



POLICY SUPPORT

Concession Legislation



TASK

Having up to date, understandable, and balanced policies for concession visitor services can assist a state agency in improving its interaction with its concession partners and provide enhanced public stewardship.

APPROACH

By benchmarking the states policies against other state and federal concession policies CHM- GS was able to improve its clients policies for statewide concession contracts.

KEY RESULTS

CHM-GS assisted the state in updating its decade old concession policies and ensuring that both the state and its partners interests were fully considered.

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A State park department realized that its administrative rules and policies for statewide concession contracts were in need of updating, since the policies had not been reviewed in 15 years. The department was interested in making changes to the administrative rules that increased clarity, were fair and reasonable to both the state and the concession community, ensured the maintenance of assets and facilities, promoted economic development in the state, and reflected the different types of concession contracts. The department realized it needed an external advisor who could provide experience in other types of public assets and private sector best practices.

The project began by reviewing the existing administrative rules and identifying several key areas where clarity could be improved. Proposed changes included clarification of the valuation process, increased reporting requirements, and the establishment on a contract-by-contract basis for a maintenance reserve to establish a self-funding mechanism for re-investment in facilities. We facilitated several briefings to the concession community and other stakeholders to explain the rationale behind the proposed changes, and presented the proposed changes to the State commission.

- Identified new methods for valuing real property assets
- Developed new maintenance reserve standards
- Supported agency through extensive public comment and review period

CHM Government Services partners with public agencies in the U.S. who are responsible for visitor-based facilities and services to develop and implement sustainable strategies to operate, maintain and improve these hospitality and recreation assets and programs. We achieve this result by applying our private sector experience, skills, tools and networks and our understanding of policy and funding frameworks.



ASSET MANAGEMENT

Operational Reviews



TASK

Comprehensive Asset Management includes operational reviews covering all aspects of a property's operation and providing recommendations for improvements.

APPROACH

CHM-GS leveraged its Best Practices in Operational Reviews including standardized questionnaires for resort operations.

KEY RESULTS

By providing State Park officials with clarity in the operating performance for its resort operation as a stand alone property, officials were able to identify the opportunities to break even on operation.

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In light of decreasing funding and increased public scrutiny, a state park agency was concerned about the financial performance at one of its larger resort parks. This remotely located park was the primary employer in the county. The department recognized the need for an operational performance review to evaluate whether all possible operating efficiencies were being capitalized on as well as if revenue enhancements were possible.

The engagement began with an operational analysis of the large visitor service departments, including, golf, lodging, and food and beverage. This analysis included interviews with key management, review of financial and operational statistics, review of marketing plans, and market area analysis. We were able to separate out the visitor service elements, from hospitality operations and develop comparisons of industry benchmarks to actual operating performance, and identify areas of improvement. We were also able to extract valuable customer profile data to assist in a more targeted future marketing effort for the park, and provide guidance for ongoing negotiation for centralized reservation services.

- Developed stand alone operating financials for resort operations which allowed for benchmarking to industry comparables for evaluating performance
- Clarified market demand segmentation allowing for focused marketing efforts
- Supported state policy of targeted marketing allocation for State Parks.

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STRATEGIC PLANNING

Capital Investment Strategy



TASK

CHM Government Services specializes in enhancing operations through the recapitalization of assets.

APPROACH

CHM-GS leveraged its Best Practices in market, operational and financial analysis for campgrounds to improve this important state park visitor service.

KEY RESULTS

CHM-GS staff provided State Park officials with a comprehensive campground investment strategy.

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A state park agency had an inventory of campground assets which had not been reinvested in for over two decades. The agency sought external assistance in determining which campgrounds should be recapitalized. The work included evaluating the agency's campground portfolio of 31 campgrounds and developing a capital investment plan along with an estimate of the plans' financial benefit to the state.

The project team including Staves Consulting began by evaluating operating metrics to identify the top 10 campground performers within the portfolio. Following this, the team visited 17 sites to understand both global and site specific facility conditions and operating issues. After these site visits, our team worked collaboratively with representatives from the state to understand strategic goals and objectives. The culmination of our analysis, field work and team meetings resulted in the creation of a comprehensive campground recapitalization strategy complemented by an action plan for optimizing campground operations.

- Identified areas for campground operational improvements
- Developed three tier investment strategy allowing for balanced capital investment across the State
- Provided guidance for improved compliance for visitor services health and safety capital improvements
- Provided campground design and layout expertise

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FINANCIAL MANAGEMENT

Off-Highway Vehicle Modeling



TASK

Financial modeling is utilized in a wide range of asset management services and is an important component of decision-making.

APPROACH

CHM-GS staff focus on understanding their clients decision criteria in developing their financial modeling tools.

KEY RESULTS

CHM-GS staff provided the federal agency with a flexible decision making tool which can assist them in evaluating the opportunities and costs associated with OHV trail systems.

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For several years, a state-based unit of a large federal land management agency had been asked to construct a network of off-highway-vehicle (OHV) trails on federal land. The agency was concerned about the related costs and financial sustainability of additional OHV trails. The project team desired a financial model which would assist the agency in making management decisions regarding the financial impact of OHV trails.

The engagement included facilitating a two-day meeting with local agency members, OHV trail development experts, and representatives of the user group requesting construction of the new trail. We collected development costs and detailed operating revenue and expense information for existing OHV trails. Expense information collected included operation and maintenance costs of the trail, as well as expenses associated with volunteer, grant, and other administrative tasks. Using this information, we developed a financial model that can test the financial impact of additional OHV trails.

- Identified key expense categories for operation of OHV areas
- Developed clarity in leverage models available for OHV programs through use of volunteer labor
- Developed method to estimate both cyclic and component repair and maintenance estimates for OHV trail programs
- Supported the agency in facilitating discussions with internal and external stakeholders in the development of the financial model components.

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ASSET & FINANCIAL MANAGEMENT

Prospectus Development



TASK

Developing accurate and legally defensible concession contracts is an essential component of future successful concession management.

APPROACH

Core to CHM's management strategy is leveraging private sector best practices to the benefit of the public sector. This includes understanding and applying market, financial and investment analysis in the structuring of concession contracts.

KEY RESULTS

CHM-GS staff assisted the Agency in developing a revised approach to Prospectus Development resulting in increased confidence in the prospectus process by the concession community.

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The National Park Service was facing the largest concession contract rollover in the history of the program, requiring the development of prospectuses for over 600 concession contracts. The procedures used to develop prospectuses and determine the return to the federal government had not been reviewed in over 20 years. Congress was interested in seeing results in both the volume of prospectuses issued and return to the government. The Agency realized that it did not have the internal capacity to design the process and manage the workload, and sought outside assistance with this momentous effort.

The analysis began by reviewing the current framework for issuing a prospectus. The team identified similarities in the goals and objectives of the Agency's prospectus development process and those used by the private sector when marketing and transacting hospitality assets. Working in conjunction with the Agency, the team redesigned the prospectus process with three key objectives in mind: 1) improving the availability and accuracy of information presented for the potential bidder, 2) ensuring government returns were fair and reflected accurate risk levels of both parties and, 3) enhancing opportunities for government oversight.

The CHM team has developed over 40 Prospectus Packages for National Park unit concession opportunities including many signature locations such as Yellowstone National Park and Mount Rushmore. Specific value provided included:

- Financial modeling tool allowing for "real time" decision making
- New operating and maintenance plan guidance
- New Business Opportunity Framework
- Enhanced due diligence for franchise fee establishment

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ASSET & FINANCIAL MANAGEMENT

Recreational Facilities Strategy



TASK

Market, financial & partnership assessments are used to appropriately identify the right type of recreational facilities and strategies for sustainable management.

APPROACH

CHM-GS staff use standard supply and demand analysis processes combined with financial modeling tools to assist clients in identifying trade-offs that are required for financial sustainability.

KEY RESULTS

CHM-GS staff provided the Forest with proposed recreational development options that were market supportable and an understanding of the resources (funding, volunteers and partnerships) which would be necessary for success.

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The Humboldt Toiyabe National Forest needed to assess the market and financial feasibility of a proposed master plan for the Middle Kyle Canyon area of the Spring Mountains National Recreation Area in Las Vegas. The proposed land uses for this 50 to 100 million dollar, 2,500-acre development included day use, trails, visitor center and camping facilities.

The engagement involved supply and demand analysis to identify the appropriate scope and scale of proposed facilities. Particular focus was placed on understanding the market for visitor centers or other destination locations within the Las Vegas market. We developed current and future recreational demand estimates for a 10 year projection period using primary and secondary research methods. After reviewing demand and cost estimates, the Forest Service engaged the team to create a development phasing plan and assess the financial sustainability of the proposed recreational facility. We researched operating and financial models that could be supported at the proposed location and evaluated partnering opportunities. From this financial analysis, we developed financial scenarios for four operating models.

- Identified that master plan capacities were over-scoped
- Recommended elimination of several facilities which did not have market support
- Developed pricing position for all facilities
- Identified partnering strategies that aligned with the development proposal
- Developed financial decision tools to assist the agency in understanding trade offs to reach financial sustainability
- Undertook a professional fundraising feasibility assessment which assisted agency in understanding the potential for non-profit funding.

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