

Town of Adams • Massachusetts 01220-2039

COMMUNITY DEVELOPMENT DEPARTMENT
DONNA E. CESAN, *Director*

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Sean Cronin
Senior Deputy Commissioner for Local Services
Division of Local Services
Massachusetts Department of Revenue
PO Box 9569
Boston, MA 02114

RE: Community Compact Closeout

Dear Mr. Cronin:

The Town of Adams wishes to extend its sincere appreciation for the opportunity to participate in the Community Compact Program. This letter is to certify that the below components of the Town's Community Compact have been completed.

Best Practice: Housing & Economic Development Preparing for Success – technical and funding support for components of the Greylock Glen resort project.

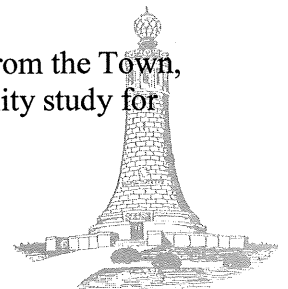
Grant Allocation \$10,000

The proposed \$40 million Greylock Glen Resort development project is the most significant economic development project within Adams and perhaps the northern Berkshires. For the past 12 years, the Town has been working with the Department of Recreation & Conservation and MassDevelopment toward completion of project planning and permitting. The project is essentially shovel-ready. A critical milestone was achieved in October 2014 with the execution of the Master Lease Agreement between the Commonwealth and the Town. As the project now advances toward implementation, Commonwealth technical assistance and funding support for the various project components will continue to be critical to the Town in attracting private sector investment and realizing the project's potential to transform the local economy.

With the support of the Community Compact program, the Town of Adams was able to contract with Pinnacle Advisory Group ("Pinnacle") to conduct a market analysis for the proposed campground component of the Greylock Glen resort project. The total cost of the Pinnacle study was \$7,100. The Town is currently leveraging the results of the market analysis to solicit developers for the proposed campground.

With the balance of the funding from the Commonwealth and additional funding from the Town, Adams was able to contract with Johnson Consulting Group to develop the feasibility study for

"Home of Mt. Greylock"



Mr. Sean Cronin

April 21, 2020

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the full resort project. The Town is currently leveraging the results of the market analysis to solicit developers for the proposed campground and to solicit food & beverage and environmental education vendors for the Glen Outdoor Center. The Greylock Glen Resort project will be one of the largest economic development projects in the region once completed.

The Town of Adams appreciates the support of the Commonwealth in significantly furthering this project. The Town very much looks forward to the opportunity to participate again in future grant cycles.

Please do not hesitate to contact me should you have any questions or concerns.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Donna Cesan", with a stylized flourish at the end.

Donna E. Cesan, AICP
Director

Enclosure: Greylock Glen Campground Market Analysis
 Greylock Glen Market & Feasibility Study

**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

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



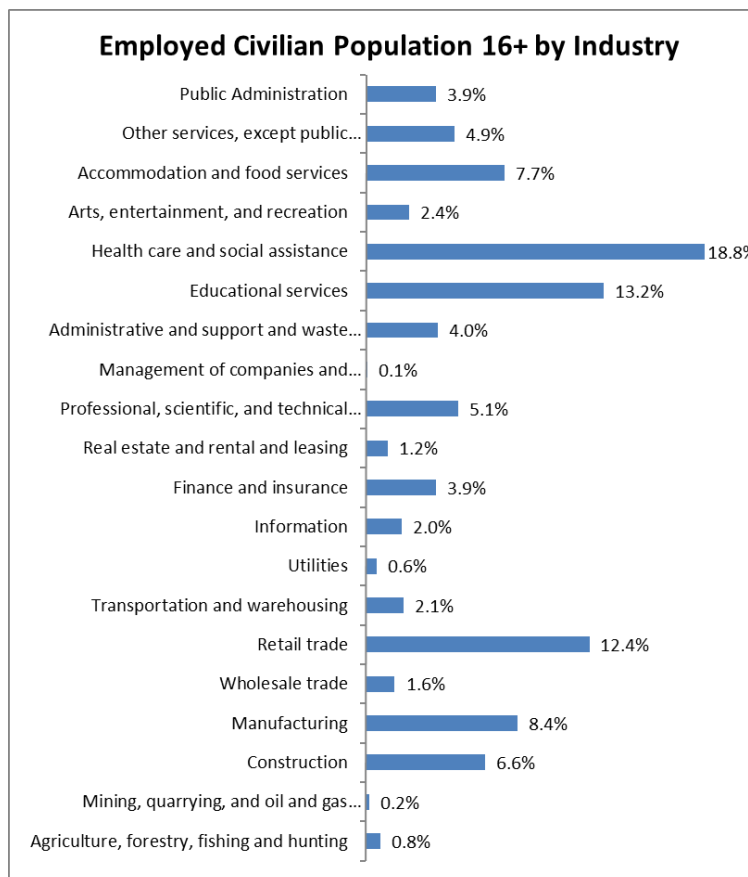
Economic and Demographic Analysis

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 Pittsborough, 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				
	Adams, MA	Berkshire County	Massachusetts	United States
Year				
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 preliminary

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

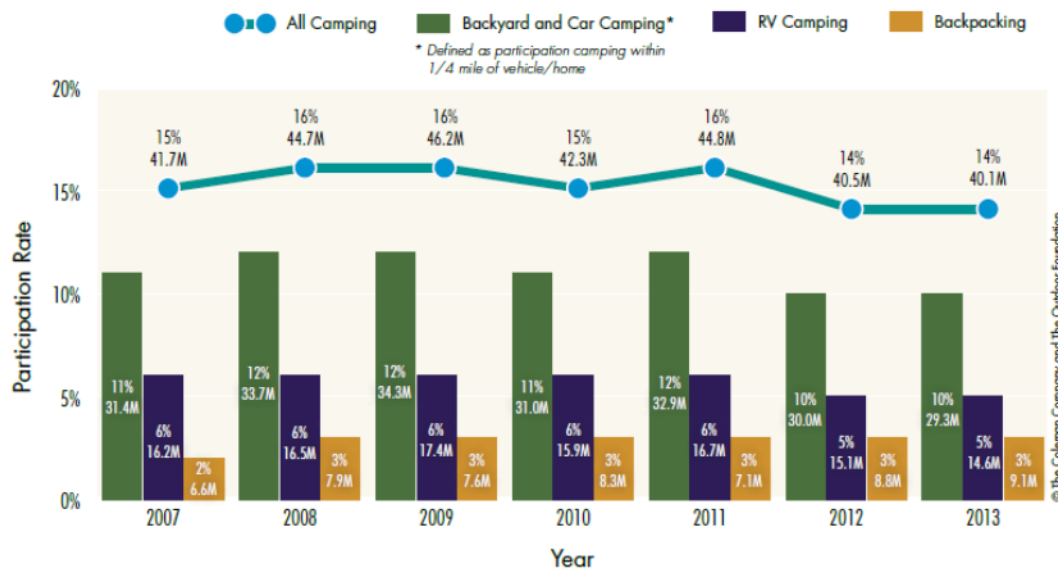
Industry Profile

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 as camping within .25 miles of your home or car.

Participation in Camping by Year

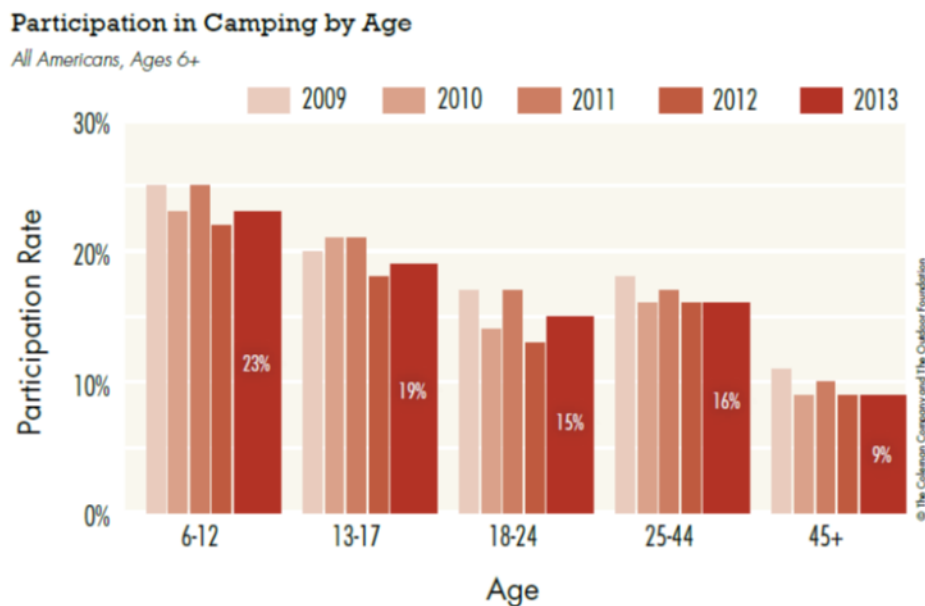
All Americans, Ages 6+



Note: Some campers participated in both backyard/car camping and RV camping.

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

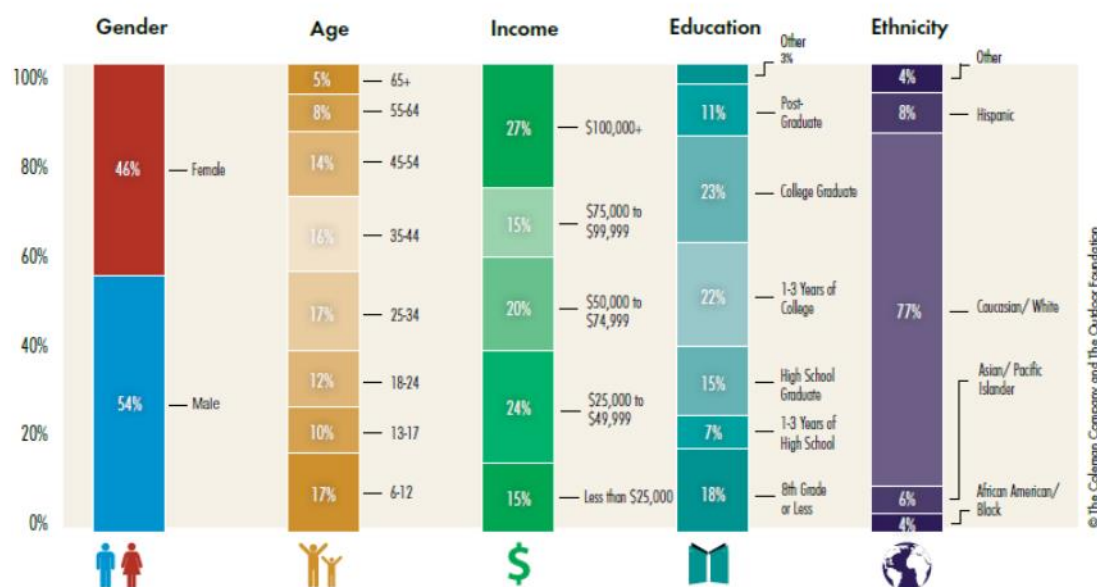
The life cycle of camping displayed above is similar to other outdoor activities. Participation declines dramatically as one grows older and no longer lives with family members, as shown above by the 18-24 age groups. It recovers among adults between 25 and 44, and then declines again once over the age 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.

Demographics

Camper, Ages 6+

© The Coleman Company and The Outdoor Foundation



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:

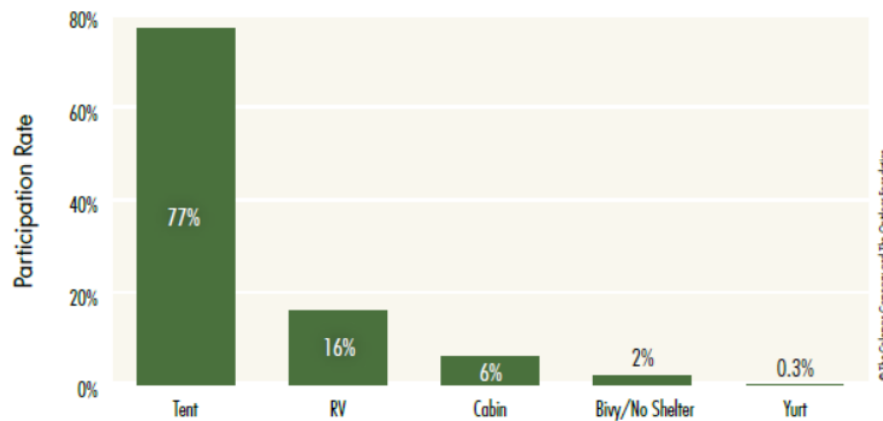
- **Tent sites** - A flat space or pad for a variety of tent sizes.
- **Cabins** - Usually including two or more rooms, and accommodating four or more people, cabins typically have private bathrooms and a kitchen area with a refrigerator.
- **Backcountry/Backpacking** - Combining the activities of hiking 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.

Primary Type of Camping Shelter

All Campers

Ages 18+

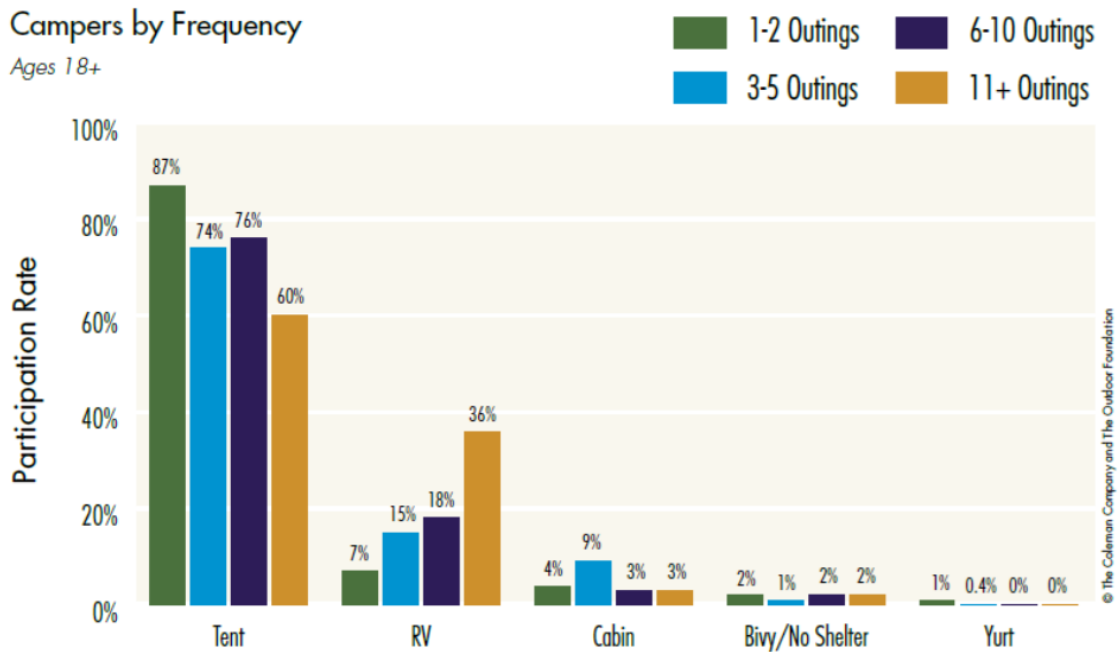


Camping Shelter Type

Source: The Outdoor Foundation, 2014 American Camper Report

Campers by Frequency

Ages 18+



Camping Shelter Type

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%

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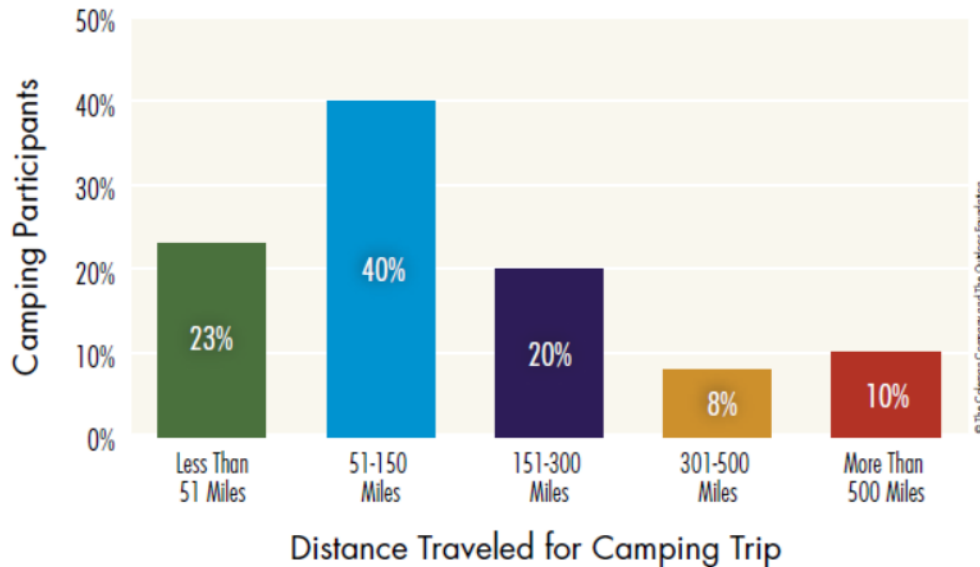
Source: *The Outdoor Foundation, 2014 American Camper Report*

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.

Distance from Home

Campers, Ages 18+

Adult campers travelled an average of 186.7 miles to reach their camping destination. The majority, 63 percent, stayed within 150 miles of home during their camping trips.



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	Reservoir	\$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

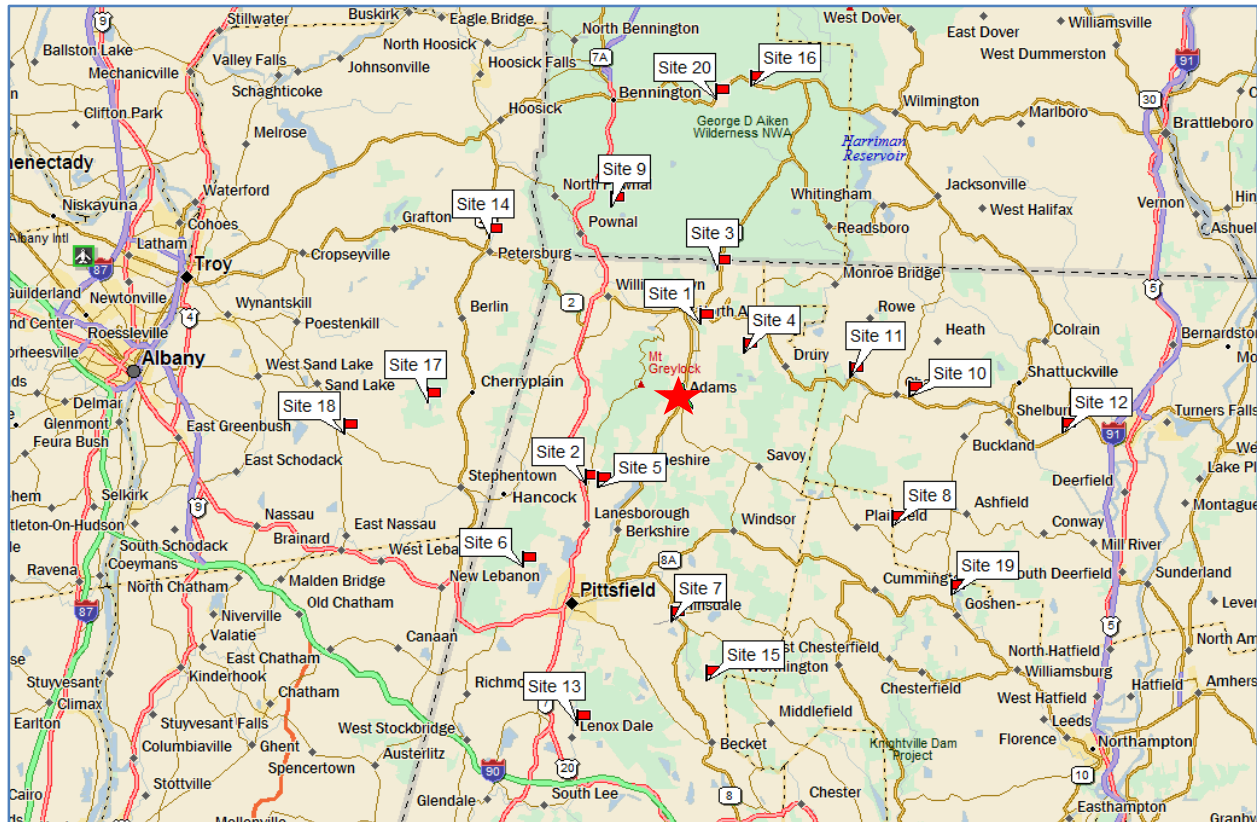
Source: MA Dept of Conservation & Recreation

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;

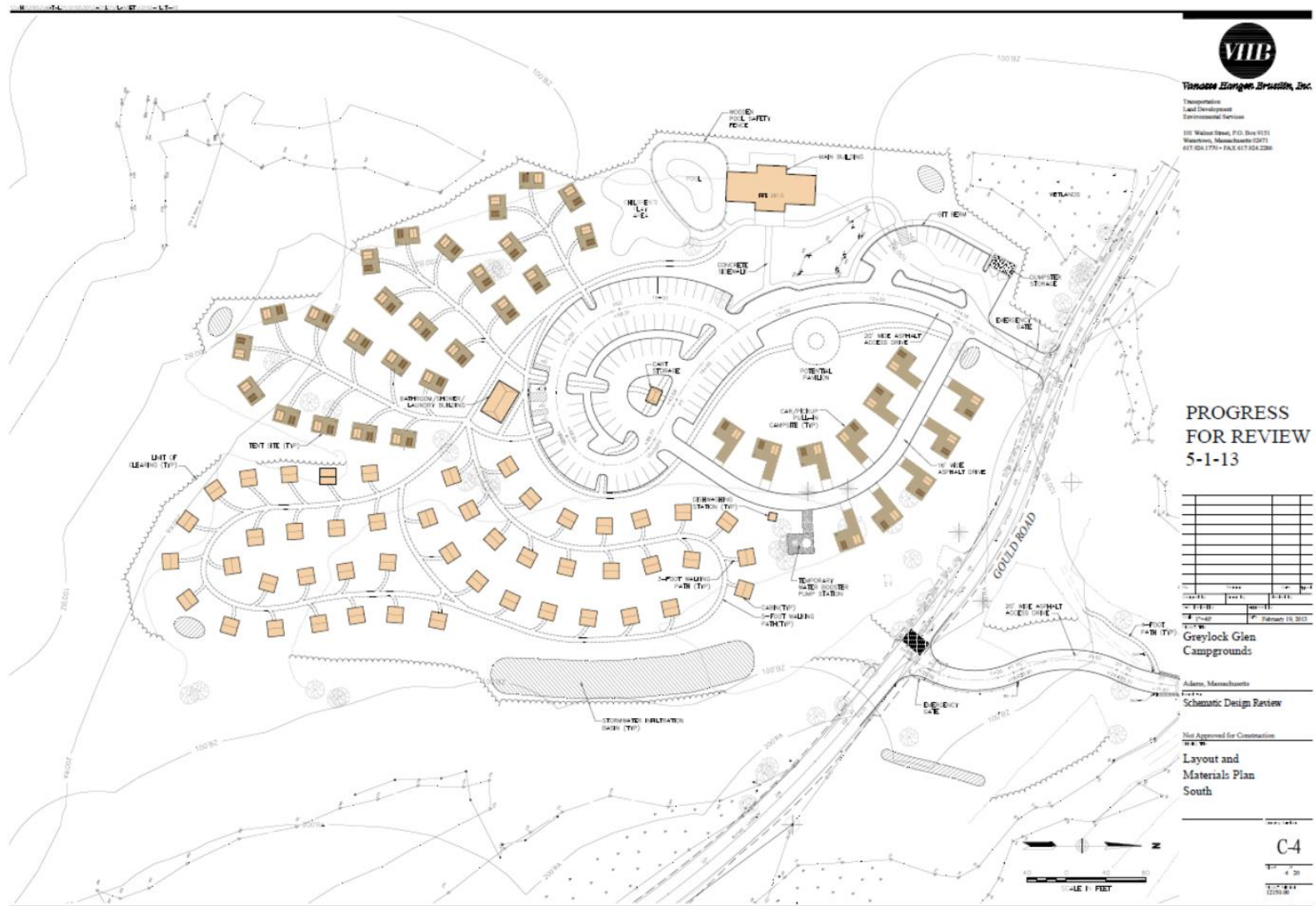
- Incorporate advanced environmental technologies and practices into the project, including renewable energy technologies, on-site storm water management and other green building technologies; and
- Commit to an operating philosophy, which recognizes the importance of reducing consumption, reusing materials, 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.

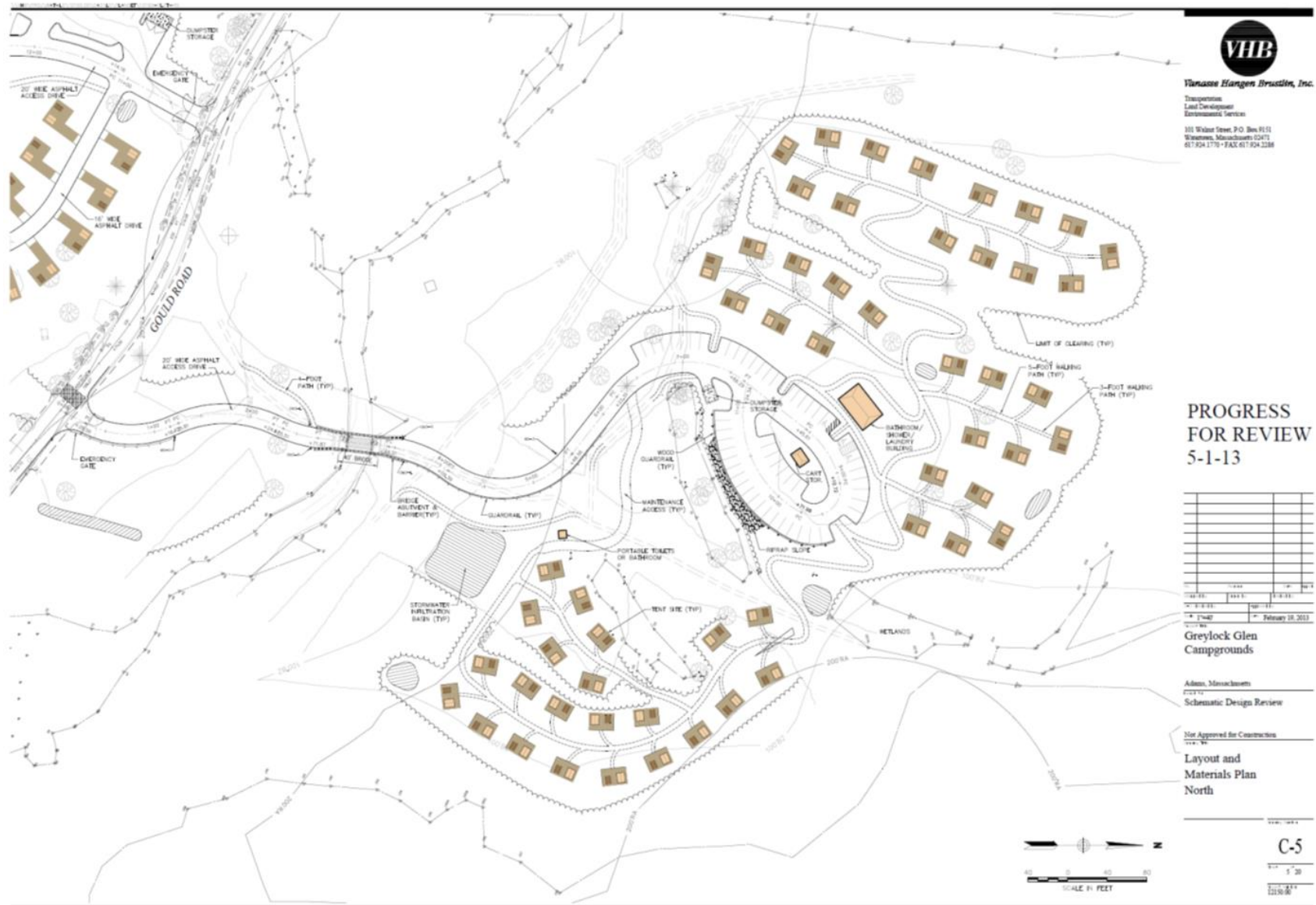
The following images provided by the Town of Adams are the master plans for the campgrounds as well as the utility road improvements described above.

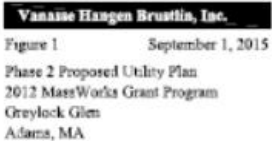












Revenue Projections

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**

Month	Tent Sites		Pull-In Sites		Eco-Shelters		Cabins	
	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 linked 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.



Proposed Greylock Glen Resort Market and Feasibility Study – Adams, MA

SUBMITTED TO
Town of Adams

SUBMITTED BY
C.H. Johnson Consulting, Incorporated

July 2016



**JOHNSON
CONSULTING**

Experts in Convention, Hospitality,
Sport and Real Estate Consulting.

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SECTION 1

TRANSMITTAL LETTER

July 5, 2016

Ms. Donna Cesan
Director Community Development
Town of Adams
92 Park Street
Adams, MA 01220
dcesan@town.adams.ma.us

Re: Greylock Glen Resort Market and Feasibility Study

Dear Donna:

Johnson Consulting is pleased to submit this report regarding the potential for the proposed Greylock Glen Resort. This report serves as an update to our prior study completed in 2004, since which time substantial work has advanced on the project. Pursuant to our engagement, this report provides an analysis of the economic and demographic characteristics of Adams and Berkshire County, as well as the broader region; identifies and analyzes key developments and initiatives in the local and regional areas, provides case study profiles of local, regional and national comparable projects, summarizes key observations from interviews with stakeholders; assesses and validates facility program recommendations; and provides operating and cash flow projections for the proposed project.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between the projected results and the actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

C.H. JOHNSON CONSULTING, INC.

SECTION 2

INTRODUCTION AND EXECUTIVE SUMMARY

INTRODUCTION

Johnson Consulting was retained by the Town of Adams to undertake a market and financial feasibility study assessing the merits of the proposed Greylock Glen Resort in Adams, Massachusetts. This report serves as an update to our prior study completed in 2004, which coincided with the release of a Request for Proposals (RFP) by the Commonwealth of Massachusetts to design, construct and manage a development consistent with the Master Plan. Since that time, substantial work has advanced on the project, land uses have been more defined, and the Town has become the designated developer and has negotiated a smaller parcel (56 acres) to develop, which will make the project much simpler to execute.

PROPOSED DEVELOPMENT

Development of the proposed Greylock Glen Resort is being led by the Town of Adams, in collaboration with the Massachusetts Department of Conservation and Recreation, the Massachusetts Audubon Society, Appalachian Mountain Club, Massachusetts College of Liberal Arts (MCLA), and Massachusetts Museum of Contemporary Arts (MASS MoCA). Pursuant to the current Master Plan, the \$50 million, four-season Resort will include the following, to be built in phases as independent project initiatives:

- **OUTDOOR CENTER:** An 11,000 square foot multi-purpose facility that will house the welcome center, concessions, classrooms, exhibits, MCLA field station, and Outdoor Center, offering ski and bike equipment rental, lessons and lockers. The Outdoor Center will function as an environmental education center, with potential programming by MCLA and other third parties, focused upon local ecology, sustainable development, and environmental artwork.
- **CAMPGROUND:** 140 sites, with only a limited number of small RVs allowed (no hook-ups will be offered). Amenities will include restrooms, hot showers, swimming pool, group camping area, and a camp store, along with rustic cabins and eco-tents.
- **MULTI-USE TRAIL SYSTEM:** Expansion and improvement of existing trails network and connections to State Reservation trails. The trails will be designed for walking, hiking, mountain biking, snowshoeing, and Nordic skiing, and will include a 1.5 kilometer accessible Interpretive Nature Trail near the Outdoor Center.
- **PERFORMING ARTS AMPHITHEATER AND OUTDOOR ENVIRONMENTAL ART:** A 2,500-seat amphitheater, with music and entertainment programming, as well as opportunities for additional festivals, lectures, and theatrical performances. Outdoor art exhibits will also be presented, designed to enhance the overall visitor experience.
- **LODGING AND MEETING FACILITIES:** Thunderbolt Lodge and Conference Center will provide up to 170 lodging rooms, along with state-of-the-art conference facilities. The lodging facility is a critical component of the overall development, reflecting the Town's desire to grow tourism in the local economy.

- **CONSERVATION LANDS:** The balance of the site, which encompasses more than 1,000 acres (or 94 percent of the site) will be permanently protected as Conservation Lands. A comprehensive stewardship plan for the trails network will be developed by the Town. The State has primary responsibility for the Conservation Lands.

The proposed Resort will be designed to protect the unique, natural features of Greylock Glen, while also providing economic development and leveraging the history of the site (including Thunderbolt Ski Trail and the Appalachian Trail). The proposed project elements will be oriented towards the public, with the intention of creating local, regional, and state economic benefits. Strong linkages to the Town of Adams is also an important element of the overall design.

PROJECT MILESTONES

Since the time of our prior study, a number of milestones have been accomplished, including:

- The Town of Adams responded to the Commonwealth's RFP with a mid-intensity scenario for the proposed development, and in 2006 entered into a contract as the provisional developer for the project.
- A master plan for the project was subsequently prepared, and *all major permitting has been obtained.*
- A 99-year lease agreement was signed with the Town for the 56-acres required for the development, with legislative approval currently being sought for permanent environmental protection of the remaining 1,000 acres.
- In 2011, Pinnacle Advisory Group was retained to undertake a market analysis and strategic recommendations for the proposed eco-resort and conference center.
- In 2012, Pinnacle Advisory Group prepared a market analysis and cash flow projections for the campground component of the development. This study was updated in 2016.
- An RFP for the proposed campground is currently being prepared and will be released imminently.
- An RFP for the design of the Outdoor Center, which will be operated by the Town or a not-for-profit entity, will be the next phase of the project.
- Various grant applications are being prepared.

METHODOLOGY

In order to complete our assessment and recommendations concerning the proposed Greylock Glen Resort, Johnson Consulting performed the following tasks:

- Reviewed and analyzed all data, information and legislation prepared since the time of our prior study.
- Summarized the proposed development.
- Analyzed updated economic and demographic characteristics of the market area that may influence demand for the proposed project.
- Prepared case study profiles of a selection of comparable facilities.
- Provided confirmation and recommendations regarding the overall development program.
- Prepared a proforma operating statement for the proposed development.

EXECUTIVE SUMMARY

The Berkshires has a long history as a popular tourist destination, leveraging its natural attributes and strategic location in close proximity to a large demand base within driving distance. The region is renowned for offering arts, cultural attractions, outdoor recreation opportunities, and special events that are among the best in the world. Continuing investment in the area has increased over recent years, particularly in the tourism sector. Notwithstanding this, Adams has not developed the major demand generators or tourism infrastructure that are present in the balance of Berkshire County. Investment in the Greylock Glen Resort is just the type of impetus the Commonwealth and Town need to make it more of a participant in the regional tourism and cultural portfolio, and this is recognized by both constituents through their support for this project. The proposed Resort will expand the local and regional economies by establishing Adams as a destination for outdoor recreation, growing the Town's visitor services and attractions, and connecting the Town more meaningfully to the cultural institutions within the Berkshires and the creative economy.

Greylock Glen Resort will be locally-based, involving institutions and organizations that have deep roots in the Berkshires. The Town has thoughtfully and specifically sought to work with MASS MoCA, which is a model of cultural and community development, and MCLA, the only public four-year college in the Berkshires which has a number of programs and institutes that will be able to link with the proposed facilities at Greylock Glen Resort. The Town, through the proposed project, will work to sustain and strengthen regional institutions and build capacity in the northern Berkshires. In addition, the project will serve to build a stronger customer base for downtown retailers and merchants in Adams. Achieving this balance between economic growth and environmental protection will create an invaluable amenity for residents, visitors, businesses, and local government.

COMPARABLE DEVELOPMENTS

The following table summarizes the key attributes of the comparable projects and developments included in this analysis.

Table 2 - 1

Key Characteristics of Indicated Facilities and Markets								
	Proposed Greylock Glen Resort	Jiminy Peak Mountain Resort	IslandWood	Great Glen Trails	Lied Lodge & Conference Center	Costanoa Lodge	Interlaken Inn	Sleeping Lady Resort
Location								
Location	Adams, MA	Hancock, MA	Bainbridge Island, WA	Gorham, NH	Nebraska City, NE	Pescadero, CA	Lakeville, CT	Leavenworth, WA
Demographic Characteristics - County (2015)								
Population	130,180	130,180	254,658	33,999	16,009	739,387	189,412	74,697
Median Age (Years)	46.1	46.1	40.1	47.4	43.7	40.1	46.1	39.9
Median Household Income	\$48,670	\$48,670	\$61,889	\$39,182	\$58,982	\$90,510	\$66,787	\$51,641
Facility Attributes								
Size	60 acres	170 acres	255 acres (12 acres cleared)	225 acres	-	140 acres	30 acres	67 acres
Year Built	Proposed	1948	2002	1994	1993	1999	1973	1995
Largest Event Space (SF)	6,000+ SF	4,800 SF	3,308 SF	125 person capacity	4,672 SF	1,050 SF	1,500 SF	2,020 SF
Lodging	✓	✓	✓	-	✓	✓	✓	✓
Inventory of Lodging	170 rooms	105 rooms	55 rooms/ 205 guests	-	144 rooms	40 rooms; 12 cabins; 122 bungalows	80 rooms	70 rooms
Campground	✓	-	-	-	-	✓	-	-
Welcome Center	✓	✓	✓	✓	-	-	-	-
Education Center/ Classrooms	✓	-	✓	✓	-	✓	-	-
Equipment Rental	✓	✓	-	✓	✓	✓	✓	✓
Retail/ Restaurant	✓	✓	-	✓	✓	-	✓	✓
Trails	✓	✓	✓	✓	✓	✓	-	✓
Total Trail Network (Miles)	32.6 Miles	N/A	9.8 Miles	25 Miles	-	-	-	-
Amphitheater	✓	-	-	-	-	-	-	-
Project Cost								
Project Cost	\$50 M	-	\$32 M+ \$5 M for land	-	\$12 M	\$20 M	-	-
Operating Revenue & Expenses (Most Recent Year)								
Total Revenues	Refer to Projections	-	\$8,049,409	-	\$7,300,000	\$44,055,190	-	-
Total Expenses		-	\$7,939,508	-	\$12,600,000	\$43,046,408	-	-
Net Operating Income (Loss)		-	\$109,901	-	(\$5,300,000)	\$1,008,782	-	-

Source: Relevant facilities, Johnson Consulting

There are a number of successful projects that combine outdoor recreation, trails, overnight lodging and meeting space. These physical amenities prove very attractive among a variety of users, including individuals, families, clubs, corporations, and other organizations. Each of the facilities profiled above leverage the scenic beauty and recreation offerings of their settings and most are firmly grounded in their approach to environment sustainability, through both design elements and day-to-day operations. Key observations drawn from the case study facilities are summarized as follows:

- **PRIVATE OPERATION AND REVENUES:** With the exception of IslandWood, which is operated by a 501(c)3 nonprofit organization, all of the case study facilities are privately owned and operated. This reflects a desire, and in many cases a need, for the lodging and meeting facility to generate revenue to support the overall site. IslandWood differs from the proposed Greylock Glen Resort and the other case study facilities in its primary focus upon environmental education, although management has identified a need to diversify to attract private events as a mechanism for generating revenues. This is further evidenced by Lied Lodge Resort and Conference Center, which was initially built to host Foundation events but has since targeting external events as a means of increasing revenues. The Great Glen Trails Outdoor Center is most similar to that proposed at Greylock Glen Resort. Although official figures were not available, it is understood that rentals generate significant revenues for the overall development. This, in addition to a diversified demand base targeting visitors and private events, as well as the benefits of onsite lodging, will contribute to the success of the Greylock Glen Resort.
- **EVENT SPONSORSHIP:** As outdoor recreation continues to grow in popularity, the range of activities are expanding and major sponsors, such as Red Bull, are adding to this momentum. In September 2015, the Red Bull 400 which originated in Europe in 2012, made its U.S. debut at Utah Olympic Park. The 400-meter running race climbed the 6,870-foot Nordic ski jump and served as a fundraiser for the Park's in-house training program. This demonstrates the potential for utilization of such facilities outside of the ski season. Similar events could be sought for Mount Greylock, particularly given the opportunities presented by the existing Thunderbolt Trail.
- **LOCAL DEMAND:** Jiminy Peak Mountain Resort highlights local and regional demand for the types of facilities, amenities, and outdoor recreation offerings proposed at the Greylock Glen Resort, and the potential for year-round operations. The success of the Interlarken Inn reflects the ability to draw demand from a large drive-in market. Adams and the Greylock Glen Resort will have similar market potential.
- **ACCOMODATIONS:** Quality accommodation is key to attracting visitors to each of the case study facilities. Costanoa Lodge offers the most diversity with respect to the types of accommodation available. The inclusion of a campground with cabins at Greylock Glen Resort will expand the potential market for visitors. The scale and quality of accommodation and meeting space at Lied Lodge is comparable to what is proposed at Greylock Glen.

- **DIVERSE ACTIVITIES:** The diversity of activities offered at Sleeping Lady Resort and Conference Center closely reflects the diverse activities that will be available at Greylock Glen Resort. The anticipated mix of uses and the conversations that the Town has had with potential tenants and operators for the Outdoor Center, especially with MCLA, Mass Audubon and AMC, indicate that the proposed Greylock Glen Resort will fill a void in the northern Berkshires and would be of great interest to the region. The potential for major event(s) should also be explored, as they would providing publicity and also serve as an additional demand and revenue generator for the overall project.

PROGRAM RECOMMENDATIONS

Our assessment of the market opportunity for the various program elements indicates demand for a new lodging facility in the range of 120-150 guestrooms, supported by 6,000 to 8,000 square feet of multi-purpose meeting space. We agree with the recommendations and observations set forth in Pinnacle Advisory Group's 2011 Eco-Resort and Conference Center assessment, which indicate potential for the facility to be expanded to comprise 170 guestrooms and up to 10,000 square feet of meeting space. This is significantly larger than the scale of lodging facilities at comparable projects, although its size does reflect the desire of the Town of Adams to grow tourism in the local economy. It also reflects the potential to attract larger association groups and school groups.

The Outdoor Center will anchor the overall Resort in terms of orienting its focus to outdoor recreation. The inclusion of a welcome center, classrooms, concessions, and other amenities is consistent with offerings at comparable projects and reflects the overall scale and vision for the proposed project at Greylock Glen. The multi-use trail system will be the longest among the comparable facilities profiled in the preceding section of this report. Connectivity with the Town of Adams will be invaluable with respect to the overall accessibility of the project.

The current proposal also includes the 140-site Campground, which reflects the recommendations included in Pinnacle Advisory Group's recent 2016 Campground assessment (updated from their original 2012 assessment), and is consistent with camping facilities at comparable projects. An amphitheater as proposed will add to overall appeal and demand, raising awareness of the overall project, and if programmed by MASS MoCA, strengthen opportunities for regional tourism development and cross-marketing.

ESTIMATED DEVELOPMENT BUDGET

The following table presents a summary of the estimated capital budget for the proposed Greylock Glen Resort, by project element.

Table 2 - 2

Proposed Greylock Glen Resort Summary of Development Budget (\$000)		
	Size/ Capacity	Estimated Cost
Hard Costs		
Trails and Outdoor Recreation	32.6 miles*	\$2,708
Campground	140 sites	5,162
Outdoor Center	11,000 SF	4,166
Amphitheater	2,500 seats	7,254
Nordic Ski Center	4.6 miles**	1,712
Thunderbolt Lodge	170 rooms	20,561
	10,000 SF***	
Maintenance/ Utilities	All Grounds	1,451
Total Hard Costs		\$43,014
Soft Costs		\$10,128
Total Costs		\$53,142
* Includes upgrades to existing trails, new trails, bridges, signage, landscaping etc.		
** Includes lighting and snowmaking		
*** Maximum potential meeting space		
Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting		

OPERATING PROJECTIONS

The following table presents a summary of the projected operating statement for the proposed Greylock Glen Resort, by major project element, for the first 5 full years of operation, as well as projections for Years 10 and 20. Revenues include all revenues that can be used for operations. All revenues and expenses are inflated at an annual rate of 3.0 percent. While all project elements are shown to occur in Year 1, some may be phased in over time, affecting the annual revenue and expense amount by the respective amounts for each project element. Each is analyzed separately in Section 7 of this report, so the reader can see which uses are major cash contributors and which need maximum grant giving to hedge risk.

Table 2 - 3

Proposed Greylock Glen Resort Summary of Operations by Facility (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Outdoor Center							
1 Revenues	\$553	\$570	\$587	\$605	\$623	\$722	\$970
2 Expenses	477	492	506	521	537	623	837
3 Operating Income	\$76	\$78	\$81	\$83	\$86	\$99	\$134
4 Capital Reserve	17	17	17	18	18	21	29
5 Net Cash Flow	\$60	\$61	\$63	\$65	\$67	\$78	\$105
Nordic Ski Center							
6 Revenues	\$809	\$834	\$859	\$885	\$911	\$1,056	\$1,419
7 Expenses	535	551	567	584	602	697	937
8 Operating Income	\$275	\$283	\$292	\$300	\$309	\$359	\$482
9 Capital Reserve	24	25	26	27	27	32	43
10 Taxes	0	0	0	0	0	116	170
11 Debt Service Payments	105	105	105	105	105	105	105
12 Net Cash Flow	\$146	\$153	\$161	\$169	\$177	\$106	\$165
Campground and Cabins							
13 Revenues	\$1,390	\$1,545	\$1,591	\$1,639	\$1,688	\$1,957	\$2,630
14 Expenses	840	929	957	985	1,015	1,318	1,771
15 Operating Income	\$550	\$616	\$634	\$653	\$673	\$639	\$858
16 Capital Reserve	49	54	56	57	59	68	92
17 Taxes	51	79	87	96	106	100	204
18 Debt Service Payments	262	262	262	262	262	262	270
19 Net Cash Flow	\$188	\$221	\$229	\$238	\$246	\$208	\$292
Trails and Maintenance (Glen Administration)							
20 Revenues	\$562	\$578	\$596	\$614	\$632	\$733	\$985
21 Expenses	443	456	469	484	498	577	776
22 Operating Income	\$119	\$123	\$126	\$130	\$134	\$155	\$209
23 Capital Reserve	17	17	18	18	19	22	30
24 Net Cash Flow	\$102	\$105	\$108	\$112	\$115	\$133	\$179
Amphitheater							
25 Revenues	\$2,981	\$3,070	\$3,162	\$3,257	\$3,355	\$3,889	\$5,227
26 Expenses	2,540	2,617	2,695	2,776	2,859	3,315	4,455
27 Operating Income	\$440	\$454	\$467	\$481	\$496	\$575	\$772
28 Capital Reserve	89	92	95	98	101	117	157
29 Debt Service Payments	277	277	277	277	277	277	286
30 Net Cash Flow	\$73	\$84	\$95	\$106	\$117	\$180	\$330
Thunderbolt Lodge and Conference Center							
31 Revenues	\$7,986	\$8,974	\$10,041	\$10,314	\$10,623	\$12,315	\$16,550
32 Expenses	5,502	6,160	6,871	7,059	7,270	9,151	12,298
33 Operating Income	\$2,484	\$2,813	\$3,170	\$3,255	\$3,353	\$3,164	\$4,253
34 Capital Reserve	240	269	301	309	319	369	497
35 Taxes	216	353	501	541	587	548	1,092
36 Debt Service Payments	1,238	1,238	1,238	1,238	1,238	1,238	1,238
37 Net Cash Flow	\$790	\$953	\$1,129	\$1,166	\$1,209	\$1,009	\$1,426
25 COMBINED Net Cash Flow	\$1,359	\$1,578	\$1,786	\$1,856	\$1,933	\$1,715	\$2,496
26 Capital Reserve Balance	\$435	\$475	\$513	\$527	\$543	\$630	\$846
27 Non-Earned Revenues*							

* Allowance for non-earned revenues such as grants, donations, gifts, fund-raising, etc. This will impact the overall cash flow of the project.

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

The combined net cash flow for the proposed Resort is expected to total \$1.4 million in Year 1, increasing to \$1.9 million in Year 5, before contracting slightly to \$1.7 million in Year 10, reflecting the fact that some land uses will be exempt from property taxes for the first 5 years, and then increasing to \$2.5 million in Year 20. These figures account for capital reserve, debt service, and taxes, as well as Common Area Maintenance (CAM) expenses. Given the inherent risk associated with projects such as this, we estimate that our projections within a 20 percent confidence level. As such, it is assumed to be approximately breakeven, consistent with comparable projects.

CONCLUSION

Based upon our assessment of the market opportunity for the proposed Greylock Glen Resort, as well as our analysis of regional and comparable facilities, we believe that the proposed building program is an economically-viable investment that will result in a product that will further help advance the long-term attractiveness of Adams and the broader region. The project is positioned to be economically successful, leveraging and responding to a number of key factors:

- Location of the proposed Greylock Glen Resort is outstanding, being within close proximity of a number of major population centers and other major regional draws including Mount Greylock, MASS MoCA, downtown Adams, the Ashuwillticook Rail Trail, and eventually the 'Hoosac Valley Service'.
- Strong levels of demand have been identified by county economic development officials for additional lodging and meeting space, particularly in the northern Berkshires.
- Planning, and state and local permitting, for the project are essentially complete. The first phase of utilities and road improvement is complete, with this site readiness substantially improving the level of project certainty for private developer partners as it minimizes the risk of delays and added costs.
- The project has strong local and regional support, as well as the support of the Commonwealth and state-wide environmental organizations. It responds to the desire for economic growth, while being respectful of the importance of environmental protection.
- Greylock Glen Resort will appeal to the younger, more active visitor type, who is increasingly attracted to the northern Berkshires' offerings (relative to central and southern Berkshire County).
- The Town is marketing itself as the "recreation hub of the Berkshires" which will have a positive impact on the project and economic growth of the area.
- The project integrates well with, and complements, existing cultural attractions within the region, particularly MASS MoCA, Williamstown Theatre Festival, and the Clark Art Museum, among others.

SECTION 3
MARKET ANALYSIS

MARKET ANALYSIS

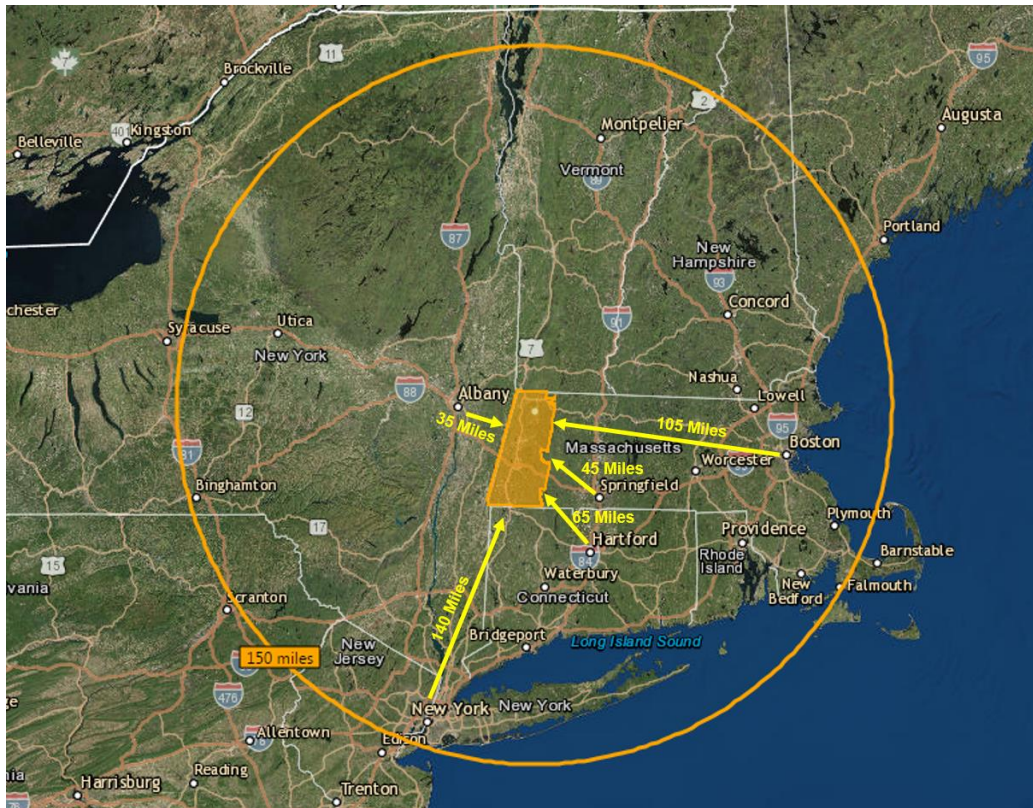
In order to analyze the market opportunity for the proposed Greylock Glen Resort in Adams, Johnson Consulting undertook a comprehensive review of market conditions in the region (defined by a 150-mile radius), relative to national averages. The key objectives of this analysis were to identify structural factors, strengths and weaknesses that may affect the market's ongoing competitive situation, and to gauge the level of support that exists for a new four-season resort focused on outdoor recreation and environmental education.

While characteristics such as population, employment and income are not strict predictors of the performance of lodging and meeting space, recreation facilities, real estate development potential and civic amenities, they provide insight into the capacity of a market to provide ongoing support for facilities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, activity and concentrations, concentrations, and the location of competing and/ or complementary facilities and attractions, directly influence the scale and quality of facilities that can be supported within that particular market.

MARKET OVERVIEW

Situated in northern Berkshire County, in the popular tourist destination known as the Berkshires, the proposed Greylock Glen Resort in Adams is strategically located approximately 35 miles from Albany, NY; 45 miles from Springfield, MA; 65 miles from Hartford, CT; 105 miles from Boston, MA; and 150 miles from New York City, NY. Berkshire County, which is the westernmost County in Massachusetts, borders upstate New York to the west, Vermont to the north, and Connecticut to the south. The following figure highlights the strategic location of Berkshire County relative to major driver-in markets within a 150-mile radius (the “study region”).

Figure 3 - 1



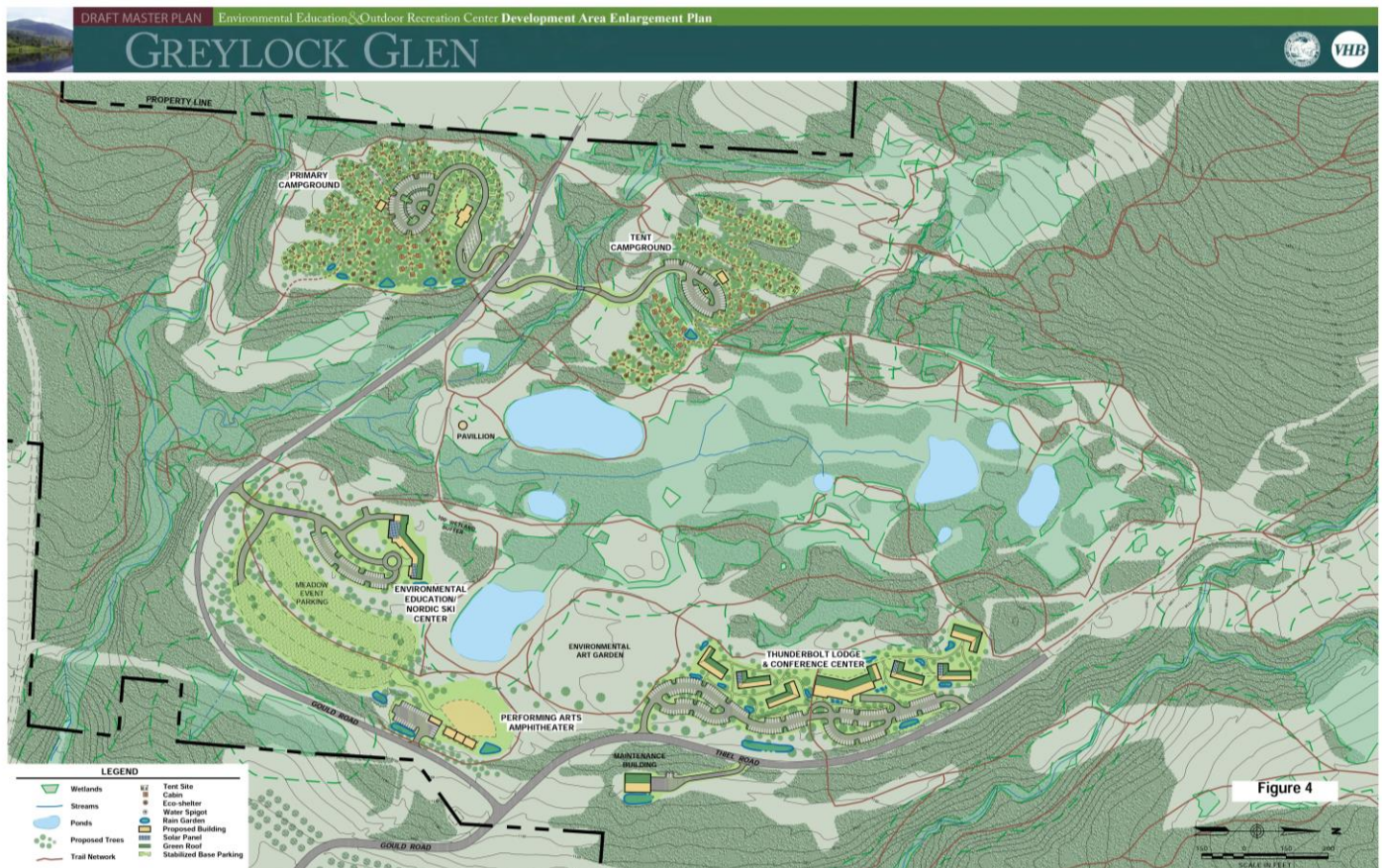
Berkshire County is a popular destination for tourists, having a wide variety of world-class performing arts venues, museums, festivals, and education offerings, coupled with the wealth of natural attractions in the Berkshires. Numerous ski resorts, golf courses, hiking and biking trails, and other recreational activities are located in or within a short drive of Adams. Further, the 12,500-acre Mount Greylock State Reservation, the Commonwealth's flagship state park, is contiguous with Greylock Glen. The reservation features the Mount Greylock Scenic Byway, a paved parkway popular with motorists that leads to the 3,291-foot Mount Greylock summit, the highest peak in Massachusetts and southern New England. The Reservation offers extensive hiking and biking opportunities and is also traversed by the Appalachian National Scenic Trail, which extends from Maine to Georgia. At the summit of Mount Greylock is a hostel, a war memorial, and a concession stand, as well as visitor information.

PROPOSED DEVELOPMENT

The proposed Greylock Glen Resort is situated on the eastern slope of Mount Greylock, directly between downtown Adams and the Mount Greylock State Reservation. As described in the introduction to this report, the proposed development includes a 170-room lodge and conference center, a 2,500-seat performing arts amphitheater, an 11,000 square foot Outdoor Center, including a Nordic Ski facility with snowmaking ability and lighted ski trails, a 140-site campground with tent sites, rustic cabins, and yurts, and a multi-use trail network

that will be utilized by hikers, mountain bikers, horseback riders, cross-country skiers and snowmobilers. The 1,063-acre subject site is owned by the Commonwealth, with the 60-acre development area having been leased to the Town of Adams under a 99-year agreement. The following figure show the master plan for the proposed development.

Figure 3 - 2



POPULATION

The 2016 resident population within 150 miles of the proposed Greylock Glen Resort is estimated to be 33.3 million persons, representing 10.3 percent of the national population (323.6 million persons). Between 2000 and 2016, the population of the study region increased at an average annual rate of 0.4 percent, which was slightly lower than the rate of growth recorded throughout the U.S. (0.9 percent per annum). The following table shows population trends within 150 miles of the subject site relative to the U.S.

Table 3 - 1

Population (Millions) (2000-2021)		
	150-Mile Radius	U.S
2000	31.2	281.4
2010	32.2	308.7
2016	33.3	323.6
CAGR* (2000-2016)	0.4%	0.9%
2021 (Projected)	34.2	337.3
CAGR* (2016-2021)	0.6%	0.8%
* Compounded Annual Growth Rate		
Source: Esri ArcGIS BAO, Johnson Consulting		

Going forward, the population of the study region is projected to grow at a modest pace, reaching 34.2 million persons by 2021. This represents an increase of 0.6 percent per annum over 2016, which is similar to the 0.8 percent annual growth projected throughout the U.S.

AGE CHARACTERISTICS

In 2016, the median age of residents within a 150-mile radius of the proposed Greylock Glen Resort is 39.3 years, which is slightly older than the U.S. average (38.0 years). Between 2010 and 2016, the median age of residents of the study region increased by 2.3 percent, mirroring the rate of increase recorded throughout the U.S. (2.4 percent). Going forward, the median age of residents of the study region is projected to increase slightly, reaching 40.0 years by 2021. The figure remains above the forecast median age across the U.S. (38.7 years). The following table shows the median age characteristics of the study region and the U.S.

Table 3 - 2

Median Age (2010-2021)		
	150-Mile Radius	U.S.
2010	38.4	37.1
2016	39.3	38.0
Growth (2010-2016)	2.3%	2.4%
2021 (Projected)	40.0	38.7
Growth (2016-2021)	1.8%	1.8%

Source: Esri ArcGIS BAO, Johnson Consulting

EDUCATIONAL ATTAINMENT

Residents within a 150-mile radius of the proposed Greylock Glen Resort are highly educated, with 37.6 percent of residents aged 25 years and older holding a Bachelor's degree or higher, compared to 30.4 percent of residents nationally. The following table provides a breakdown of educational attainment levels the study region and the U.S.

Table 3 - 3

Educational Attainment (Millions) (2016)				
	150-Mile Radius		U.S.	
	No.	%	No.	%
Less than High School	2.9	12.7%	27.9	12.8%
High School Graduate	5.2	22.8%	51.5	23.6%
GED/ Alternative Credential	0.8	3.3%	8.7	4.0%
Some College, No Degree	3.7	16.0%	45.6	20.9%
Associates Degree	1.7	7.6%	17.9	8.2%
Bachelor's Degree	5.0	21.7%	41.0	18.8%
Graduate/ Professional Degree	3.7	15.9%	25.3	11.6%
TOTAL	23.0		218.0	

Source: Esri ArcGIS BAO, Johnson Consulting

HOUSEHOLD INCOME

In 2016, the median household income within a 150-mile radius of the proposed Greylock Glen Resort is estimated to be \$64,258 per annum, which is 18.7 percent higher than the median household income throughout the U.S. (\$54,419). By 2021, the median household income in the study region is expected to reach \$73,491 per annum, remaining well above the median household income throughout the U.S. (\$59,476). The following table shows current and projected median household incomes in the study region and the U.S.

Table 3 - 4

Median Household Income (2016-2021)		
	150-Mile Radius	U.S
2016	\$64,258	\$54,149
2021 (Projected)	\$73,491	\$59,476
CAGR* (2016-2021)	2.7%	1.9%

* Compounded Annual Growth Rate
Source: Esri ArcGIS BAO, Johnson Consulting

EMPLOYMENT

Data published by the Bureau of Labor Statistics (BLS) is not available for the study region and hence, the following analysis relates to Berkshire County. In 2014, which is the most current data available from the BLS, the predominant industry of employment in Berkshire County was Education and Health Services (24.9 percent of employed persons aged 16 years and older), followed by Trade, Transportation and Utilities (17.5 percent), and Leisure and Hospitality (15.3 percent). Between 2013 and 2014, the largest increases in employment were recorded in Natural Resources and Mining (6.4 percent) and Construction (4.0 percent), while the largest decrease was recorded in the Information sector, contracting by (2.5) percent. The following table shows employment by industry in the County.

Table 3 - 5

Non-Farm Employment by Industry - Berkshire County (2013-2014)			
	2013	2014	Growth Rate 2013-2014
Natural Resources and Mining	251	267	6.4%
<i>% of Total</i>	0.4%	0.4%	
Construction	2,426	2,524	4.0%
<i>% of Total</i>	4.0%	4.1%	
Manufacturing	4,594	4,536	(1.3%)
<i>% of Total</i>	7.6%	7.4%	
Trade, Transportation, and Utilities	10,818	10,705	(1.0%)
<i>% of Total</i>	17.8%	17.5%	
Information	809	789	(2.5%)
<i>% of Total</i>	1.3%	1.3%	
Financial Activities	2,358	2,353	(0.2%)
<i>% of Total</i>	3.9%	3.9%	
Professional and Business Services	4,754	4,813	1.2%
<i>% of Total</i>	7.8%	7.9%	
Education and Health Services	15,382	15,199	(1.2%)
<i>% of Total</i>	25.3%	24.9%	
Leisure and Hospitality	9,056	9,308	2.8%
<i>% of Total</i>	14.9%	15.3%	
Other Services	2,167	2,211	2.0%
<i>% of Total</i>	3.6%	3.6%	
Government	8,212	8,312	1.2%
<i>% of Total</i>	13.5%	13.6%	
TOTAL	60,827	61,017	0.3%

Source: BLS, Johnson Consulting

UNEMPLOYMENT

The following table shows the annual unemployment rates for Berkshire County, Massachusetts, and the U.S., for the period of 2010 through 2014, which is the most current data available at the County level.

Table 3 - 6

Unemployment Rate - Berkshire County (2010-2014)						
	Berkshire County		Massachusetts		U.S.	
	Rate	Change	Rate	Change	Rate	Change
2010	8.7%	-	8.3%	-	9.6%	-
2011	7.8%	(0.9)	7.2%	(1.1)	8.9%	(0.7)
2012	7.2%	(0.6)	6.7%	(0.5)	8.1%	(0.8)
2013	7.3%	0.1	6.7%	0.0	7.4%	(0.7)
2014	6.5%	(0.8)	5.8%	(0.9)	6.2%	(1.2)

Source: BLS, Johnson Consulting

Since 2010, the unemployment rate in Berkshire County has tracked slightly above the Commonwealth average, and until 2014 had also tracked below the national average. In 2014, the unemployment rate in the County contracted by (0.8) percent to 6.5 percent, which was higher than the unemployment rates recorded in the Commonwealth (5.8 percent) and the U.S. (6.2 percent).

CORPORATE PRESENCE

A strong corporate and business presence can be an important factor in the success of any new lodging and conference facility, because local businesses support facilities through donations, advertising, sponsorships, and their requirement for event space and hotel accommodations. The following table shows the largest employers in Berkshire County, highlighting a prevalence of healthcare systems and facilities.

Table 3 - 7

Largest Employers - Berkshire County (2016)			
Employer	Industry	Location	# Employees
Berkshire Healthcare Systems	Healthcare	Pittsfield	1,000-4,999
BHS Management Services	Healthcare Management	Pittsfield	1,000-4,999
B Mango and Bird	Retail	Lenox	1,000-4,999
Berkshire Medical Center	Healthcare	Pittsfield	1,000-4,999
BMC Hillcrest Campus	Healthcare	Pittsfield	500-999
Canyon Ranch in the Berkshires	Hospitality	Lenox	500-999
SABIC Innovative Plastics	Manufacturing	Pittsfield	500-999
Sheehan Health Group	Healthcare	Pittsfield	500-999
Williams College	Education	Williamstown	500-999
Source: Massachusetts Executive Office of Labor and Workforce Development, Johnson Consulting			

EDUCATIONAL INSTITUTIONS

There are three higher education institutions located in close proximity to Adams:

- **Williams College:** A private liberal arts college located in Williamstown, approximately 10 miles to the northwest of Adams. The College, which is highly regarded nationally and is ranked #1 by the U.S. News and World Report for liberal arts colleges, has a total enrollment of 2,100 students.
- **Massachusetts Liberal Arts College:** A public liberal arts college located in North Adams, with a total enrollment of 2,100 students. The College is identified as one of the Top 10 public liberal arts colleges based upon the U.S. News Best Colleges rankings.
- **Berkshire Community College:** A two-year community college located in Pittsfield, approximately 20 miles to the south of Adams. The College has a total enrollment of 2,400 students.

ACCESS

The strategic location of Adams and Berkshire County makes them attractive and accessible as drive-in tourist destinations, particularly for residents of the northeastern U.S. Available modes of transportation include:

- **ROAD:** Most major cities and towns in Berkshire County are linked by U.S. Highway 7, which continues north to Vermont and south to Connecticut. Adams is served by State Route 8. The regional is also served by Interstate Highway 90 (the Massachusetts Turnpike), which connects with Boston to the east and Albany, NY to the west, and Interstate Highway 91, which travels north-south connecting with New York City, NY and Hartford, CT.

Adams is located with 1 hour and 20 minutes drive time of Albany, NY; 1 hour and 50 minutes of Hartford, CT; 3 hours of Boston; and 3 hours and 50 minutes of New York, NY.

- **AIR:** Albany International Airport (ALB) is located 50 miles (1 hour and 15 minutes drive time) to the northwest of Adams. ALB is serviced by four airlines – Southwest, Delta, United and American Airlines. In addition, Bradley International Airport (BDL) is located approximately 65 miles (1 hour and 40 minutes drive time) to the southeast of Adams, near Hartford, CT; and Boston Logan Airport (BOS) is located approximately 145 miles (2 hours and 40 minutes drive time) to the southeast of Adams.

There are also a number of regional airports throughout the region, including Harriman and West Airport in North Adams, Pittsfield Municipal Airport in Pittsfield, and William H Morse Airport in Bennington, VT.

- **TRANSIT:** The Berkshire Regional Transit Authority provides regular bus services throughout Adams, North Adams, Cheshire, Lanesborough, Pittsfield, and Williamstown.

TOURISM

The Berkshires are a popular tourist destination, reflecting the region's natural beauty and outdoor activities, along with its strong cultural offerings, including world-class museums, festivals, and productions. Most of the tourism activity in Berkshire County occurs in the southern two-thirds of the County, highlighting the potential for great tourism opportunities in the northern Berkshire areas.

Recent data from the Berkshire Visitors Bureau indicates that “tourism in Berkshire County is not only thriving but booming”. On average, the region attracts approximately 2.5 million visitors annually. In 2014, which is the most current annual data available, the Berkshires recorded \$426 million in direct tourism spending, up 5.3 percent from the preceding year, and reflecting a significant increase (9 percent) in international tourism. The tourism industry supported 3,774 jobs and a total payroll of \$103 million.

HOTEL INVENTORY

In order to evaluate the current and likely future inventory of lodging in the local market, Johnson Consulting defined a competitive set of hotel properties within a 10-mile radius of Greylock Glen Resort. This set of properties, while not representing all potential hotels catering to local demand, is intended to represent those hotels that share the most similarities with the proposed Thunderbolt Lodge and Conference Center, with respect to quality, amenities, and performance. Data from Smith Travel Research (STR), which is an independent hotel research firm whose statistics are widely used within the industry, indicates that the 4 hotel properties within the defined competitive set comprise a total of 291 rooms and 21,050 square feet of meeting and event space. In addition, the planned Williams Inn will add 116 rooms and an additional 6,032 square feet of meeting space, and expanded Redwood Motel will comprise a total of 47 rooms. The following table provides a summary of these lodging facilities.

Table 3 - 8

Inventory of Lodging Facilities within 10 miles of Adams, MA (2016)			
Hotel	Distance (Miles)	Guest Rooms	Meeting Space (SF)
Holiday Inn Berkshires	5.2	90	1,740
The Porches Inn	5.4	47	830
The Orchards	6.7	49	2,720
Jiminy Peak Mountain Resort	10.0	105	15,760
Total	-	291	21,050
Redwood Motel (Expansion)	6.0	47	-
Williams Inn (Planned)	7.7	116	6,032

Source: STR, relevant facilities, mpoint, Johnson Consulting

Data from the Berkshires Visitors Bureau indicates that an additional 600 hotel rooms are planned County-wide, including the proposed lodging facility at Greylock Glen, Williams Inn and the expanded Redwood Motel. This highlights the strength of the hotel industry in the region.

CULTURAL FACILITIES

Berkshire County and the Berkshires are renowned for their rich inventory of cultural attractions and amenities, popular among tourists and residents alike. Among the most popular are:

■ ARTS, CULTURE AND ENTERTAINMENT:

- **Massachusetts Museum of Contemporary Arts (North Adams):** MASS MoCA is the largest contemporary art museum in the world, comprising 600,000 square feet across 26 buildings and attracting approximately 150,000 visitors annually.
- **Susan B. Anthony Birthplace Museum (Adams):** Opened in 2010 following a \$1.1 million restoration and creating of the museum, the Susan B. Anthony Birthplace Museum houses artifacts from Ms. Anthony's childhood. It is open year-round.
- **Williams College Museum of Art (Williamstown):** Located on the campus of Williams College, the Museum houses 11,000 works with an emphasis on contemporary and modern art.
- **Clark Institute (Williamstown):** Renowned as an international center for research and education in the visual arts, the Clark Institute has been undergoing major expansions for several years (addition detail is provided below). The Clark Institute attracts leading industry representatives from around the world to The Clark Fellows and Clark Conferences, Symposia, and Lectures programs. The Institute also sponsors Williams College's pre-eminent Graduate Program in the History of Arts.

- **Williamstown Theatre Festival (Williamstown):** A resident theater company on Williams College campus that is well known regionally.
 - **Berkshire Museum (Pittsfield):** An art, history, and science museum with rotating and interactive exhibits.
 - **Hancock Shaker Village (Hancock):** A 200-year-old Shaker site with 20 historic buildings, a working farm, and exhibitions. It was a working Shaker community from 1783 to 1960.
 - **Berkshire Scenic Railway Museum (Lenox):** Offers educational and scenic train rides on restored trains, as well as exhibits and artifacts related to the history of railroads and associated industries. The Museum was named by the Boston Globe as one of the Top 10 Railroad Museums in New England.
 - **Tanglewood Music Center (Lenox):** A classic outdoor amphitheater that is the summer home of the Boston Symphony Orchestra, along with numerous events throughout the year.
 - **The Norman Rockwell Museum (Stockbridge):** Contains original works by Norman Rockwell, as well as his studio.
 - **Special Events:** The region is host to numerous special events throughout the year, many of which are associated with the venues listed above. These include the Jacob's Pillow Dance festival in Becket, which is the nation's longest running dance festival, Northern Berkshire Fall Foliage Festival in North Adams, and the Berkshires Art Festival in Great Barrington, among others.
- **NATURAL HISTORY AND NATURE**
- **Mount Greylock State Reservation (Adams, North Adams, Lanesborough, Cheshire, Williamstown and New Ashford):** As described above, the Mount Greylock State Reservation encompasses 12,500 acres and is contiguous with Greylock Glen. In addition to Mount Greylock, the Reservation offers extensive hiking and biking opportunities, a hostel, war memorial, a concession stand, and a year-round visitor center.
 - **Savoy Mountain State Forest (Florida):** Encompassing 1,000 acres, the Savoy Mountain State Forest includes scenic ponds used for fishing and swimming, over 50 miles of wooded trails, multiple peaks, waterfalls, 45 campsites, and 4 log cabins. The State Forest is open year-round.
 - **The Herbert Arboretum (Pittsfield):** A “living tree library” with an extensive collection of trees, plants, and natural landscapes. The Arboretum offers educational programs related to gardening and landscaping.
 - **Berkshire Botanic Garden (Stockbridge):** A 15-acre botanic gardens featuring over 3,000 species of varieties, with an emphasis on plants that are native throughout the Berkshires. The Gardens and Visitor Center are open from May 1st through Columbus Day.

- **Ashuwillticook Rail Trail:** A former railroad corridor that leads from Pittsfield along the Hoosic River and passes through downtown Adams, approximately 1 mile east of the site of the proposed development. A third phase is currently under construction in Adams and a fourth phase is being designed to extend to North Adams. The proposed development plan includes a pedestrian and bicycle trail connecting the subject site to downtown Adams and the Ashuwillticook Trail.

REGIONAL TRAIL NETWORKS

Throughout the northeast, there are a number of prominent trail systems and mountain biking areas. These include:

- **GREAT GLEN TRAILS (PINKHAM NOTCH, NH):** 25 miles of carriage roads and singletrack trails used for biking, Nordic skiing, and tubing. Onsite amenities include bike rentals, an Outfitters, and a café. There is no onsite lodging but the Appalachian Mountain Club's (AMC) Joe Dodge Lodge at Pinkham Notch is a partner. Additional detail regarding Great Glen Trails is providing in the following section of this report.
- **KINGDOM TRAILS (EAST BURKE, VT):** A 501(c)3 dedicated to “providing recreation and education opportunities for local residents and visitors, while working to conserve natural resources and create economic stimulation”. This is accomplished by providing a 150-mile network of non-motorized trails and obtaining cooperation from 50 landowners.
- **MILLSTONE HILL TOURING CENTER (BARRE, VT):** 70-mile network on the former site of 75 quarry operations. Onsite lodging and camping is available.
- **GRAFTON PONDS (GRAFTON, VT):** Associated with Grafton Inn, Grafton Ponds is located on a 2,000-acre site with an extensive trail system. Equipment rentals, guided tours, and lessons are available.
- **SAVOY MOUNTAIN STATE FOREST (FLORIDA, MA):** Extensive network of trails with onsite camping.
- **SUNDAY RIVER (BETHEL, VT):** 25 trails covering 20 miles, suitable for beginners through experts. Onsite lodging, equipment rentals, sales, and repairs, with the Sunday River Brewing Company also located nearby.
- **BARTLETT EXPERIMENTAL FOREST (BARTLETT, NH):** Single-track trails used by snowmobilers and mountain bikers.

In addition, the region is home to the following prominent downhill centers:

- **JIMINY PEAK (HANCOCK, MA):** Located in the Taconic Mountains, Jiminy Peak is the largest ski resort in southern New England and is also home to the Cranmore Mountain Adventure Park, making it a four-season resort. Jiminy Peak, which is home to a U8/U10 Program, encompasses 170-acres including 45 trails, a Welcome Center, rental facilities, retail and lodging.

- **MOUNT SNOW (WEST DOVER, VT):** Home to the Eastern States Cup, Mount Snow offers trails for beginners through experts, with onsite lodging, equipment rental, and cafes.
- **KILLINGTON, VT:** 45 miles of trails serviced by the K-1 Express Gondola. Amenities include a mountain bike shop offering rentals, repairs and a full line of clothing and accessories, lodging, and cafes.
- **PLATTEKILL (ROXBURY, NY):** Opened in 1995 with 60 miles of lift-served trails. Home to the Eastern States Cup races, Plattekill is geared towards experts. Rental and repairs are available, along with a café. There is no onsite lodging.
- **ATTITASH (NORTH CONWAY, NH):** 9 miles of advanced through expert trails for downhill and cross country, along with 8 miles of beginner trails. Amenities include rentals and repairs, café, onsite lodging and a spa.

RECENT INVESTMENT

In recent years, there has been strong investment in cultural and tourism-oriented infrastructure throughout the Berkshires, including:

- **MASSACHUSETTS MUSEUM OF CONTEMPORARY ARTS:** In March 2014, a \$25.4 million State grant was announced to aid the \$55 million addition of 120,000 square feet of gallery space at MASS MoCA. The remaining funds will be privately raised money, reserves and endowment funds. It is anticipated that the new expansion (Phase III) will attract approximately 65,000 additional visitors annually.
- **THE CLARK ART INSTITUTE EXPANSION:** In July 2014, a new Clark Center and a renovated 1955 “white building”, which along with 2,800 square feet of exhibition space at the Lunder Center at Stone Hill, brought the Institutes total exhibition space to 14,000 square feet.
- **PITTSFIELD HILTON GARDEN INN:** In September 2015, a \$10 million Hilton Garden Inn opened in Pittsfield. The 95-room hotel is the only Hilton brand hotel in the Berkshires.
- **BERKSHIRE SCENIC RAILWAY MUSEUM:** In 2015, the State invested \$4.5 million to purchase and upgrade the Adams Branch rail line for improved freight service and to permit tourist train operations between Adams and North Adams. An additional \$2 million investment is pending to install approximately 0.6 miles of new track to extend the rail line to downtown Adams.
- **HOTEL ON NORTH:** In June 2015, a 45-room boutique hotel opened in the 19th century former Besse Clark Building in Pittsfield. The hotel responds to the 12,000 unmet midweek through weekend room nights for business travels, per a recently completed market analysis.
- **PROPOSED MILL REDEVELOPMENT:** In July 2015, Greylock Works LLC announced plans to redevelop the 342,000 square foot former Cariddi Mill in North Adams to include a mix of retail, manufacturing, restaurant and hotel operations.

- **PROPOSED CONTEMPORARY ART GALLERY:** In August 2015, the Airport Commission approved a 20-year lease negotiation for a \$10-\$15 million, 160,000 square foot contemporary art museum near the Harriman and West Airport in North Adams.
- **HERITAGE PARK:** The ongoing improvement of Heritage Park in North Adams will include the addition of a model train exhibit, announced in December 2015.
- **MOHAWK THEATER REVITALIZATION:** In December 2015, initial plans were announced for revitalizing the Mohawk Theater in North Adams.

These new investments will continue to grow the momentum observed since the most recent slowdown and will be a positive factor for the proposed Greylock Glen Resort. Further, at the time of undertaking this study, a new fictional story was released by J.K. Rowling centered upon the Ilvermory School of Witchcraft and Wizardry founded in the 17th Century at the peak of Mount Greylock. The story will form part of the backstory for an upcoming movie slated to be released in November 2016. The potential publicity that the movie will attract presents new and unique ways of marketing Greylock Glen Resort and is anticipated to have a positive influence on the project.

IMPLICATIONS

The Berkshires has a long history as a popular tourist destination, leveraging its natural attributes and strategic location in close proximity to a large demand base within driving distance. The region is renowned for offering arts, cultural attractions, outdoor recreation opportunities, and special events that are among the best in the world. Continuing investment in the area has increased over recent years, particularly in the tourism sector. Notwithstanding this, Adams has not developed the major demand generators or tourism infrastructure that are present in the balance of Berkshire County. Investment in the Greylock Glen Resort is just the type of impetus the Commonwealth and Town need to make it more of a participant in the regional tourism and cultural portfolio, and this is recognized by both constituents through their support for this project. The proposed Resort will expand the local and regional economies by establishing Adams as a destination for outdoor recreation, growing the Town's visitor services and attractions, and connecting the Town more meaningfully to the cultural institutions within the Berkshires and the creative economy.

Greylock Glen Resort will be locally-based, involving institutions and organizations that have deep roots in the Berkshires. The Town has thoughtfully and specifically sought to work with MASS MoCA, which is a model of cultural and community development, and MCLA, the only public four-year college in the Berkshires which has a number of programs and institutes that will be able to link with the proposed facilities at Greylock Glen Resort. The Town, through the proposed project will, work to sustain and strengthen regional institutions and build capacity in the northern Berkshires. In addition, the project will serve to build a stronger customer base for downtown retailers and merchants in Adams. Achieving this balance between economic growth and environmental protection will create an invaluable amenity for residents, visitors, businesses, and local government.

SECTION 4

TRENDS AND INDICATED PROJECTS

TRENDS AND INDICATED PROJECTS

The market for environmental education centers is continuing to grow and expand throughout the U.S., leveraging outdoor recreation opportunities particularly in areas with a preserved natural environment. Data from the Outdoor Foundation's 2015 Participation Report indicates that over the past 5 years, approximately 50 percent of the population of the U.S. has participated in outdoor recreation activities. This equates to an average of 141.0 million participants in 11.6 billion outdoor outings annually.

In order to understand the overall market potential for the proposed Greylock Glen Resort, this section presents case study profiles of a set of local, regional and national comparable facilities, along with an example of event sponsorship and potential to attract events to areas on a year-round basis.

The key operating characteristics of the local, regional and national facilities are provided in the following profiles, and include:

- Size and character of facility program spaces.
- Recent and/ or planned expansions.
- Management and operational approach.
- A demand and financial profile, including the number and types of events and operating revenues and expenses, where available.
- Funding sources.

Information about the performance of comparable facilities provides insight into the general parameters within which the proposed Greylock Glen Resort can reasonably expect to operate.

LOCAL RESORTS

JIMINY PEAK MOUNTAIN RESORT

HANCOCK, MASSACHUSETTS

LOCATION: Located in the Taconic Mountains, approximately 10 miles to the southwest of Adams, Jiminy Peak Mountain Resort (JPMR) opened in 1948. It is the largest ski resort in southern New England and operated year-round.

OWNERSHIP/ MANAGEMENT: JPMR is owned by CNL Lifestyle Corporation and operated under a long-term lease agreement by Jiminy Peak Mountain Resort LLC.

LODGING AND MEETING SPACE: Onsite accommodations include vacation homes and rentals, the Wyndham Resort at Bentley Brook condo hotel, and the County Inn, which includes 105 guest rooms and 15,760 square feet of meeting space.

AMENITIES: JPMR encompasses approximately 170 acres including 45 trails, 21 of which are lighted for night skiing, 6 lifts and 3 terrain parks. The Village Center includes a Welcome Center, rental facilities, retail and lodging.

SUSTAINABILITY: In 2007, the JPMR opened a 253-foot wind turbine which generates enough energy to provide power to 613 homes, annually. The Resort also focuses its development and maintenance programs on land and energy conservation, forest and wildlife preservation, and maintaining water quality.

REVENUE & EXPENSES: No financial data was made available from ownership or management of JPMR.

FUNDING: JPMR was privately funded, with more than \$6.1 million invested in development and improvements between 1949 and 2009, when the property was sold to CNL Lifestyle Corporation for \$27.0 million.

OBSERVATIONS: JPMR provides an example of a highly popular, four-season resort in close proximity to Adams and Greylock Glen. Although it is focused primarily on recreational activities and does not offer any extensive environmental or education programs, it highlights popularity of the local area for outdoor activities on a year-round basis by offering a variety of summer activities to supplement skiing during the winter months.



Jiminy Peak Mountain Resort - Country Inn
Summary of Event Spaces

	Size (SF)	Capacity (# of Persons)		
		Theater	Classroom	Banquet
Meeting Rooms				
Burbank	3,700	200	175	200
Clark	920	80	40	40
Crane East	1,850	200	110	185
Crane West	1,850	150	80	175
Fisher I	500	50	25	32
Fisher II	1,200	125	65	100
Greylock	4,800	450	300	310
Jericho	440	50	30	40
Thunderbolt	500	50	25	32
Total Event Space (SF)	15,760			

Source: Jiminy Peak Mountain Resort, Johnson Consulting

COMPARABLE RESORTS

ISLANDWOOD

BAINBRIDGE ISLAND, WASHINGTON

LOCATION: Located on Bainbridge Island, directly across Puget Sound Basin from Seattle, the 225-acre IslandWood campus opened in 2002.

OWNERSHIP/ MANAGEMENT: IslandWood is operated as a 501(c)3 not-for-profit enterprise, overseen by a 23-member Board of Directors. Day-to-day operations are undertaken by a permanent staff of 107 full-time and part-time employees.

LODGING AND MEETING SPACE: There are 5 onsite lodging facilities offering a combined total of 55 rooms with capacity for 205 guests. Available function and event space at IslandWood is utilized for community events, and are also available for weddings, conferences, meetings, and social events.

AMENITIES: Approximately 12 acres of land were cleared for buildings and outdoor venues. The balance of the site includes approximately 9.75 miles of trails that pass through a variety of different ecosystems.

SUSTAINABILITY: IslandWood actively participates in energy conservation, composting, recycling, and harnessing alternative energy sources. Specific design elements include solar meadows, concrete containing 50 percent flyash (a recycled utility product of coal), natural ventilation in buildings, roof rainwater collection, and photovoltaic roof panels, among others.

REVENUE & EXPENSES: In FY 2015, IslandWood achieved an operating income of \$109,901, representing a substantial improvement over FY 2014, when IslandWood incurred a loss of (\$130,209)

FUNDING: Development of the \$52 million project comprised \$32 million in construction costs, a \$10 million operations endowment, \$5 million in land costs, and a \$5 million scholarship fund. Half of the costs were provided privately by the visionaries – Paul and Debbi Brainerd – with the remaining funds raised via foundation, individual, and corporate donors. Ongoing corporate support is provided by Boeing, Walmart, JPMorgan Chase, Prudential, REI, and Outdoor Research. A presence near Seattle provides access to this level of philanthropy.

OBSERVATIONS: The original concept for IslandWood focused exclusively on educational programming for 4th-6th grade students, however IslandWood has since added private events, such as corporate activities, meetings, and weddings to its programming as a revenue-generating mechanism for achieving the strongest possible degree of self-sufficiency. This allowed the facility to achieve a slight profit in 2015.



IslandWood Onsite Lodging Facilities		
	# Rooms	Max. Capacity (Persons)
Birds Nest Lodge	13	47
Invertebrate Inn	12	46
Mammal's Den	12	46
Ichthyology Inn	16	64
Guest Cottage	2	2
Total	55	205

Source: IslandWood, Johnson Consulting

IslandWood					
Summary of Event Spaces					
	Size (SF)	Capacity (# of Persons)			
		Theater	Classroom	Banquet	Reception
Welcome Center, Great Hall and Offices					
Great Hall	1,865	175	64	80	175
Welcome Center	2,000	-	-	-	120
Conference Room	400	-	18	-	18
Dining Hall					
Dining Hall	3,308	-	-	170	-
Private Dining Room	520	25	12	27	40
Learning Studios					
Blue Bill Cove 102	632	35	28	36	50
Blue Bill Cover 103	580	35	28	36	50
Blue Bill Cove 105	2,115	96	60	48	130
Learning Studio 104 (Wet Lab)	840	-	16	-	-
Art Studio					
Entire Studio	1,352	35	24	-	50
Lodging Facilities (Great Rooms)					
Ichthyology Inn	1,236	-	36	-	-
Bird's Nest Lodge	720	-	12	-	-
Invertebrate Inn	720	-	12	-	-
Mammal's Den	720	-	12	-	-
Total Event Space (SF)*		19,000+			

* Includes Outdoor Venues include 1,018 SF Friendship Circle (92 ppl); 900 SF Garden (50 ppl); Creaky Tree Meadow (175 ppl); 591 SF Learning Tree House (15 ppl); 400 SF Bog Tree House (8 ppl); Cattail Marsh Bird Blind; and Suspension Bridge

Source: IslandWood, Johnson Consulting

IslandWood Revenue & Expense Statement (FY 2014-2015)		
	FY 2014	FY 2015
Support & Revenue		
Contributions	\$2,428,542	\$3,004,918
Programs Service Fees	4,014,569	4,288,015
Investment Income	802,085	713,790
In-Kind and Other Revenue	75,329	42,686
Total Operating Revenues	\$7,320,525	\$8,049,409
Operating Expenses		
Program Services	\$5,929,136	\$6,341,166
Management and General	842,967	866,087
Fundraising	678,631	732,255
Total Operating Expenses	\$7,450,734	\$7,939,508
Operating Income (Loss)	(\$130,209)	\$109,901

Source: IslandWood, Johnson Consulting

GREAT GLEN TRAILS OUTDOOR CENTER

PINKHAM NOTCH, NEW HAMPSHIRE

LOCATION: Located at the base of Mount Washington, the highest peak in the Northeast, the Great Glen Trails Outdoor Center (GGTOC) opened in 1994. Activities are offered at the GGTOC year-round, attracting approximately 28,000 visitors annually.

OWNERSHIP/ MANAGEMENT: The GGTOC is privately owned and operated. The corporate structure is also responsible for operating the historic Mount Washington Auto Road. The GGTOC is operated by a full-time staff of approximately 20 employees year-round.

LODGING AND MEETING SPACE: There is currently no onsite accommodation, however the GGTOC works in association with a number of proximate lodging partners. Guests receive a series of incentives to stay at a partner lodging facility, such as free and discounted use of the trail system and rentals. Plans are currently being developed for a 65-room hotel at the base of Mount Washington, with groundbreaking anticipated for Spring 2017. The hotel will be positioned to serve the GGTOC, as well as the proximate Wildcat Ski Area. The estimated cost is \$11 million, to be privately funded.



Great Glen Trails Outdoor Center Rental Rates and Fees (2016)			
	Adult (\$)	Children (\$)	Senior (\$)
Bike Rentals			
2-Hour	\$25	\$18	-
4-Hour	\$30	\$22	-
Guided Paddling - Androscoggin River Trips			
4-Hour	\$80	\$50	-
Full Day	\$95	\$65	-
Guided Paddling - Whitewater Trips			
Whitewater Trips	\$150	free (with Adult)	\$100
Ski School			
Group Lessons	\$25	\$25	-
Private Lessons	\$49	\$49	-
Trail Pass			
Full Day	\$20	\$12	\$12
Tubing Pass			
Tubing Pass	\$15	\$15	\$15
Snow Coach			
Snow Coach	\$49	\$30	-

Source: Great Glen Trails Outdoor Center, Johnson Consulting

AMENITIES: The main facility on the 225-acre site is the Outdoor Center, which was destroyed by fire in 2001, but rebuilt to comprise 20,000 square feet that includes a 3-level Great Glen Outfitters retail/ rental shop, and offices and a function room with capacity for 125 guests above. Additional amenities include a spa and swimming pool. The balance of the site includes 25 miles of trails used for biking, hiking, Nordic skiing, and snowshoeing, among others. Additional onsite activities include whitewater rafting and kayaking.

SUSTAINABILITY: 80 percent of electricity utilized on site is generated from water.

REVENUE & FUNDING: No financial data was made available from management. Based upon our research and investigation, it appears that the rental shop generates substantial revenues that help to maintain the overall GGTOC operation at a break-even point or perhaps operates at a slight profit.

OBSERVATIONS: The GGTOC is representative of a popular and successful facility that is able to generate sufficient revenues through daily fees charged for equipment and activities. This is directly relevant to the proposed Nordic Ski Center component of Greylock Glen Resort, which will generate revenues to support the broader development.

LIED LODGE AND CONFERENCE CENTER

NEBRASKA CITY, NEBRASKA

LOCATION: Located approximately 55 miles to the south of Omaha, on the 260-acre Arbor Day Farm, the Lied Lodge and Conference Center (LLCC) opened in 1993 and recently underwent a \$9 million renovation in 2015. Arbor Day Farm is listed as a National Historic Landmark. The LLCC operates on a year-round basis.

OWNERSHIP/ MANAGEMENT: LLCC is owned and operated by the Arbor Farm Foundation, a 501(c)3 organization whose mission is focused upon conservation and education. The Foundation organizes a number of conservation and education programs throughout the U.S.

LODGING AND MEETING SPACE: The lodge offers 144 guestrooms and 14,106 square feet of meeting and event space, supplemented by a restaurant, cocktail lounge, indoor swimming pool, Jacuzzi, sauna, spa, and fitness center. Average daily rates range from \$109 to \$159 per room night on weekdays and from \$119 to \$169 per room night on weekends, with peak season being June through October. The lodge was initially built primarily to accommodate events held by the Foundation but has proved a popular destination for meetings and events hosted by other organizations, as well as weddings and social gatherings.

AMENITIES: Onsite amenities include a network of forested trails, a 50-foot treehouse, tractor rides, and a market, among others. Adjacent to the LLCC is the Arbor Lodge State Historic Park, which is managed by the Foundation and includes the Arbor Lodge Mansion museum. Also adjacent to the LLCC is Steinhart Lodge, which includes additional meeting space and overlooks a public swimming pool, baseball diamond, practice fields, picnic grounds and a golf course at Steinhart and Wildwood Parks.

SUSTAINABILITY: Lied Lodge and Arbor Day Farms actively encourage environmental stewardship through tree planting, along with recycling, a bio-mass system for heating, cooling and ventilation, locally grown produce, hybrid vehicles for transporting guests, native landscaping, windbreaks, and other programs and design components. The Arbor Day Foundations' Rain Forest Rescue Program raises funds, primarily via the sale of fair trade coffee, for indigenous farmers who protect their May Rain Forest lands commercial development.

REVENUE & FUNDING: No specific financial data for the LLCC was made available by management, however the Foundation's revenue and expense statement identifies close to \$7.3 million in revenues associated with Arbor Day Farm in FY 2015 and \$12.6 million in expenses. Development of the LLCC was funded through a \$6 million appropriation from the National Association of State Foresters and the U.S. Forest Service, matched by donations from the Lied Foundation Trust, and other environmental agencies, foundations and corporations, as well as from Foundation members.

OBSERVATIONS: Although the locational attributes of the LLCC differ from those of the proposed Greylock Glen Resort, given that it is in a much more urban settings, it highlights the relationship between conservation, and recreational opportunities, as reflected in the mission and achievements of the Foundation. The facility also targets revenue generating events, particularly weddings and conferences, which contributes to the overall profit achieved by the Foundation. Lodging and meeting facilities of similar size, scale and quality are envisaged for Greylock Glen.



Lied Lodge & Conference Center Summary of Event Spaces			
	Size (SF)	Capacity (# of Persons)	
		Theater	Classroom
Ballrooms			
Rosenow Room	4,672	380	144
A or B	992	60	24
C	1,280	90	36
D	1,408	90	36
Steinhart Room	3,819	350	128
A or B	896	50	24
C	1,140	60	18
D	1,026	60	18
Meeting Rooms			
Marcotte Room	504	50	14
Terrace Room	1,026	70	26
A or B	513	30	12
Executive Boardroom	247	-	10
Other			
Steinhart Lodge	3,478	210	38
Hospitality Suite	360	-	-
Total Event Space (SF)	14,106		

Source: Lied Lodge, Johnson Consulting

COSTANOA LODGE

PESCADERO, CALIFORNIA

LOCATION: Located just off State Highway 1, approximately 25 miles to the north of Santa Cruz and 55 miles to the south of San Francisco, Costanoa Lodge is an eco-adventure resort that opened in 1999. The site encompasses 140 acres. A conservation easement covers 96 acres close to the Lodge.

OWNERSHIP/ MANAGEMENT: Costanoa Lodge is owned and operated by Prime Property Capital, a real estate investment group, and Joie de Vivre Hospitality, a prominent independent hotelier in the Bay Area.

LODGING AND MEETING SPACE: The Lodge offers 40 guest rooms and a spa. The broader site includes 12 free-standing cabins, 122 tent bungalows (non-permanent structures), and 60 campsites. Average daily rates range from \$92 per night for a canvas tent to \$312 per night for a premium king room with a view during the peak season, and from \$87 to \$256 per night for those same accommodations during the non-peak season. The Lodge includes approximately 4,000 square feet of meeting space, supported by various outdoor spaces used primarily for corporate retreats, weddings and social events.

AMENITIES: Onsite amenities include a network of trails for hiking, mountain biking and horseback riding, with bike rental and riding lessons offered. The Lodge also offers mid-week and weekend Kids Camps. There are 2 beaches with 1 mile of the Lodge. Also within close proximity are Pigeon Point Lighthouse, Pescadero State Beach and Marsh, Butano State Park, Ano Nuevo State Reserve, and Rancho Del Orzo and Waddell State Beach.

SUSTAINABILITY: Costanoa Lodge has received certification for complying with over 70 unique eco-initiatives relating to energy efficiency, water conservation, recycling, environmentally safe cleaning, and reduction of waste, among others.

REVENUE & FUNDING: No specific revenue and expense data was made available by management. Development of the \$20 million Lodge was funded through a public-private partnership, involving the State and San Mateo County.

OBSERVATIONS: Costanoa Lodge provides a unique example of a successful facility that combines aspects of a luxury resort with more simple accommodations and amenities. This allows it to attract a diverse range of visitors, all while leveraging the scenic beauty and recreation focus of the development. Although the amount of meeting space is smaller than that envisaged at Greylock Glen, Costanoa Lodge has proved to be an attractive venue for events ranging from corporate retreats to weddings. Its proximity to the San Francisco area justifies the high-end branding by Joie de Vivre.



Costanoa Lodge Summary of Event Spaces					
	Size (SF)	Capacity (# of Persons)			
		Theater	Classroom	Banquet	Reception
Indoor Spaces					
Redwood Oak Room	1,008	100	40	60	50
Ranch House Room	1,050	115	45	75	75
Ranch House Lobby	400	-	-	-	-
Eucalyptus Loft	500	-	15	-	20
Cascade Loft (open air)	1,000	-	-	40	-
Total Event Space (SF)	3,958				
Outdoor Spaces					
Cascade Lawn	7,500	-	-	200	200
Pine Tent Lawn	18,000	-	-	250	250
Seascape Lawn	22,000	-	-	500	500
Upper Lodge Lawn*	12,000	-	-	250	250
Lower Lodge Lawn*	6,000	-	-	180	180

* Evening events require rental of 39 surrounding Lodge rooms.

Source: Costanoa Lodge, Johnson Consulting

Arbor Day Foundation Revenue & Expense Statement (FY 2014-2015)		
	FY 2014	FY 2015
Revenue and Support		
Membership Dues	\$14,176,547	\$13,856,064
Contributions	10,029,360	13,696,187
Trees for America	4,240,860	4,467,959
Program Grant Income	2,656,000	2,153,534
Arbor Day Farm Income	7,876,633	7,573,271
Arbor Day Coffee Income	2,552,403	2,432,790
Other Income	1,248,069	(124,615)
Total Revenue and Support	\$42,779,872	\$44,055,190
Program Services Expenses		
Tree City USA	\$1,664,930	\$1,714,704
Arbor Day/ Youth Education	2,813,465	2,912,557
Conservation Trees	281,528	21,228
Rain Forest Rescue	3,388,642	3,726,494
Trees for America	17,362,895	16,728,498
Arbor Day Farm	10,877,954	12,614,533
Conference Programs	617,823	695,133
Supporting Activities Expenses		
General and Administrative	\$1,220,094	\$1,205,589
Membership Development	2,019,705	2,432,742
Fundraising	969,731	994,930
Total Expenses	\$41,216,767	\$43,046,408
Operating Income (Loss)	\$1,563,105	\$1,008,782

Source: Arbor Day Foundation, Johnson Consulting

INTERLAKEN INN

LAKEVILLE, CONNECTICUT

LOCATION: Located in the Litchfield Hills close to the southernmost foothills of The Berkshires, approximately 42 miles northwest of Hartford, 65 miles south of Albany, NY, and 108 miles north of New York City, Interlaken Inn was originally built in 1760 and underwent substantial modernization, reopening in 1973. The Inn is set on 30 acres and lies between two picturesque lakes – Wononskopomuc Lake and Wononpakook Lake.



OWNERSHIP/ MANAGEMENT: Interlaken Inn is privately owned and operated.

LODGING AND MEETING SPACE: The Inn offers a total of 80 guest rooms, across the Main Building, a number of smaller Tudor and Victorian style houses, townhomes, and a private lakeside cottage. Average daily rates range from \$249 per room night for a standard room in the Main Building to \$709 per night for the penthouse suite. There is a total of 4,810 square feet of meeting space, along with outdoor spaces of varying capacities.

AMENITIES: The Inn is home to Morgan's Restaurant, which offers farm-to-table dining 7 days per week and live entertainment, as well as Ellora Spa, Sanctuary and Pilates. The Inn supplies rowboats, kayaks, and canoes for use on the lakes. Additional amenities include two all-weather tennis courts, outdoor heated swimming pool, basketball court, volleyball, and an Executive Hospitality Center that offers a large screen TV, pool table, and exercise room. The Inn is adjacent to Hotchkiss Golf Course and close to Route 7, which is the State's renowned antique route.

SUSTAINABILITY: The Inn's commitment to sustainability is reflected in environmentally friendly cleaning products, linen reuse, recycling, and energy and water conservation programs, among other initiatives.

REVENUE & FUNDING: No specific revenue and expense data for the Lodge was made available by management. Development of the Inn was privately funded.

OBSERVATIONS: The Inn is an example of a successfully, privately owned and managed facility in an attractive setting. Similarly to Greylock Glen, its location benefits from a large potential drive-in market. The meeting space is marketed to corporate users for meetings, conferences and retreats, as well as for weddings, reunions, and similar social gatherings. It is anticipated that Greylock Glen would attract similar markets.

Interlaken Inn Onsite Lodging Facilities	
	# Rooms
Main Building	40
Countryside House	8
Sunnyside House	12
Woodside House	8
Townhouse Suites	12
Lakeside Cottage	1 (Sleeps 4)
Total	80

Source: Interlaken Inn, Johnson Consulting

Interlaken Inn				
Summary of Event Spaces				
	Size (SF)	Capacity (# of Persons)		
		Theater	Classroom	Banquet
Meeting Rooms				
Atrium	1,000	90	50	100
Will Rogers I & II	1,500	110	65	120
Continental	900	60	40	60
Patio	780	50	32	40
Salisbury Room	308	20	16	20
Sunnyside	322	-	12	-
Total Event Space (SF)	4,810			
Outdoor Spaces				
Lakeside Lawn	-	Max. 50 people		
Atrium Pavilion	-	20-150 people		
Sunnyside Porch	-	Max. 8 people		
Countryside Slate Patio	-	Max. 10 people		

Source: Interlaken Inn, Johnson Consulting

SLEEPING LADY RESORT AND CONFERENCE CENTER

LEAVENWORTH, WASHINGTON

LOCATION: Located in the Cascade Mountains along Icicle Creek, approximately 26 miles northwest of Wenatchee and 121 miles east of Seattle, Sleeping Lady Resort and Conference Center (SLRCC) opened in 1995. The 67-acre site originally housed 22 buildings, all of which are historically or environmentally significant and were upgraded to exceed energy codes when 26 new buildings were added prior to the opening of the SLRCC. The SLRCC is a four-season resort and Leavenworth is a notable host city because it is themed as an alpine village via zoning codes and economic development strategies.

OWNERSHIP/ MANAGEMENT: The SLRCC is privately owned and operated.

LODGING AND MEETING SPACE: The SLRCC offers a total of 70 guest rooms, of 6 varying types and clustered into 6-room groups. Buildings are spread across the campus and connected via walkways. Accommodation is sold as packages that vary throughout the year and include breakfast and dinner, spa, yoga, birding, hiking, horseback riding, whitewater rafting, stand up paddle board, and fly fishing themes. Packages range from \$230 per night for the breakfast and dinner package to \$455 per night for the fly fishing package.

There are 9 meeting rooms totaling 9,000 square feet of meeting and event space, with capacities ranging from 30 to 190 people, and a

variety of outdoor venues that are used primarily for weddings. The Sleeping Lady Foundation is a 501(c)3 organization established for the purpose of attracting speakers and events to the SLRCC and the local area. The SLRCC initially focused on the corporate market but has since refocused to target the leisure market. Management indicates that their demand is 50 percent from corporate users and 50 percent leisure.

AMENITIES: The SLRR is home to Kingfisher Restaurant and Wine Bar, The Grotto bar, O'Grady's Pantry and Mercantile, Aspen Leaf Day Spa, and a 2-acre Organic Garden. Available activities include mountain and road biking, whitewater rafting, hiking, fishing, horseback riding, hay rides, golf, rock climbing, paragliding, birding, tennis, downhill skiing, Nordic skiing, backcountry skiing, tubing, sleigh rides. The location of the SLRCC in the Cascade Mountains provides access to Icicle Ridge to the northwest, Wedge Mountain to the south and the Upper Enchantment Lakes and Alpine Lakes Wilderness areas to the southwest. The area is also an increasingly popular wine growing region, creating opportunities for wine tasting. The Canyon Wren Recital Hall and the Snowy Owl Theater are located on the property adjacent to the SLRCC and are operated by the Resort's sister company the non-profit Icicle Creek Center for the Arts.

SUSTAINABILITY: All landscaping on the campus is 'xeriscaping', with native plants that require minimal watering. The paved pathways between the buildings are cleaned with a street sweeper that uses no water. Geothermal energy is used in the guest room clusters, and water-conserving fixtures are used throughout the campus. Food waste is composted on-site and used to fertilize the organic garden, which provides fresh fruits and vegetables to the SLRCC's restaurants. Maintenance staff utilize electric vehicles, with charging stations available for use free-of-charge by overnight guests.

REVENUE & FUNDING: No specific revenue and expense data for the Lodge was made available by management. Development of the SLRCC was privately funded.

OBSERVATIONS: The SLRR has received a number of accolades for sustainable design and operation, reflecting management's mission "to provide a year-round retreat where nature, performing arts, outdoor recreation and healthful dining inspire reverence for earth's life-giving wellspring." By offering a variety of packages that vary from season to season, the SLRCC is able to appeal to both corporate and leisure users and maintain occupancy levels throughout the year. The array of recreation offerings available onsite and in close proximity to the SLRCC is comparable to those that will be offered at Greylock Glen Resort.



Sleeping Lady Resort and Conference Center Summary of Event Spaces				
	Size (SF)	Capacity (# of Persons)		
		Theater	Classroom	Banquet
Meeting Rooms				
Chapel Theater	1,539	190	-	-
Dipper	352	30	16	24
Flicker	486	40	16	32
Nuthatch	352	30	16	24
Quail	1,500	125	66	72
Salmon Gallery	2,020	120	-	72
Tadpole	1,140	80	50	64
Woodpecker	1,650	80	50	64
Total Event Space (SF)	9,039			

Source: SLRCC, Johnson Consulting

OBSERVATIONS AND IMPLICATIONS

There are a number of successful projects that combine outdoor recreation, trails, overnight lodging and meeting space. These physical amenities prove very attractive among a variety of users, including individuals, families, clubs, corporations, and other organizations. Each of the facilities profiled above leverage the scenic beauty and recreation offerings of their settings and most are firmly grounded in their approach to environment sustainability, through both design elements and day-to-day operations. Key observations drawn from the case study facilities are summarized as follows:

- **PRIVATE OPERATION AND REVENUES:** With the exception of IslandWood, which is operated by a 501(c)3 nonprofit organization, all of the case study facilities are privately owned and operated. This reflects a desire, and in many cases a need, for the lodging and meeting facility to generate revenue to support the overall site. IslandWood differs from the proposed Greylock Glen Resort and the other case study facilities in its primary focus upon environmental education, although management has identified a need to diversify to attract private events as a mechanism for generating revenues. This is further evidenced by Lied Lodge Resort and Conference Center, which was initially built to host Foundation events but has since targeting external events as a means of increasing revenues. The Great Glen Trails Outdoor Center is most similar to that proposed at Greylock Glen Resort. Although official figures were not available, it is understood that rentals generate significant revenues for the overall development. This, in addition to a diversified demand base targeting visitors and private events, as well as the benefits of on-site lodging, will contribute to the success of the Greylock Glen Resort.
- **EVENT SPONSORSHIP:** As outdoor recreation continues to grow in popularity, the range of activities are expanding and major sponsors, such as Red Bull, are adding to this momentum. In September 2015, the Red Bull 400 which originated in Europe in 2012, made its U.S. debut at Utah Olympic Park. The 400-meter running race climbed the 6,870-foot Nordic ski jump and served as a fundraiser for the Park's in-house training program. This demonstrates the potential for utilization of such facilities outside of the ski season. Similar events could be sought for Mount Greylock, particularly given the opportunities presented by the existing Thunderbolt Trail.
- **LOCAL DEMAND:** Jiminy Peak Mountain Resort highlights local and regional demand for the types of facilities, amenities, and outdoor recreation offerings proposed at the Greylock Glen Resort, and the potential for year-round operations. The success of the Interlarken Inn reflects the ability to draw demand from a large drive-in market. Adams and the Greylock Glen Resort will have similar market potential.

- **ACCOMODATIONS:** Quality accommodation is key to attracting visitors to each of the case study facilities. Costanoa Lodge offers the most diversity with respect to the types of accommodation available. The inclusion of a campground with cabins at Greylock Glen Resort will expand the potential market for visitors. The scale and quality of accommodation and meeting space at Lied Lodge is comparable to what is proposed at Greylock Glen.

- **DIVERSE ACTIVITIES:** The diversity of activities offered at Sleeping Lady Resort and Conference Center closely reflects the diverse activities that will be available at Greylock Glen Resort. The anticipated mix of uses and the conversations that the Town has had with potential tenants and operators for the Outdoor Center, especially MCLA, Mass Audubon and AMC, indicate that the proposed Greylock Glen resort will fill a void in the northern Berkshires and would be of great interest to the region. The potential for major event(s) should also be explored, as they would providing publicity and also serve as an additional demand and revenue generator for the overall project.

SECTION 5

INTERVIEWS SUMMARY

INTERVIEWS SUMMARY

In order to evaluate the market potential for the proposed Greylock Glen Resort, Johnson Consulting conducted in-person and telephone interviews with a variety of key stakeholders including economic development officials, business leaders, and potential users of the proposed facilities, among others. Observations from our primary research, coupled with feedback provided to Johnson Consulting through the interview process, helped frame and substantiate the recommendations presented in the following Section of this report.

Notable individuals, groups and organizations interviewed include:

- Berkshire Regional Planning Commission.
- Berkshire Chamber of Commerce.
- Berkshire Visitors Bureau.
- 1Berkshire.
- Pro Adams.
- Berkshire Outfitters.
- Thunderbolt Ski Runners.
- Massachusetts Museum of Contemporary Art (MASS MoCA).
- Management of Comparable Resorts and Facilities.
- Regional Developers' Attorney.
- Town of Adams.

The above groups represent a broad spectrum of interest in the recreation, education, retail, hospitality, business, tourism, and economic development sectors and many are intimately familiar with the local area, the site, and the overall concept for the proposed Resort. Some of the key issues and observations identified by the interviewees are summarized under the following subheadings.

CURRENT MARKET DYNAMICS

- The Berkshires are once again becoming an area where people want to invest. This is evidenced by recent hotel developments, the expansion of the MASS MoCA, and other similar tourism and economic development investments throughout the area. National demographics support this type of investment and this project complements the types of products already in the market.
- The visitor economy is the second fastest growing industry sector in the region, behind healthcare. Cultural amenities are the number one attraction in the local and regional areas.

- Outdoor recreation is continuing to gain momentum as a popular activity particularly among the younger population.

SITE DYNAMICS

- The Town of Adams is centrally located and has immense potential to attract visitors from a wide catchment area. Although Adams has yet to be as successful as surrounding areas in establishing itself as a tourist destination, a number of key factors make it ripe to do so. Indeed, Mount Greylock Summit (located within Adams) and the 12,500-acre Mount Greylock State Reservation; the Commonwealth's flagship State park, are already highly popular attributes that will be further leveraged by the proposed Resort. In 2015, the Mount Greylock Summit attracted approximately 165,000 visitors.
- The location of the site in close proximity to a number of school districts means that the educational component can have a large impact on the local and regional areas, drawing visitors from a wide catchment. The proposed development will play a key role in enhancing education at local schools.
- From July 4th through Labor Day Mount Greylock experiences peak demand. During the winter months, the Thunderbolt Ski Trail is a unique resource and is very popular for backcountry skiing. Thunderfest is held annually in March in downtown Adams and attracts close to 3,000 visitors. Similarly, each Fall Ramblefest is a popular festival held in conjunction with the Town's annual Mount Greylock 'Ramble to the Summit'. There is a need to drive demand to the local area in April-May and November-December.

PROJECT-SPECIFIC DYNAMICS

- The proposed project will have four key target markets – residents, tourists, schools, and businesses. The amenities need to be designed to reflect the needs and desires of this range of potential users.
- The campgrounds will be a great addition to the local and regional areas, leveraging the scenic beauty of Mount Greylock. Currently, there is very limited camping at Mount Greylock State Reservation and all sites are hike-in only. The proposed campgrounds will also serve to complement the onsite lodging by offering a more affordable alternative, thereby broadening the demand base of the project.
- Linkages with MASS MoCA could drive programming of events at the amphitheater. This has potential to attract local residents and visitors alike.
- The proposed project presents a unique opportunity to turn a limited trail system into a highly attractive and expanded multi-use trail network. Lighting and signage will be of key importance.
- Overall the proposed project is of a scale and quality that will change the image of Adams and significantly enhance the inventory of recreational amenities throughout the northern Berkshires area. The balance between environmental protection and economic growth that is expected by the project will create an invaluable amenity for the local and regional markets.

OBSERVATIONS

Overall, the interviews revealed a high level of support for the proposed Greylock Glen Resort. A number of interviewees identified the immense potential of the site to leverage the scenic beauty and recreational opportunities and provide improved amenities for residents and tourists alike. There was a general consensus that the proposed mix of facilities responds to market needs and desires and strikes a balance between environmental protection and the potential for economic development. Indeed, the proposed project is viewed by many as a needed “game changer” for Adams with respect to establishing itself as a destination for outdoor recreation and education.

SECTION 6

FACILITY PROGRAM RECOMMENDATIONS

FACILITY PROGRAM CONFIRMATION/RECOMMENDATIONS

Based upon the research and analyses presented in prior sections of this report, and building up the recommendations made in our prior 2004 study for the Commonwealth, Johnson Consulting has prepared an independent assessment of the market potential for the proposed Resort as currently proposed.

IDENTIFIED OPPORTUNITY

Our 2004 study contemplated 3 alternative development scenarios, as follows:

- **NOMINAL IMPACT DEVELOPMENT AREA (NIDA):** Assumes that the land is developed minimally and that there would just be an information kiosk, ADA-accessible trail, trail maps, and modest bathroom facilities. This low cost inducement scenario would orient the property towards conservation.
- **LOW IMPACT DEVELOPMENT AREA (LIDA):** Comprises an arrival and parking area that provides both a visual connection to Adams and the summit of Mount Greylock, a lodging area containing 10 rustic cabins and a bunk house, a nature center, open space that allows various recreational uses, an ADA-accessible trail and modest trail improvements, an isolated 75-site tent camping area, an interpretive wetlands area, variable trails throughout the site, and limited vehicular access. This higher level of investment, relative to the NIDA scenario, is viewed as the minimum investment needed to begin to gain identity regionally.
- **MODERATE IMPACT DEVELOPMENT AREA (MIDA):** Expands upon the LIDA scenario and increases densities to include 20 rustic cabins, 50 camper sites in addition to the 75 tent sites, a more defined nature center that offers 4,000 square feet of classroom and exhibit space, 5,000 square feet of meeting space, a 600-seat outdoor entertainment pavilion, and 1,500 square feet of retail space.

Our study recommended that at a minimum the LIDA development scenario be pursued, with the potential to evolve to MIDA or even higher densities. This follows the organic evolution of many of the case study recreation and education facilities profiled in this analysis, which demonstrates the possibility for a project to begin as nominal development, grow into “low impact”, and then further grow into a development that creates “moderate impact”.

Since the time of our study, the culture and recreation markets have continued to grow and expand, further reinforcing the region’s reputation as a world-class tourist destination and adding to the overall potential for the proposed Greylock Glen Resort. What has evolved since our prior study has taken thousands of hours of thought and analysis by the Town, State, and their consultants and technical analysts to evolve. What has been conceived is absolutely on point and truly advances the vision that was initially considered.

FACILITY RECOMMENDATIONS

As presented in the introduction to this report, the proposed development will include the following:

- **OUTDOOR CENTER:** An 11,000 square foot multi-purpose facility that will house the welcome center, concessions, classrooms, exhibits, field station, and Nordic Ski Center, offering ski equipment rental, lessons and lockers. The Outdoor Center will function as an environmental education center, with potential programming by the Massachusetts Audubon Society and MCLA, focused upon local ecology, sustainable development, and environmental artwork.
- **CAMPGROUND:** 140 sites, with a mix of tent sites, rustic cabins, and eco-shelters, as well as a limited number of small RV sites (no hook-ups will be offered). Amenities will include restrooms, hot showers, swimming pool, group camping area, and a camp store. The campground is expected to be privately operated via a land lease.
- **MULTI-USE TRAIL SYSTEM:** Expansion and improvement of existing trails network and connections to State Reservation trails. The trails will be designed for walking, hiking, mountain biking, snowshoeing, and Nordic skiing, and will include a 1.5 kilometer accessible Interpretive Nature Trail near the environmental education center. This will tie into the Ashuwillticook Rail Trail that goes through the Town of Adams and the entire trail system on Greylock Mountain, which will be improved consistently by the State and other parties over the course of time.
- **PERFORMING ARTS AMPHITHEATER AND OUTDOOR ENVIRONMENTAL ART:** A 2,500-seat amphitheater, with music and entertainment programming potentially by MASS MoCA, as well as opportunities for additional festivals, lectures, and theatrical performances. Outdoor Art exhibits will also be presented, designed to enhance the overall visitor experience.
- **LODGING AND MEETING FACILITIES:** Thunderbolt Lodge and Conference Center will provide up to 170 lodging rooms, along with state-of-the-art conference facilities. The lodging facility is a critical component of the overall development, reflecting the Town's desire to grow tourism in the local economy. The lodging and conference space will be privately owned and operated.

The proposed Resort will be designed to protect the unique, natural features of Greylock Glen, while also providing economic development. The proposed project elements will be oriented towards the public, with the intention to create local, regional, and state economic benefits. Strong linkages to the Town of Adams is also an important element of the overall design.

Our assessment of the market opportunity for the various program elements indicates demand for a new lodging facility in the range of 120-150 guestrooms, supported by 6,000 to 8,000 square feet of multi-purpose meeting space. We agree with the recommendations and observations set forth in Pinnacle Advisory Group's 2011 Eco-Resort and Conference Center assessment, which indicate potential for the facility to be expanded to comprise 170 guestrooms and up to 10,000 square feet of meeting space. This is significantly larger than the

scale of lodging facilities at comparable projects, although its size does reflect the desire of the Town of Adams to grow tourism in the local economy. It also reflects the potential to attract larger association groups and school groups.

The Outdoor Center will anchor the overall Resort in terms of orienting its focus to outdoor recreation. The inclusion of a welcome center, classrooms, concessions, and other amenities is consistent with offerings at comparable projects and reflects the overall scale and vision for the proposed project at Greylock Glen. The multi-use trail system will be the longest among the comparable facilities profiled in the preceding section of this report. Connectivity with the Town of Adams will be invaluable with respect to the overall accessibility of the project.

The current proposal also includes the 140-site Campground, which reflects the recommendations included in Pinnacle Advisory Group's 2016 Campground assessment, and is consistent with camping facilities at comparable projects. An amphitheater as proposed will add to overall appeal and demand, raising awareness of the overall project, and if programmed by MASS MoCA, strengthen opportunities for regional tourism development and cross-marketing.

CONCLUSION

Based upon our assessment of the market opportunity for the proposed Resort, as well as our analysis of competitive and comparable facilities, we believe that the proposed building program is economically viable. This investment will result in a product that will further help advance the long-term attractiveness of Adams and the broader region from a tourism perspective, leveraging and helping to grow the established and expanding cultural and recreational resource bases. The Lodge and Conference Center is expected to be operated by the private sector, while the Campground could be operated by a private entity or a not-for-profit organization. Success at doing this is amply illustrated by the case studies presented in this report. The Nordic Ski Center will be operated as a concession, while the Amphitheater and Trail network will be a non-profit operations.

The higher risk components are the Amphitheater and the Lodge, but there are strategies that exist to phase these in and/ or make them more modest. The balance of the project can advance without compromise as these more complex and capital intensive projects are executed. It is hoped that the full vision for the proposed Resort will be accomplished. Overall we agree with the operating strategy proposed.

SECTION 7
OPERATING PROJECTIONS

OPERATING PROJECTIONS

Johnson Consulting has developed operating projections for the proposed Greylock Glen Resort pursuant to the proposed facility program described in the preceding Section of this report. Critical to the success of the project and attracting the level of visitation and business projected below, will be the operation and organizational structure of the facilities. It is assumed that the Town of Adams will continue to be master developer, and each project will be undertaken with a concessionaire developing the individual project component. Some form of CAM charge and land lease will serve as an income stream for the Town/Glen Administration. It is also assumed that the Town will continue to seek grants for the project to supplement operations, hedging the Town against liability for operations exposure.

ESTIMATED DEVELOPMENT BUDGET

The following table presents a summary of the estimated capital budget for the proposed Resort, by project element.

Table 7 - 1

Proposed Greylock Glen Resort Summary of Development Budget (\$000)		
	Size/ Capacity	Estimated Cost
Hard Costs		
Trails and Outdoor Recreation	32.6 miles*	\$2,708
Campground	140 sites	5,162
Outdoor Center	11,000 SF	4,166
Amphitheater	2,500 seats	7,254
Nordic Ski Center	4.6 miles**	1,712
Thunderbolt Lodge	170 rooms	20,561
	10,000 SF***	
Maintenance/ Utilities	All Grounds	1,451
Total Hard Costs		\$43,014
Soft Costs		\$10,128
Total Costs		\$53,142
* Includes upgrades to existing trails, new trails, bridges, signage, landscaping etc.		
** Includes lighting and snowmaking		
*** Maximum potential meeting space		
Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting		

As shown, the total development cost is estimated at \$53.1 million, including \$43.0 million in hard costs and an allowance of \$10.2 million in soft costs. Thunderbolt Lodge and Conference Center will incur the highest capital cost of \$20.5 million, representing 47.8 percent of the overall hard costs associated with the proposed project. It is noted that this project element is independent of the balance of the project and will proceed once a developer is selected.

OPERATING PROJECTIONS

The following table presents a summary of the projected operating statement for the proposed Resort, by major project element, for the first 5 full years of operation, as well as projections for Years 10 and 20. Revenues include all revenues that can be used for operations. All revenues and expenses are inflated at an annual rate of 3.0 percent. While all project elements are shown to occur in Year 1, some may be phased in over time, affecting the annual revenue and expense amount by the respective amounts for each project element. Each is analyzed separately as well, so the reader can see which uses are major cash contributors and which need maximum grant giving to hedge risk.

Table 7 - 2

Proposed Greylock Glen Resort Summary of Operations by Facility (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Outdoor Center							
1 Revenues	\$553	\$570	\$587	\$605	\$623	\$722	\$970
2 Expenses	477	492	506	521	537	623	837
3 Operating Income	\$76	\$78	\$81	\$83	\$86	\$99	\$134
4 Capital Reserve	17	17	17	18	18	21	29
5 Net Cash Flow	\$60	\$61	\$63	\$65	\$67	\$78	\$105
Nordic Ski Center							
6 Revenues	\$809	\$834	\$859	\$885	\$911	\$1,056	\$1,419
7 Expenses	535	551	567	584	602	697	937
8 Operating Income	\$275	\$283	\$292	\$300	\$309	\$359	\$482
9 Capital Reserve	24	25	26	27	27	32	43
10 Taxes	0	0	0	0	0	116	170
11 Debt Service Payments	105	105	105	105	105	105	105
12 Net Cash Flow	\$146	\$153	\$161	\$169	\$177	\$106	\$165
Campground and Cabins							
13 Revenues	\$1,390	\$1,545	\$1,591	\$1,639	\$1,688	\$1,957	\$2,630
14 Expenses	840	929	957	985	1,015	1,318	1,771
15 Operating Income	\$550	\$616	\$634	\$653	\$673	\$639	\$858
16 Capital Reserve	49	54	56	57	59	68	92
17 Taxes	51	79	87	96	106	100	204
18 Debt Service Payments	262	262	262	262	262	262	270
19 Net Cash Flow	\$188	\$221	\$229	\$238	\$246	\$208	\$292
Trails and Maintenance (Glen Administration)							
20 Revenues	\$562	\$578	\$596	\$614	\$632	\$733	\$985
21 Expenses	443	456	469	484	498	577	776
22 Operating Income	\$119	\$123	\$126	\$130	\$134	\$155	\$209
23 Capital Reserve	17	17	18	18	19	22	30
24 Net Cash Flow	\$102	\$105	\$108	\$112	\$115	\$133	\$179
Amphitheater							
25 Revenues	\$2,981	\$3,070	\$3,162	\$3,257	\$3,355	\$3,889	\$5,227
26 Expenses	2,540	2,617	2,695	2,776	2,859	3,315	4,455
27 Operating Income	\$440	\$454	\$467	\$481	\$496	\$575	\$772
28 Capital Reserve	89	92	95	98	101	117	157
29 Debt Service Payments	277	277	277	277	277	277	286
30 Net Cash Flow	\$73	\$84	\$95	\$106	\$117	\$180	\$330
Thunderbolt Lodge and Conference Center							
31 Revenues	\$7,986	\$8,974	\$10,041	\$10,314	\$10,623	\$12,315	\$16,550
32 Expenses	5,502	6,160	6,871	7,059	7,270	9,151	12,298
33 Operating Income	\$2,484	\$2,813	\$3,170	\$3,255	\$3,353	\$3,164	\$4,253
34 Capital Reserve	240	269	301	309	319	369	497
35 Taxes	216	353	501	541	587	548	1,092
36 Debt Service Payments	1,238	1,238	1,238	1,238	1,238	1,238	1,238
37 Net Cash Flow	\$790	\$953	\$1,129	\$1,166	\$1,209	\$1,009	\$1,426
25 COMBINED Net Cash Flow	\$1,359	\$1,578	\$1,786	\$1,856	\$1,933	\$1,715	\$2,496
26 Capital Reserve Balance	\$435	\$475	\$513	\$527	\$543	\$630	\$846
27 Non-Earned Revenues*							

* Allowance for non-earned revenues such as grants, donations, gifts, fund-raising, etc. This will impact the overall cash flow of the project.

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

The combined net cash flow for the proposed Resort is expected to total \$1.4 million in Year 1, increasing to \$1.9 million in Year 5, before contracting slightly to \$1.7 million in Year 10, reflecting the fact that some land uses will be exempt from property taxes for the first 5 years, and then increasing to \$2.5 million in Year 20. These figures account for capital reserve, debt service, and taxes, as well as Common Area Maintenance (CAM) expenses. Given the inherent risk associated with projects such as this, we estimate that our projections within a 20 percent confidence level. As such, it is assumed to be approximately breakeven, consistent with comparable projects.

Our projections assume that some level of non-operating revenue will be generated and applied to the project, through grants, gifts, fund-raising, donations, and so on. In the interest of remaining conservative, particularly given that these revenues may fluctuate significantly year-to-year and will directly reflect management decisions, we have not applied a dollar amount to this line item.

OUTDOOR CENTER

The following table presents a summary of operating projections for the Outdoor Center for Years 1 through 5, Year 10 and Year 20. It is assumed that the Glen Administration will own the capital asset and will receive lease income from tenants. No CAM or land lease income is expected to be earned from this project element. All revenues and expenses are inflated at an annual rate of 3.0 percent.

Table 7 - 3

Proposed Greylock Glen Resort Outdoor Center Facility Operating Projections (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Revenues							
1 Admissions and Programs	\$216	\$223	\$230	\$237	\$244	\$282	\$380
2 Food Service/ Retail	212	218	225	232	239	277	372
3 Lease Payments	125	129	133	137	141	163	219
4 Total Revenues	\$553	\$570	\$587	\$605	\$623	\$722	\$970
Expenses							
5 Programming Expenses	\$322	\$332	\$342	\$352	\$363	\$421	\$566
6 Food Service/ Retail Expense	155	159	164	169	174	202	271
7 Total Expenses	\$477	\$492	\$506	\$521	\$537	\$623	\$837
8 EBIDA	\$76	\$78	\$81	\$83	\$86	\$99	\$134
9 Capital Reserve	\$17	\$17	\$17	\$18	\$18	\$21	\$29
10 Cash Available for Debt Service	\$60	\$61	\$63	\$65	\$67	\$78	\$105
11 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Net Cash Flow	\$60	\$61	\$63	\$65	\$67	\$78	\$105

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

Key assumptions and projections are summarized as follows:

- **REVENUES:** Revenues are projected to total \$553,000 in Year 1, increasing to \$623,000 in Year 5, \$722,000 in Year 10 and \$970,000 in Year 20.
- **EXPENSES:** Operating expenses are projected to total \$477,000 in Year 1, increasing to \$537,000 in Year 5, \$623,000 in Year 10 and \$837,000 in Year 20. The largest expense is expected to be attributed to education and activity programming (\$363,000 or 67.6 percent of operating expenses in Year 5).
- **CASH FLOW:** The Outdoor Center is projected to report a positive net cash flow of \$60,000 in Year 1, increasing to \$67,000 in Year 5, \$78,000 in Year 10, and \$105,000 in Year 20.

NORDIC SKI CENTER

The following table presents a summary of operating projections for the Nordic Ski Center for Years 1 through 5, Year 10 and Year 20. It is assumed that lease payments will be made to the Glen Administration, although these are not included in the proforma. All revenues and expenses are inflated at an annual rate of 3.0 percent.

Table 7 - 4

Proposed Greylock Glen Resort Nordic Ski Center Facility Operating Projections (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Revenues							
1 Tickets	\$434	\$447	\$460	\$474	\$488	\$566	\$760
2 Food Service/Retail	376	387	399	411	423	491	659
3 Total Revenues	\$809	\$834	\$859	\$885	\$911	\$1,056	\$1,419
Expenses							
4 Operations	\$535	\$551	\$567	\$584	\$602	\$697	\$937
5 Total Expenses	\$535	\$551	\$567	\$584	\$602	\$697	\$937
6 EBITDA	\$275	\$283	\$292	\$300	\$309	\$359	\$482
7 Capital Reserve	\$24	\$25	\$26	\$27	\$27	\$32	\$43
8 Taxes	0	0	0	0	0	116	170
9 Cash Available for Debt Service	\$251	\$258	\$266	\$274	\$282	\$211	\$270
10 Debt Service Payment	\$105	\$105	\$105	\$105	\$105	\$105	\$105
11 After-Tax Cash Flow	\$146	\$153	\$161	\$169	\$177	\$106	\$165

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

Key assumptions and projections are summarized as follows:

- **VISITOR ASSUMPTIONS:** The projections assume 29,000 visitors to the Nordic Ski Center annually, and that the operator will make efforts to optimize bike, hiking and camping gear, paddle boards and/

or kayaks, and similar equipment rentals during the warmer months. This responsibility will be stated in their lease agreement.

- **REVENUES:** Revenues are projected to total \$809,000 in Year 1, increasing to \$911,000 in Year 5, \$1.1 million in Year 10 and \$1.4 million in Year 20. This is in line with comparable facilities.
- **EXPENSES:** Operating expenses are projected to total \$535,000 in Year 1, increasing to \$602,000 in Year 5, \$697,000 in Year 10 and \$937,000 in Year 20.
- **EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITA):** Earnings are projected to total \$275,000 in Years 1, increasing to \$309,000 in Year 5, \$359,000 in Year 10, and \$482,000 in Year 20.
- **CASH FLOW:** After capital reserve, taxes and debt service payments the facility is expected to achieve a net positive cash flow of \$146,000 in Year 1 and increasing to \$177,000 in Year 5, before contracting to \$106,000 in Year 10, reflecting the assumption that no property taxes will be payable during the first 5 years of operation, and then increasing to \$165,000 in Year 20.

CAMPGROUND

The following table presents a summary of operating projections for the Campground for Years 1 through 5, Year 10 and Year 20. This project element will be subject to CAM and land lease charges, although the latter are not shown in the proforma. All revenues and expenses are inflated at an annual rate of 3.0 percent.

Table 7 - 5

Proposed Greylock Glen Resort Campground & Cabins Facility Operating Projections (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Revenues							
1 Camping	\$342	\$380	\$392	\$403	\$416	\$482	\$647
2 Lodging	945	1,050	1,081	1,114	1,147	1,330	1,788
3 Camp Store Sales	103	114	118	121	125	145	195
4 Total Revenues	\$1,390	\$1,545	\$1,591	\$1,639	\$1,688	\$1,957	\$2,630
Expenses							
5 Camping Operations	\$186	\$207	\$213	\$220	\$226	\$262	\$352
6 Lodging Operations	514	571	588	606	624	724	972
7 Store Sales	88	97	100	103	106	123	166
8 Insurance	12	12	13	13	14	16	21
9 Real Estate Tax	0	0	0	0	0	141	190
10 CAM	40	41	42	44	45	52	70
11 Total Expenses	\$840	\$929	\$957	\$985	\$1,015	\$1,318	\$1,771
12 EBITDA	\$550	\$616	\$634	\$653	\$673	\$639	\$858
13 Capital Reserve	\$49	\$54	\$56	\$57	\$59	\$68	\$92
14 Taxes	51	79	87	96	106	100	204
15 Cash Available for Debt Service	\$450	\$483	\$491	\$500	\$508	\$470	\$562
16 Debt Service Payment	\$262	\$262	\$262	\$262	\$262	\$262	\$270
17 Net Cash Flow	\$188	\$221	\$229	\$238	\$246	\$208	\$292

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

Key assumptions and projections are summarized as follows:

- **VISITOR ASSUMPTIONS:** The projections assume 33,309 visitors to the Campgrounds annually, utilizing tent sites, pull-in sites, yurts and cabins.
- **REVENUES:** Revenues are projected to total \$1.4 million in Year 1, increasing to \$1.7 million in Year 5, close to \$2.0 million in Year 10, and \$2.6 million in Year 20. This is in line with comparable facilities, as well as those presented in the Pinnacle Advisory Group's 2016 study. A \$2.00 per night Glen Administration fee will be assessed for each night of rental and added to the CAM fund.
- **EXPENSES:** Operating expenses are projected to total \$840,000 in Year 1, increasing to \$1.0 million in Year 5, \$1.3 million in Year 10, and \$1.8 million in Year 20. The largest expense is attributed to operations of the lodging component of the campground, accounting for 61.5 percent of total expenses in Year 5.
- **EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITA):** Earnings are projected to total \$550,000 in Year 1 and increasing to \$673,000 in Year 5, before contracting to

\$639,000 in Year 10, reflecting the fact that property taxes will not be payable during the first 5 years of operation, and then increasing to \$858,000 in Year 20.

- **CASH FLOW:** After capital reserve, taxes and debt service payments the facility is expected to achieve a net positive cash flow of \$188,000 in Year 1 and increasing to \$246,000 in Year 5, before contracting to \$208,000 in Year 10, and then increasing to \$292,000 in Year 20.

TRAIL SYSTEM

The following table presents a summary of operating projections for the Trail System and Common Area Maintenance for Years 1 through 5, Year 10 and Year 20. All revenues and expenses are inflated at an annual rate of 3.0 percent.

Table 7 - 6

Proposed Greylock Glen Resort Trails and Maintenance (Glen Administration) Facility Operating Projections (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Revenues							
1 Parking	\$87	\$90	\$92	\$95	\$98	\$114	\$153
2 Pavilion Rental	24	25	25	26	27	31	42
3 CAM Allocations	301	310	319	328	338	392	527
4 Lease Payments	150	155	159	164	169	196	263
5 Total Revenues	\$562	\$578	\$596	\$614	\$632	\$733	\$985
Expenses							
6 Maintenance Staff	\$188	\$193	\$199	\$205	\$211	\$245	\$329
7 Equipment & Supplies	180	185	191	197	203	235	316
8 Overhead, Marketing, Insurance	75	77	80	82	84	98	132
9 Total Expenses	\$443	\$456	\$469	\$484	\$498	\$577	\$776
10 EBITDA	\$119	\$123	\$126	\$130	\$134	\$155	\$209
11 Capital Improvements	\$17	\$17	\$18	\$18	\$19	\$22	\$30
12 Net Cash Flow	\$102	\$105	\$108	\$112	\$115	\$133	\$179

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

Key assumptions and projections are summarized as follows:

- **VISITOR ASSUMPTIONS:** The projections assume 38,250 visitors will utilize the trail network annually.
- **REVENUES:** Revenues are projected to total \$562,000 in Year 1, increasing to \$632,000 in Year 5, \$733,000 in Year 10, and \$985,000 in Year 20. This is in line with comparable trail networks.
- **EXPENSES:** Operating expenses are projected to total \$443,000 in Year 1, increasing to \$498,000 in Year 5, \$577,000 in Year 10 and close to \$776,000 in Year 20.

- **CASH FLOW:** After capital improvements, the trail network is expected to achieve a positive cash flow of \$102,000 in Year 1, increasing to \$115,000 in Year 5, \$133,000 in Year 10, and \$179,000 in Year 20.

Not included in the cash flow analysis is an assumed aggressive donation program for use of the trails and grounds. Also, it is assumed the State will tie into this trail system, and there may be some support from the State for major capital projects throughout the project site and surrounding area.

PERFORMING ARTS AMPHITHEATER

The following table presents a summary of operating projections for the Amphitheater for Years 1 through 5, Year 10 and Year 20. A \$2.00 ticket fee will be assessed for each ticket sold and be treated like a CAM fee. All revenues and expenses are inflated at an annual rate of 3.0 percent.

Table 7 - 7

Proposed Greylock Glen Resort Amphitheater Facility Operating Projections (\$'000)							
Line	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
Revenues							
1 Tickets	\$2,419	\$2,491	\$2,566	\$2,643	\$2,722	\$3,156	\$4,241
2 Food Service/ Retail	562	579	597	614	633	734	986
3 Total Revenues	\$2,981	\$3,070	\$3,162	\$3,257	\$3,355	\$3,889	\$5,227
Expenses							
4 Bookings	\$988	\$1,018	\$1,048	\$1,080	\$1,112	\$1,289	\$1,733
5 Operating Costs	1,013	1,044	1,075	1,107	1,141	1,322	1,777
6 CAM Payment	129	132	136	140	145	168	225
7 Food Service/ Retail	410	423	435	449	462	536	720
8 Total Expenses	\$2,540	\$2,617	\$2,695	\$2,776	\$2,859	\$3,315	\$4,455
9 EBITDA	\$440	\$454	\$467	\$481	\$496	\$575	\$772
10 Capital Reserve	\$89	\$92	\$95	\$98	\$101	\$117	\$157
11 Cash Available for Debt Service	\$351	\$361	\$372	\$383	\$395	\$458	\$615
12 Debt Service	\$277	\$277	\$277	\$277	\$277	\$277	\$286
13 Net Cash Flow	\$73	\$84	\$95	\$106	\$117	\$180	\$330

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

Key assumptions and projections are summarized as follows:

- **ATTENDANCE ASSUMPTIONS:** The projections assume a programming partnership with an experienced entity, such as MASS MoCA. In addition to ticketed events, it is assumed that the amphitheater will be used for free entertainment events throughout the year.

- **TICKET PRICES ASSUMPTIONS:** The projections assume two tiers of ticket prices – fixed seats and lawn seating. For the purpose of our projections, we have assumed a ticket price of \$55 per person for seats and \$20 per person for lawn seating. This is consistent with similar facilities and reflects the cost of cultural activities within the local marketplace.
- **REVENUES:** Revenues are projected to total \$3.0 million in Year 1, increasing to \$3.4 million in Year 5, \$3.9 million in Year 10 and \$5.2 million in Year 20. The largest revenue generator is expected to be ticket sales, with a small amount of revenue also expected to come from concessions and retail sales. This is in line with comparable facilities.
- **EXPENSES:** Operating expenses are projected to total \$2.5 million in Year 1, increasing to \$2.9 million in Year 5, \$3.3 million in Year 10 and \$4.5 million in Year 20. The largest expenses are expected to be attributed to overall operating costs and booking services.
- **CASH FLOW:** After capital reserve and debt service the facility is expected to achieve a net positive cash flow of \$73,000 in Year 1, increasing to \$117,000 in Year 5, \$180,000 in Year 10, and \$330,000 in Year 20.

It is noted that the above scenario assumes that the venue becomes host to an annual music festival or some other ticketed events by the Town and independent promoters. There are alternate operating models for this venue and it could have almost no events and be operated at minimal cost, although under this scenario, an annual sustaining fund may be needed.

THUNDERBOLT LODGE AND CONFERENCE CENTER

The following table presents a summary of operating projections for Thunderbolt Lodge for Years 1 through 5, Year 10 and Year 20. This analysis builds off the independent feasibility study prepared by Pinnacle Advisory Group, and updated by Johnson Consulting. It is assumed that lease payments will be made to the Glen Administration, although these are not included in the proforma. All revenues and expenses are inflated at an annual rate of 3.0 percent.

Table 7 - 8

Proposed Greylock Glen Resort Thunderbolt Lodge Facility Operating Projections (\$'000)								
Line	Year 1 %	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 10 2027	Year 20 2037
1 Number of Rooms		170	170	170	170	170	170	170
2 Available Room Nights		62,050	62,050	62,220	62,050	62,050	62,050	62,050
3 Occupancy Rate		55%	60%	65%	65%	65%	65%	65%
4 Occupied Room Nights		34,128	37,230	40,443	40,333	40,333	40,333	40,333
5 ADR		\$169.00	\$174.07	\$179.29	\$184.67	\$190.21	\$220.51	\$296.34
6 % ADR Growth			3%	3%	3%	3%	3%	3%
7 RevPAR		\$92.95	\$104.44	\$116.54	\$120.04	\$123.64	\$143.33	\$192.62
8 % RevPAR Growth			12%	12%	3%	3%	3%	3%
Revenues								
9 Lodging	72.2%	\$5,768	\$6,481	\$7,251	\$7,448	\$7,672	\$8,894	\$11,952
10 Meeting Space	0.9%	71	80	89	92	94	109	147
11 Event Revenue	6.9%	550	618	691	710	732	848	1,140
12 Fitness Center	0.5%	43	48	53	55	57	66	88
13 Food Service	14.1%	1,125	1,264	1,415	1,453	1,497	1,735	2,332
14 Other Revenue	5.4%	430	483	541	555	572	663	891
15 Total Revenue	100%	\$7,986	\$8,974	\$10,041	\$10,314	\$10,623	\$12,315	\$16,550
Expenses								
16 Lodging	26%	\$1,513	\$1,700	\$1,902	\$1,954	\$2,013	\$2,333	\$3,136
17 Meeting Facility	50%	35	40	45	46	47	55	73
18 Social Event Expense	50%	275	309	346	355	366	424	570
19 Fitness Center	50%	21	24	27	27	28	33	44
20 Food Service	73%	821	923	1,033	1,061	1,093	1,267	1,702
21 Other Expense	73%	314	353	395	405	418	484	651
22 Total Operating Expenses	37%	\$2,980	\$3,349	\$3,747	\$3,849	\$3,964	\$4,595	\$6,176
23 Departmental Operating Income	63%	\$5,006	\$5,625	\$6,294	\$6,465	\$6,659	\$7,719	\$10,374
Undistributed Operating Expenses								
24 A&G Expenses	13%	\$1,077	\$1,210	\$1,354	\$1,391	\$1,432	\$1,660	\$2,231
25 O&M Expense	7%	538	605	677	695	716	830	1,116
26 Utilities Expense	5%	431	484	541	556	573	664	893
27 Total	26%	\$2,046	\$2,299	\$2,572	\$2,642	\$2,721	\$3,155	\$4,240
28 Gross Operating Profit	37%	\$2,960	\$3,326	\$3,722	\$3,823	\$3,938	\$4,565	\$6,135
Selected Fixed Charges								
29 Property Tax	0%	\$0	\$0	\$0	\$0	\$0	\$722	\$971
30 Insurance	1%	105	108	111	114	118	136	183
31 CAM Payment	2%	132	136	140	144	149	172	231
32 Total	3%	\$237	\$244	\$251	\$258	\$266	\$1,031	\$1,386
33 Income Before Management Fees	34%	\$2,724	\$3,083	\$3,471	\$3,564	\$3,671	\$3,534	\$4,749
34 Management Fee	3%	\$240	\$269	\$301	\$309	\$319	\$369	\$497
35 Income After Management Fees	31%	\$2,484	\$2,813	\$3,170	\$3,255	\$3,353	\$3,164	\$4,253
36 Capital Reserves	3%	\$240	\$269	\$301	\$309	\$319	\$369	\$497
37 EBITDA	28%	\$2,245	\$2,544	\$2,868	\$2,946	\$3,034	\$2,795	\$3,756
38 <i>NOI as % of Total Revenue</i>		28.1%	28.4%	28.6%	28.6%	28.6%	22.7%	22.7%
39 Taxes	3%	\$216	\$353	\$501	\$541	\$587	\$548	\$1,092
40 Cash Available for Debt Service	25%	\$2,028	\$2,191	\$2,367	\$2,404	\$2,447	\$2,247	\$2,664
41 Debt Service	16%	\$1,238	\$1,238	\$1,238	\$1,238	\$1,238	\$1,238	\$1,238
42 After-Tax Cash Flow	10%	\$790	\$953	\$1,129	\$1,166	\$1,209	\$1,009	\$1,426

Source: Development Proforma, Pinnacle Advisory Group, Johnson Consulting

Key assumptions and projections are summarized as follows:

- **OCCUPANCY ASSUMPTIONS:** The projections assume an occupancy rate of 55 percent, stabilizing at 65 percent by Year 5. These are in line with the assumed occupancy rates included in the 2011 Pinnacle Advisory Group study and reflect the seasonality of the proposed development. Based upon data from Smith Travel Research (STR), current occupancy rates throughout the Berkshires region average in the range of 70 to 73 percent. As such, our projections for the proposed Thunderbolt Lodge are considered to be reasonable and conservative.
- **ROOM RATE AND REVENUE ASSUMPTIONS:** The Average Daily Rate (ADR) of \$169.00 per room night and Revenue per Available Room (RevPAR) is assumed to be \$76.05 per available room in Year 1. These figures are inflated at 3 percent and 12 percent, respectively, throughout the projection period and are consistent with the rates projected in Pinnacle Advisory Group's 2011 study.
- **REVENUES:** Revenues are projected to total close to \$8.0 million in Year 1, increasing to \$10.6 million in Year 5, \$12.3 million in Year 10 and \$16.5 million in Year 20. The largest revenue generator is expected to be daily rates for the lodging, accounting for approximately 72.2 percent of total revenues, followed by food service, accounting for approximately 14.1 percent. Meeting space rental and event revenues are projected to account for an additional 7.8 percent of total revenues.
- **EXPENSES:** Operating expenses are projected to total close to \$3.0 million in Year 1, increasing to \$4.0 million in Year 5, \$4.6 million in Year 10 and \$6.2 million in Year 20. Similarly to operating revenue sources, the largest expense is expected to be attributed to lodging (\$1.5 million or 50.8 percent of operating expenses in Year 5), followed by food service (\$821,000 or 27.6 percent of operating expenses in Year 5).

Undistributed operating expenses, including administrative and general, operations and management, and utilities, are projected to total \$2.0 million in Year 1, \$2.7 million in Year 5, \$3.2 million in Year 10, and \$4.2 million in Year 20.

- **GROSS OPERATING INCOME (LOSS):** After accounting for operating expenses and undistributed operating expenses, the gross operating income of Thunderbolt Lodge is projected to be \$3.0 million in Year 1, increasing to \$3.9 million in Year 5, \$4.6 million in Year 10, and \$6.1 million in Year 20.
- **FIXED CHARGES:** These include property tax and insurance, which are calculated on a per room basis. It is noted that property taxes are assumed to be payable after the first 5 years of operations. Fixed charges also include CAM payments, estimated at 2.0 percent of gross revenues. Fixed charges are projected to total \$237,000 in Year 1, increasing to \$266,000 in Year 5, \$1.0 million in Year 10, and \$1.4 million in Year 20, reflecting the payment of property taxes from Year 6 onwards. Our projections assumed that a \$2.00 per night Glen Administration fee will be assessed for each room night and added to the CAM fund.

- **EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITA):** After accounting for fixed charges, management fees and capital reserves, earnings are projected to total \$2.2 million in Year 1 and increasing to \$3.0 million in Year 5, before contracting to \$2.8 million in Year 10, and then increasing to \$3.8 million in Year 20. These figure indicate that the net operating income as a proportion of total revenues will range from 28.1 percent in Year 1 up to 28.6 in Year 5, before dropping to 22.7 percent, again reflecting the assumption that property taxes will not be payable during the first 5 years of operation.
- **CASH FLOW:** After taxes and debt service the facility is expected to achieve a net positive cash flow of \$790,000 in Year 1 and increasing to \$1.2 million in Year 5, before contracting slightly to \$1.0 million in Year 10, and then increasing to \$1.4 million in Year 20, reflecting the property tax assumptions described above.

RISK FACTORS

There are a myriad of policy, management and operating decisions to be made from this point forward. Many of these are material and could affect demand and financial performance of the Resort. We consider there to be a number of specific risk factors associated with the proposed project, including but not limited to:

- Any changes to the management team.
- Inability to obtain assumed state and/or federal grant funds.
- Failure to find or choose appropriate facility operators and vendors, and not holding them accountable for the performance of the assets.
- A major economic downturn.
- Inability to obtain financing.

While all of these risk factors could have a significant impact on the project, the failure of any one element would be unlikely to result in the failure of the overall project.