5%**	**$371,000**	**26.5%**	**$384,000**	**26.6%**

Projections are presented in fiscal years based on May 1 through April 30

Source: Pinnacle Advisory Group

Assumptions and Limiting Conditions

1. This document is to be used in whole and not in part.
2. The projections contained in this document assume the development of a 11.8-acre campground with 140 accommodations (some seasonal, some year-round). The facility assumptions provided by The Client are inherently liked to the projections. Any changes to the facility assumptions could impact the projections, and the impact could be material.
3. As in all studies of this type, the estimated results are based on the assumption of competent and efficient management and presume no significant change in the competitive position of the lodging industry, other than those specifically discussed within this report.
4. Estimated results are based on an evaluation of the present general economy of the area and do not take into account, or make provisions for, the effect of any sharp rise or decline in local or general economic conditions that may occur. There usually will be a difference between the estimated results and those actually achieved, as events and circumstances often deviate from expectations. Those differences may be material.
5. It is expressly understood that the scope of our study and report thereon does not include the possible impact of zoning or environmental regulations, licensing requirements or other such restrictions concerning the project except where such matters have been brought to our attention and disclosed in the report.
6. We have no obligation to update our findings regarding changes to the scope of the proposed development or changes in market conditions subsequent to the completion of our fieldwork. The information gathered during the course of the fieldwork and used in this analysis is assumed to be accurate, although we cannot guarantee its accuracy.
7. Neither all nor part of the contents of this report shall be disseminated to the public through advertising media, news media, sales media or any public means of communication without the prior written consent and approval of Pinnacle Advisory Group.
8. This document does not constitute a comprehensive market or financial feasibility study, which can be provided as a supplement under a separate proposal.
9. No liability is assumed for matters legal in nature. Pinnacle Advisory Group cannot be held liable in any cause of action concerning this assignment for any compensatory dollar amount over and above the total fees collected from this engagement.
10. Any and all legal expenses incurred in the defense or representation of Pinnacle Advisory Group, its principals, and its employees will be the responsibility of The Client.
11. We are not required to give testimony or attendance in court by reason of this assignment, with reference to the property in question, unless prior arrangements have been made and agreed to in writing.