

1971

# Development of a city campground at Giant Springs, near Great Falls, Montana

James Wendel Wilson  
*The University of Montana*

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THE DEVELOPMENT OF A CITY CAMPGROUND  
AT GIANT SPRINGS, NEAR  
GREAT FALLS, MONTANA

By

James W. Wilson

B. S., Texas A & M University, 1958

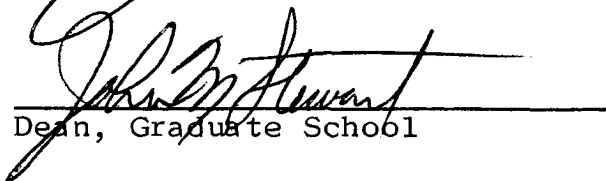
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of the requirements for the degree of  
Master of Business Administration

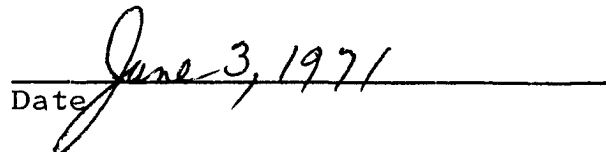
UNIVERSITY OF MONTANA

1971

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## CHAPTER I

### INTRODUCTION

#### Background

In times past, camping to most people meant a night under the stars on a lake or river bank with all of the comforts of home completely forgotten. Today, however, a camper<sup>1</sup> can choose to be as primitive or as well-equipped as he desires and his budget allows. People now have much more leisure time, and their tastes and affluence have permitted camping to become a major industry.

The camping industry has been greatly expanded to provide a vast selection of equipment. The output of recreational vehicles increased from 83,500 in 1961 to almost 500,000 in 1969. The Recreational Vehicle Institute forecasts 7.5 million recreational vehicles will be in use

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<sup>1</sup>Camper, as used in this study, refers to a person who camps. The one exception to this is the term pick-up camper, which is a type of recreational vehicle. Recreational vehicles refer to vehicles designed to be used as temporary living accommodations for recreation, travel, and camping.



by 1980. This is compared to three million recreational vehicles that were in use in December, 1969. Such demands for recreational vehicles, equipment, and campgrounds have brought many big companies into the industry.<sup>2</sup> Unfortunately, the construction of campground facilities has seriously lagged behind the production of recreational vehicles.<sup>3</sup> Older campgrounds, especially those in public parks, cannot meet the needs of modern campers. In the spring and summer of 1970, forty to fifty million persons attempted to crowd into only 600,000 camp sites across the country.<sup>4</sup> Any camper who has been to Yellowstone National Park in the peak of the tourist season knows the problem of finding a camping space.

The U.S. Air Force Strategic Air Command has realized that many military families travel with a trailer and has initiated the FAMCAMP program. Camping spaces with

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<sup>2</sup>"Billion Dollar Trip to the Wilds," Business Week, December 13, 1969, pp. 34-35.

<sup>3</sup>Recreational Vehicle Institute, Facts and Trends, Recreational Vehicle Industry (Des Plains, Illinois: Recreational Vehicle Institute, 1970), p. 14.

<sup>4</sup>V. Lee Oertle, "The New Look in Campgrounds," Popular Mechanics, May, 1970, p. 54.

electrical hook-ups and a bath house are being constructed on bases throughout the United States. One such camp, with nine trailer spaces, is programmed for Malmstrom Air Force Base in the near future.<sup>5</sup>

Montana recognizes tourism as the third largest revenue-producing industry in the state. In 1969, 3.3 million tourists spent an estimated \$163,281,000 in Montana, of which \$45 million was from Montana resident tourists. In 1970, approximately 3.8 million tourists visited Montana.<sup>6</sup> Through the development of adequate facilities and effective promotion, the tourist trade can be greatly stimulated and thus benefit the local economy. The State of Montana has developed the "Statewide Outdoor Recreation Plan" to prepare for and take advantage of the vast potential this state has to offer the tourist trade.<sup>7</sup> The Montana Highway Commission Advertising Department published a 1971 tourist pamphlet, Montana, The Big Sky Country, which is being sent free to

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<sup>5</sup>Malmstrom Minuteman, Great Falls, Montana, April 15, 1971, p. 1.

<sup>6</sup>Interview with Robert Wells, Manager, Great Falls Chamber of Commerce, March 9, 1971.

<sup>7</sup>"Statewide Outdoor Recreation Plan," A report prepared by the Montana Fish and Game Department, Helena, Montana, June, 1969.

potential Montana tourists. Finally, in recognition of the significance of the tourist trade, Governor Forrest H. Anderson declared April, 1971 as "Invite a Friend to Montana" month.

Part of the plan to improve the state's recreational facilities is included in "The Central Montana Recreation Complex," a study prepared for three sites: Giant Springs, Ulm Pishkun, and Hardy Creek.<sup>8</sup> This plan provides for improving the access road, increasing parking spaces, enhancing day use facilities, and enhancing the informational program at Giant Springs. House Bill No. 145, drafted by State Senator William H. Bertsche of Great Falls, would provide the money necessary to develop a State Park at Giant Springs.<sup>9</sup> Also, the Montana Fish and Game Department has plans to construct a new fish hatchery at Giant Springs. No camping or overnight facilities are planned for the State Park at Giant Springs.<sup>10</sup>

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<sup>8</sup>"The Central Montana Recreation Complex," A study prepared by the Montana Fish and Game Department, Helena, Montana, December, 1970.

<sup>9</sup>Great Falls Tribune, February 21, 1971, p. 13A.

<sup>10</sup>Interview with Robert Lund, Architect, March 17, 1971.

### Purpose and Objectives

The approach to new campground development is considered to fall into three stages:

- (1) Feasibility study
- (2) Sight survey
- (3) Selection of structural and construction types and methods.<sup>11</sup>

This study was concerned only with the feasibility of the City of Great Falls constructing an overnight campground<sup>12</sup> on property presently owned by The Montana Power Company. The primary objectives were to identify all costs associated with the development of a city campground and to evaluate the potential for income from such a project.

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<sup>11</sup>Ira B. Lykes, Recreational Vehicle Park Design and Management (Mill Valley, California: Rajo Publications, Inc., 1970), p. 13.

<sup>12</sup>An overnight campground is a stopping point for campers enroute to their destinations.

## CHAPTER II

### TOURIST ATTRACTIONS AND POTENTIAL

#### Attractions

Montana is rich in the legend and lore of the Old West. It has two of perhaps the most widely known national parks, Yellowstone National Park and Glacier National Park, near or within its boundaries. The Yellowstone National Park was the first park in the national park system. Fishing is rated among the best in the country with many miles of blue ribbon trout streams and hundreds of lakes. The unspoiled beauty of the Rocky Mountains to the west and the wide open spaces of the eastern plains continue to attract millions of tourists every year.

Great Falls, one of the largest cities in a five-state region, is a natural stopping point for the traveler between Glacier and Yellowstone National Parks, and for those traveling east and west on Montana Highway 200. The city itself and the immediate, surrounding area offer many points of interest that are often missed by the tourist

"just passing through." Giant Springs, first discovered by the Lewis and Clark Expedition in 1805, may be the world's largest fresh water springs. The C. M. Russell Art Gallery and Giant Springs are two of the top attractions in the state. Others are the Ulm Pishkun, the Great Falls of the Missouri, Malmstrom Air Force Base and missile complex, and numerous well-stocked fishing streams.

#### Demand

To determine the estimated demand for camping spaces in Great Falls, two approaches were taken. First, camping data for Cascade County, illustrated in terms of activity days<sup>1</sup> for residents and non-residents combined, was extracted from the Montana "Statewide Outdoor Recreation Plan."<sup>2</sup> The demand for camping spaces for 1970, 1975, and 1985 was computed by dividing the number of activity days by 300, which is three persons per camping party times a

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<sup>1</sup>An activity day is one person spending one day in a particular activity--in this case camping.

<sup>2</sup>"Statewide Outdoor Recreation Plan," Appendix A, pp. 7-8. Estimates in this plan were based on surveys conducted by the Montana Fish and Game Department for camping participation of Montana residents and the 1966 Montana Travel Study for non-residents.

100-day season.

1970 Demand in Cascade County:

Estimated Demand for Camping, in Activity Days =  
470,132.

$470,132 \div 300$  (3 persons per party for a 100-day  
season) = 1,567 camping spaces required.

From the inventory of Cascade County campgrounds (Table 1), the 1970 supply of campground spaces was only 328 spaces. Thus, the 1970 demand exceeded the 1970 supply by 1,239 spaces, or 378 per cent.

1975 Demand in Cascade County:

Estimated Demand for Camping, in Activity Days =  
550,982.

$550,982 \div 300 = 1,836$  camping spaces required.

1985 Demand in Cascade County:

Estimated Demand for Camping, in Activity Days =  
742,095.

$742,095 \div 300 = 2,473$  camping spaces required.

In the second approach, demand was estimated using tourist data obtained from the Great Falls Chamber of Commerce Tourist Information Center and from the Great Falls

TABLE 1

## INVENTORY OF CASCADE COUNTY CAMPGROUNDS

<u>Name</u>	<u>Fee</u>	<u>Number Trailer Spaces</u>	<u>Number Tent Spaces</u>	<u>Total Spaces</u>
Armington Junction Campground	\$2.00	15	40	55
River Ranch KOA <sup>a</sup>	3.00	60	50	117
Dick's Trailer Park	2.50	22	0	22
Red Wheel Campground	2.50	20	60	80
East Shore Motel	3.00	12	12	24
Missouri Meadows <sup>b</sup>	2.50	10	0	10
Non-listed Estimate <sup>c</sup>	-	<u>10</u>	<u>20</u>	<u>30</u>
Total		149	189	338

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<sup>a</sup>Only Armington Junction Campground and River Ranch KOA are bona fide campgrounds. All others are either a motel or mobile home parks with a small area set aside in an open space for travel trailers or tents.

<sup>b</sup>Not available until 1971.

<sup>c</sup>This estimate on non-listed campgrounds is made to cover camping areas along the Missouri River or at small communities, such as Ulm or Cascade.



1968 Update of Urban Transportation Plan.<sup>3</sup> The number of vehicles that stopped at the Information Center on Tenth Avenue, South in 1969 and 1970 is listed in Table 2.

TABLE 2

VEHICLE COUNT AT GREAT FALLS CHAMBER OF  
COMMERCE TOURIST INFORMATION CENTER

<u>Month</u>	<u>1970</u>	<u>1969</u>
May	109	-
June	2,128	1,400
July	2,928	2,000
August	2,792	1,800
September	<u>283</u>	<u>-</u>
TOTAL	8,240	5,200

Employees at the Center estimated that approximately 50 per cent of those vehicles belonged to camping families. The Great Falls 1968 Update of Urban Transportation Plan showed an average daily traffic volume of 10,300 vehicles on highways leading into the city. Thus, half of these

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<sup>3</sup>James M. Small, et al., Update of Urban Transportation Plan (Great Falls: Small, Cooley, and Associates, Inc., 1969).

vehicles, or 5,150, entered the city. This was an increase of approximately 10 per cent per year from the 1961 figures.<sup>4</sup> Assuming the same increase per year for 1969 and 1970, the estimated average daily vehicle inflow for 1970 would be 6,232 vehicles.

From these data, two assumptions underlying potential demand were made which lead to different space requirements:

First, it was assumed that the daily flow of traffic was equally divided among residents and tourists. Under this assumption, an estimate of 3,116 (50 per cent of 6,232) tourist vehicles would result, and if 50 per cent of these were recreational vehicles, the demand potential would be 1,558. The 1970 demand for camping spaces would thus exceed the 1970 supply by 1,230 (1,558 minus 328) spaces, or 375 per cent.

Second, it was assumed that the daily flow of traffic was divided into 75 per cent resident and 25 per cent tourist. The daily tourist inflow would be 1,558 (25 per cent of 6,232) vehicles. If 50 per cent of these

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<sup>4</sup>Small, Urban Transportation Plan, p. 41.

were recreational vehicles, the demand potential would be 779, and the 1970 demand for camping spaces would exceed the 1970 supply by 451 (779 minus 328), or 138 per cent.

Use of either approach, as analyzed, revealed that demand potential exceeded the supply by well over 100 per cent. Therefore, Great Falls could easily support an additional 350 campground spaces.

## CHAPTER III

### DEVELOPMENT COSTS

#### Land Acquisition and Preparation

##### Acquisition

The City of Great Falls could possibly obtain the land for the proposed campground on a long term lease at either no cost or merely the cost of property taxes. The subject land is located west of Giant Springs and is adjacent to the planned State Park. This land is presently owned by The Montana Power Company, as is Giant Springs itself. (Figure 1.) The Montana Power Company maintains its ownership to protect itself should any property damage result from floods caused by faulty dams along the river in the Giant Springs area. For many years, this company has established and maintained a policy that the beauty and facilities at Giant Springs should be enjoyed by the public. The city presently has a long term lease for Giant Springs and maintains it as a city park. Should Montana Power

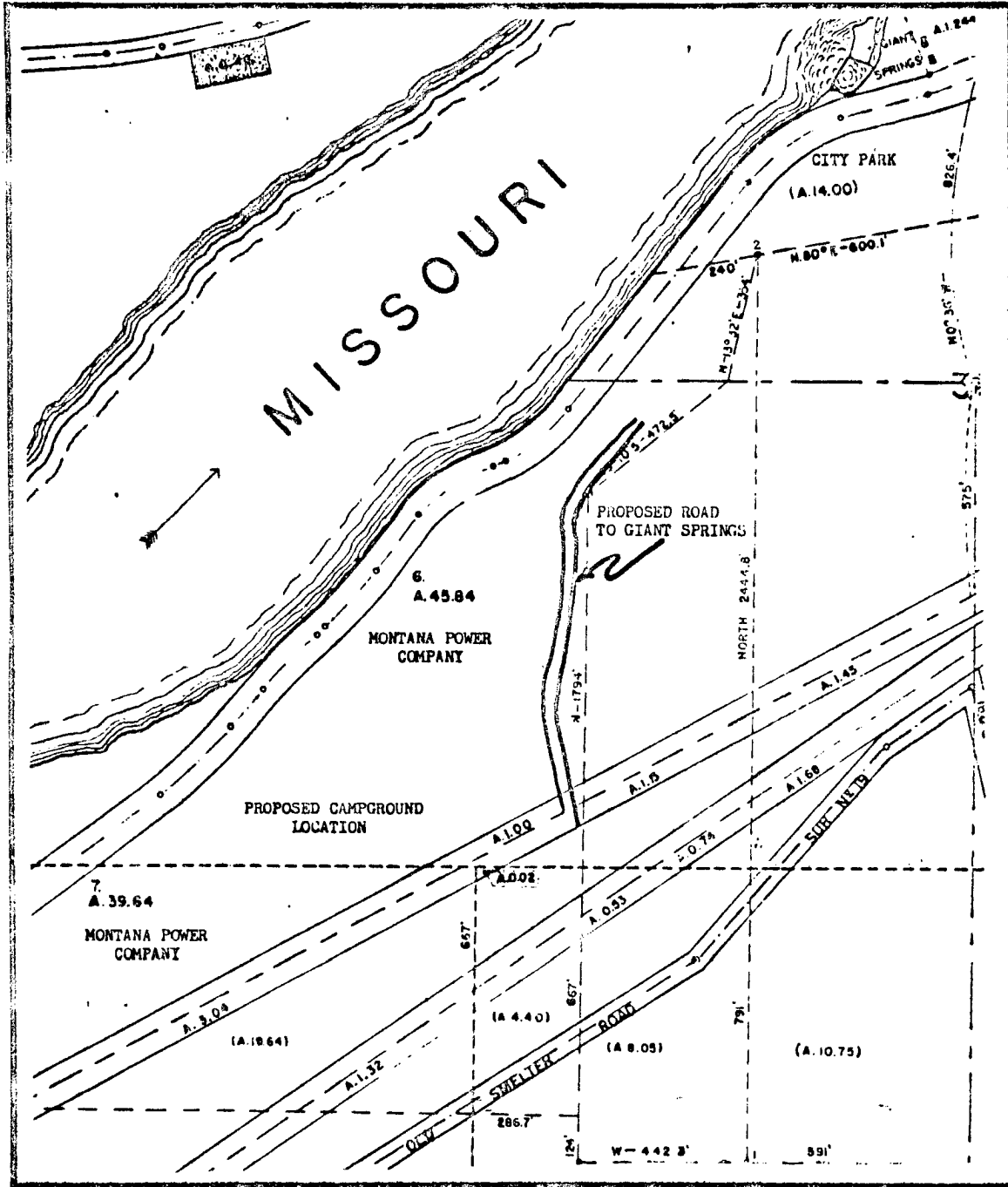


Fig. 1.--Map of Giant Springs Area

Company's present policy of using the land for the public be expanded to include the area west of Giant Springs, the city may lease the land at little or no cost.<sup>1,2</sup>

There are approximately eighty-five acres of land in this tract; however, all of this land could not be used for the campground. Some of this acreage will be incorporated in the proposed State Park, and some would be unsuitable due to a deep ravine. Eight to ten acres would be sufficient to construct the campground. Suitable land in this amount is available, and ample space would remain for future expansion of the campground.

#### Preparation

The specific location chosen for the proposed campground is relatively flat, which would make extensive leveling unnecessary. The individual camp site areas may require minor leveling to provide a level parking area for recreational vehicles. The subject location is completely void of trees, and the ground cover consists mainly of wild

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<sup>1</sup>Great Falls Tribune, February 5, 1971, p. 1.

<sup>2</sup>Interview with Louis G. Brewer, Division Manager, Montana Power Company, April 28, 1971.

grass and weeds. The final determination of the campground layout and design would dictate the amount, the type, and the location of grass seeded areas, trees, and shrubs. The Broadwater Bay Park in Great Falls was landscaped, leveled, and seeded for \$1,267. This park is similar in size and had approximately the same leveling and seeding requirements as the proposed campground; thus, \$1,300 was estimated for these requirements. It would be necessary to plant numerous shrubs and trees to beautify this area and to act as a buffer between camp sites, roadways, and buildings. The City Park Department has many varieties of trees and shrubs available that would be suitable for this particular area. These range from the weeping willow, costing \$2.99 each, to the Colorado blue spruce at \$15.00 each.<sup>3</sup> Many combinations of trees and shrubs could be placed in and around the proposed campground. A cost estimate of \$750 was used to plan for the purchase of these trees.

One of the major decisions to be made concerning the campground would be whether or not to pave the interior roads. The soil conditions are such that either paved or

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<sup>3</sup>Interview with Robert Speck, Superintendent, Great Falls City Park Department, April 6, 1971.

packed gravel roadways would be a necessity. A paved roadway would be one more extremely attractive feature, as it would make driving easier, would cut down on dust, and would reduce maintenance. Costs in this study were based on paving the interior roads. Any decision other than paving would reduce the initial costs accordingly. It would be necessary to have approximately 3,000 feet of 24-foot wide roadway, or 6,000 feet of 12-foot wide roadway, depending upon the final layout and design. The pull-through arrangement of camp sites (Figures 2 and 3) offers one of the more attractive features, as no backing is required upon entering or exiting, and would be a most welcome feature to those campers with large travel trailers. Estimates in this study were based on the pull-through site design. Approximately 8,000 square yards (3,000 x 24 ÷ 9) of four-inch asphaltic treated course base would be required. This asphalt roadway, including the associated gravel side beds and dressings, would cost approximately \$20,000. In addition, approximately fifty tons of gravel would be required for the individual camp sites. At \$5.00 per ton, this would cost \$250.<sup>4</sup>

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<sup>4</sup>Interview with Tom Gleason, Engineer, Great Falls City Engineers' Office, March 17, 1971.



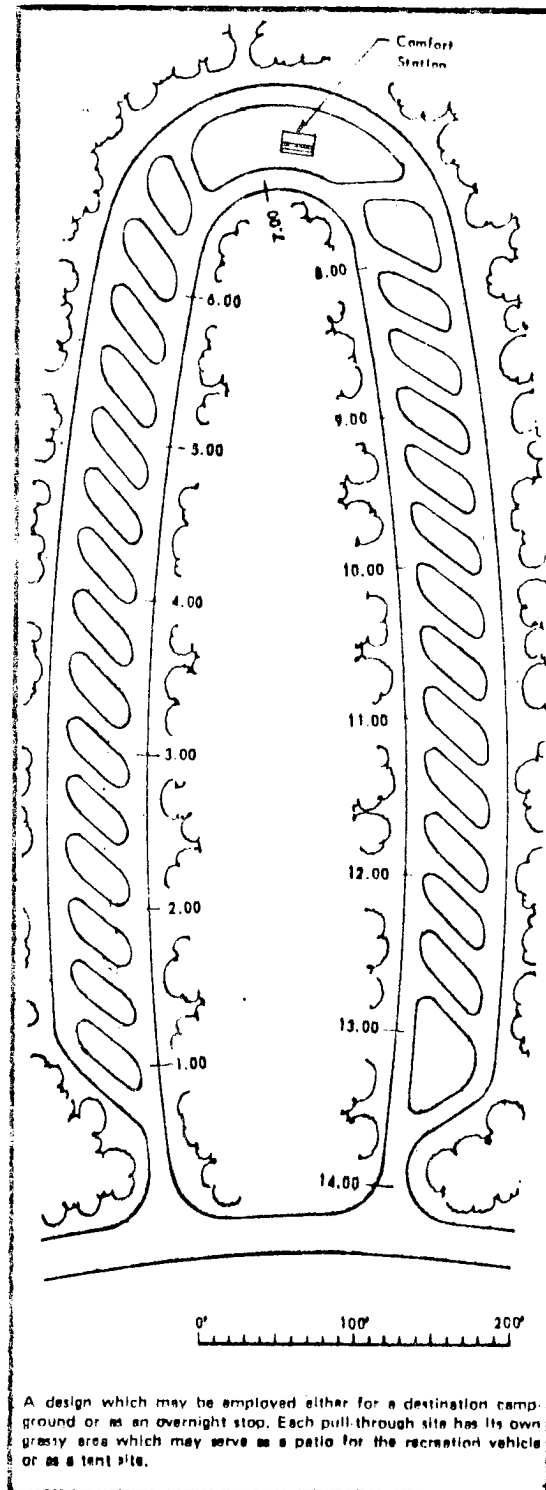
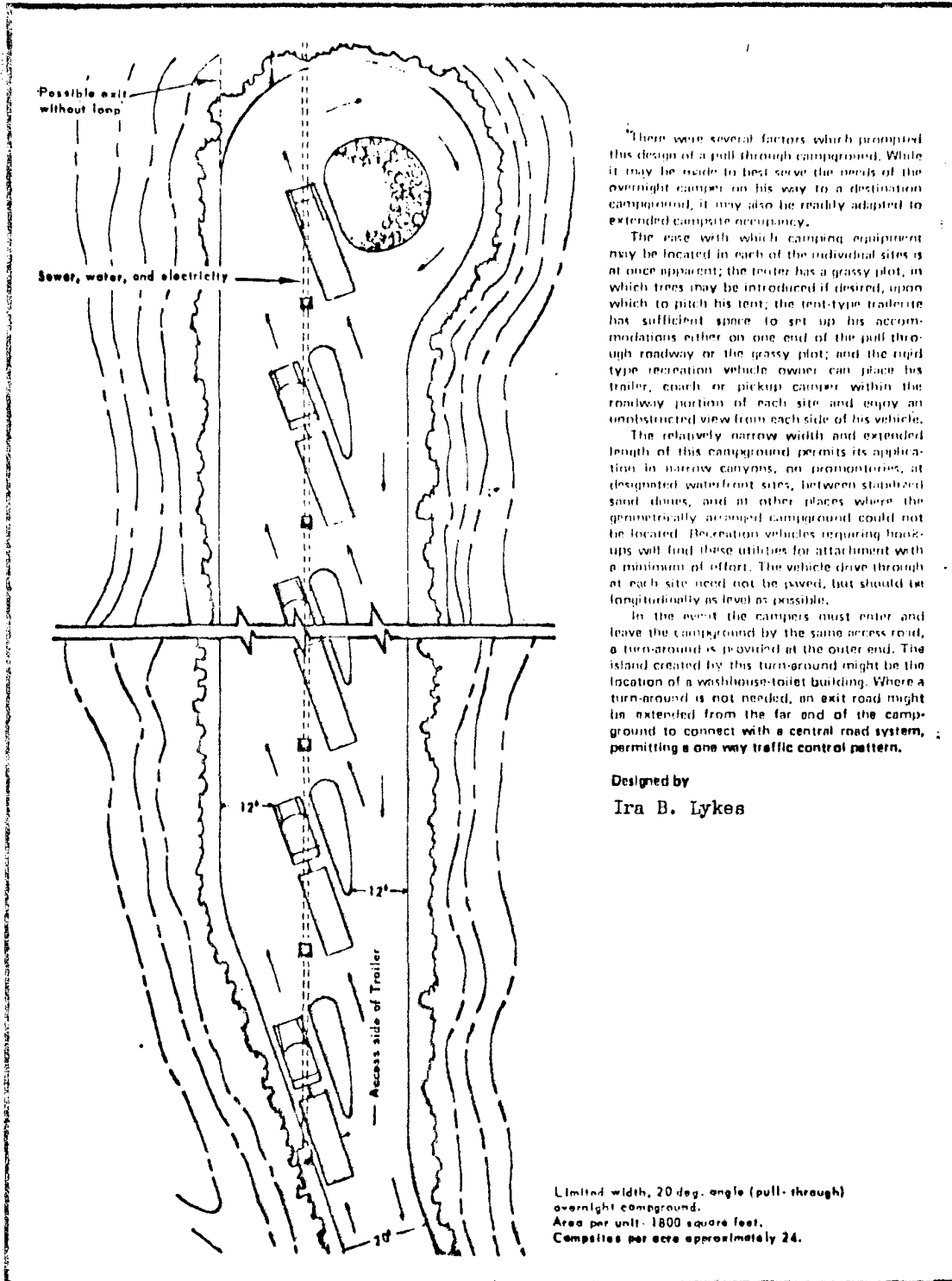


Fig. 2.--Design of a Pull-through Campground



There were several factors which prompted this design of a pull through campground. While it may be made to best serve the needs of the overnight camper on his way to a destination campground, it may also be readily adapted to extended campsite occupancy.

The ease with which camping equipment may be located in each of the individual sites is of great importance; the trailer has a grassy plot, in which trees may be introduced if desired, upon which to pitch his tent; the tent-type trailer has sufficient space to set up his accommodations either on one end of the pull through roadway or the grassy plot; and the rigid type recreation vehicle owner can place his trailer, coach or pickup camper within the roadway portion of each site and enjoy an unobstructed view from each side of his vehicle.

The relatively narrow width and extended length of this campground permits its application in narrow canyons, on promontories, at designated waterfront sites, between stabilized sand dunes, and at other places where the geometrically arranged campground could not be located. Recreation vehicles requiring hook-ups will find these utilities for attachment with a minimum of effort. The vehicle drive through at each site need not be paved, but should be longitudinally as level as possible.

In the event the campers must enter and leave the campground by the same access road, a turn-around is provided at the outer end. The island created by this turn-around might be the location of a washhouse-toilet building. Where a turn-around is not needed, an exit road might be extended from the far end of the campground to connect with a central road system, permitting a one way traffic control pattern.

Designed by

Ira B. Lykes

Fig. 3.--Design of a Pull-through Campground

City Park Department personnel and equipment can be utilized to prepare these camp sites.

### Utilities

#### Water

Although raw water is available from many sources in the general area of the proposed campground, getting it processed and piped throughout the campground would be a major expenditure. The ideal situation would be to tap into the city water system. Since the nearest main is almost two miles away, this source was not considered practical; however, it would be a possible source. If, in the future, this area of the city were developed for industrial use, the city water mains would be placed near enough to make it feasible to pipe water to the campground. The Missouri River, only a few hundred yards away, offers an unlimited supply of water, but the cost of piping would be prohibitive. Water from the river is presently being used by the Great Falls Meat Packing Plant which is located approximately 1.5 miles from the proposed campground and the river.

Another possible source, and probably the cheapest, would be to drill a well. Water is apparently available at

a shallow depth, as there is a private well only thirty-five feet deep now located 400 yards from the proposed campground on land that would be included in the proposed State Park. Due to the similarity of land and water requirements in the proposed campground and the proposed State Park, the cost estimate of \$2,500 used in the State Park Study<sup>5</sup> was also used as a planning factor for the campground.<sup>6</sup> A water hook-up at each camp site would not be necessary, provided water spigots were easily accessible throughout the campground. The final layout of the camp sites would determine the amount of plastic pipe and excavation required to install the water system. When the final layout is known, it may be possible, at a slight increase in cost, to install water spigots at each site. As an estimate for this study, 1,700 feet of plastic pipe was used. At approximately \$10.00 per foot for installation,<sup>7</sup> a cost of \$17,000 would result. This amount plus the \$2,500 cost of water acquisition and

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<sup>5</sup>"The Central Montana Recreation Complex."

<sup>6</sup>Chet McDonald of Culligan Soft Water Service, Inc. estimated the cost of water acquisition and water processing equipment to be \$2,300.

<sup>7</sup>Interview with Tom Gleason.

water processing equipment yielded an estimate of \$19,500, rounded to \$20,000.

### Sanitation System

As the proposed campground would be developed primarily to cater to travel trailers and pick-up campers, estimates were made with a sewage hook-up located at each camp site. Even if a camper does not have one of the more sophisticated recreational vehicles, he still needs a place to dispose of waste water. The sewage hook-ups at each site would help maintain high sanitary conditions in the campground. Also, installing sewage hook-ups at each location at construction time would result in considerable savings. The cost to do so in the future would be substantially higher due to disruption of other improvements, such as roads, landscaping, and established camp sites. An estimated 2,000 feet of pipe and excavation would be required. At an average cost of \$10.00 per foot,<sup>8</sup> an installation cost of \$20,000 for sewage was estimated.

A system for treating raw sewage must be provided.

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<sup>8</sup>Interview with Tom Gleason.

Various systems have been designed specifically for trailer and mobile home parks, such as the DAVCO Manufacturing Company's sewage treatment plant. The best plan for this particular location was considered to be the septic tank and disposal field system. Percolation tests would be necessary at the proposed location to determine the requirements for the size of the disposal field.<sup>9</sup> A cost of \$5,000 was estimated for installation of the septic tank system.<sup>10</sup> A sanitary disposal station was also included, as required by state regulations.<sup>11</sup> The cost estimate for this disposal station was \$800.<sup>12</sup> Altogether, a total cost estimate of \$25,000 was determined for the sanitation system.

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<sup>9</sup>Lykes, Park Design and Management, pp. 19-22. Percolation tests are tests conducted on soil to determine its absorptive quality. The number of minutes it takes for the soil to absorb one inch of water determines the amount of water each square foot of soil will absorb in a day.

<sup>10</sup>Interview with Dwayne Nelson, Contractor at Dick Olson Constructors, Inc., April 8, 1971.

<sup>11</sup>Montana State Department of Health, Regulations for Trailer Courts, Regulation No. 53-43-8 (January 27, 1968), section 7, p. 12.

<sup>12</sup>Interview with Dwayne Nelson.

## Electricity

Electricity in a camp site is no longer considered a luxury, but rather is essential with the advent of the larger and more elaborate recreational vehicles. Montana Power Company would provide the necessary electrical power through a city-owned meter to the various camp sites. This meter would cost \$175. Three-phase electricity would be required for the water well pump with single-phase, 40 amperes, 120 volts adequately servicing the individual camp sites. For the number of camp sites to be serviced, three separate circuits, each with a breaker or fuse box, would be required. Each breaker box would cost approximately \$40, or a total of \$120. A waterproof junction box containing a duplex convenience outlet and the approved trailer convenience outlet at each site would cost \$40 per site, or \$2,000 (50 sites x \$40). Use of the new neoprene coated wires, at a cost of \$1.30 per foot, would eliminate the necessity for conduits.<sup>13</sup> Approximately 2,000 feet of the neoprene wire would be required, resulting in a total cost of \$2,600. Additional excavation would not be necessary as the electric

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<sup>13</sup>Interview with Paul Scotten, Engineer, Montana Power Company, April 6, 1971.

cables can be laid in the same trench as the sewage pipes. Total cost estimate for electrical installation was determined to be \$4,895, which was rounded to \$5,000.

### Buildings

At the outset, only a bathhouse-toilet building was considered for construction on the proposed campground. In the future, if the campground is expanded or the full-time operator method of management is used, an office building would be necessary. The bathhouse building would house toilet and shower facilities, as well as a utility area for the hot water heater, water processing equipment, and also for storage. A building similar to that illustrated in Figure 4 would cost between \$12,000 and \$15,000,<sup>14</sup> depending upon the materials used in its construction. This building must meet the requirements specified by the Montana State Department of Health.<sup>15</sup>

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<sup>14</sup>Interview with Dwayne Nelson.

<sup>15</sup>Regulations for Trailer Courts, section 8, pp. 15-17.



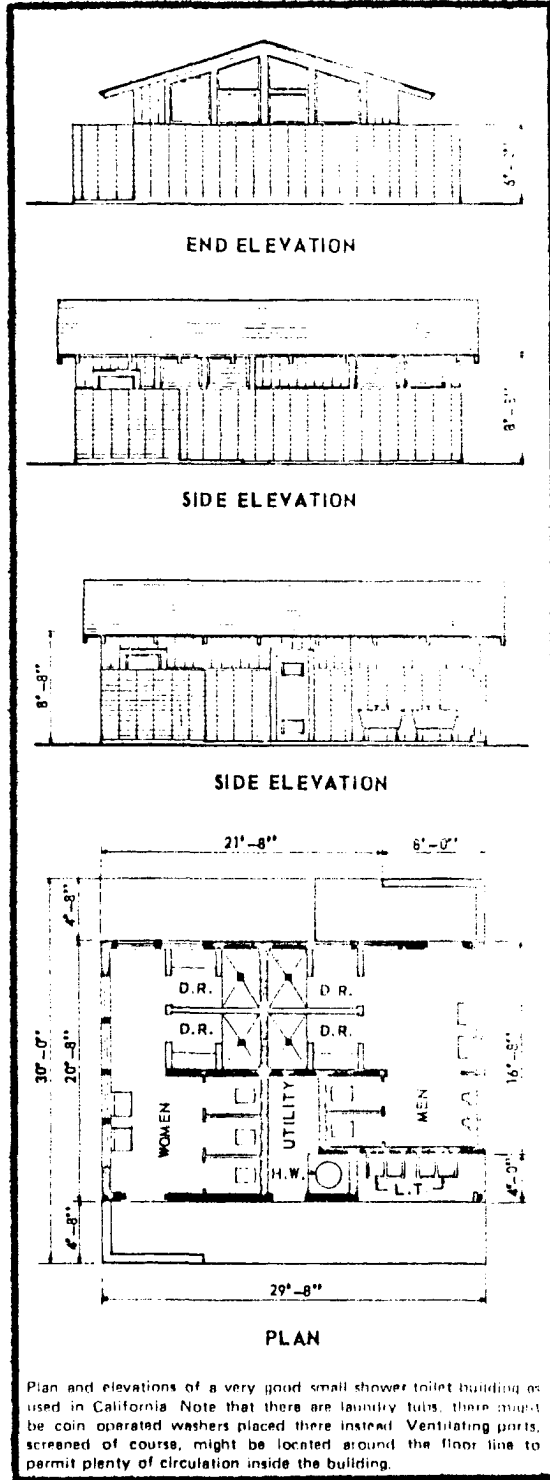


Fig. 4.--Shower-toilet Building

Miscellaneous

Many of the additional items necessary in the operation of a quality campground are grouped together in Table 3.

TABLE 3  
MISCELLANEOUS COSTS

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u> <sup>16</sup>	<u>Total Cost</u>
Garbage cans	25	\$ 9.00	\$ 225.00
Garbage can racks	12	25.00	300.00
Picnic tables	50	30.24	1,512.00
Grills	50	26.20	1,310.00
Playground equipment:			
Swing set	1	141.00	141.00
Swing set w/ 3 lions and 3 ponies	1	378.00	378.00
Climber	1	156.00	156.00
Campground signs	-	-	<u>500.00</u>
Total			\$4,522.00

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<sup>16</sup>Interview with Robert Speck.

Operating Costs

The operating costs for the proposed campground would vary slightly depending upon the final decisions on the system of management, camp site layout, amount of advertising, and other factors. For planning purposes, however, the applicable operating cost percentages of gross income as suggested in Mr. Ira B. Lykes' Recreational Vehicle Park Design and Management were used.<sup>17</sup>

TABLE 4

OPERATING COST PERCENTAGES

Wages	12%
Supplies	2%
Maintenance and Repair	5%
Utilities	5%
Advertising	2%
Taxes	5%
Insurance	<u>2%</u>
Total	33%

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<sup>17</sup>Lykes, Park Design and Management, p. 43.

## CHAPTER IV

### REVENUE

#### Direct

Direct revenue from operation of the proposed campground would come from two sources--rental of camp sites and vending machines. The income from vending machines, such as candy, soft drinks, ice, washers, and dryers, is estimated to be only approximately six per cent of the total revenue from the campground operation.<sup>1</sup> For the purpose of this study, such revenue from the vending machines was considered to be insignificant and was not included. A city operated campground would limit vending machines, such as ice, washers and dryers, to an absolute minimum to avoid competition with private businesses. Only the potential revenue from rental of camp sites was analyzed.

Fees charged for camp sites vary greatly among the different campgrounds. Many charge a basic fee with extra

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<sup>1</sup>Lykes, Park Design and Management, p. 43.

charges for such things as additional people over two or three, electrical hook-ups, water, sewage, showers, or other services. The charge of only one basic fee for the camp site and associated services was considered an attractive feature for potential campers.

An overnight, flat rate fee of \$3.00 per camp site was used for this study. This appeared to be in line with fees charged by other local campgrounds (Table 1). A season of 107 days, opening on June 1 and closing on September 15, was considered appropriate. The period could be varied at a later date should the demand so indicate. The information gathered at the Chamber of Commerce Tourist Information Center (Table 2) suggested those dates as the most likely period of operation.

It was shown in Chapter II that the demand for camping spaces in Great Falls far exceeded the present supply. Once established and publicized, there is strong evidence that the proposed campground would be 100 per cent filled each day of the 107-day season.

Charging \$3.00 per day for 107 days for the fifty camp sites initially developed would yield an annual gross income of \$16,050.

Indirect

With tourism being Montana's third largest revenue-producing industry, the City of Great Falls should make every effort to collect its share of the tourist dollar. If the demand for camping spaces exceeds the supply by 100 per cent,<sup>2</sup> at least 338 camping families are passing up Great Falls each day during the height of the tourist season. The average tourist in Montana spends \$10.00 per day; however, approximately 20 per cent of the \$10.00 is for lodging, which the camping family does not need.<sup>3</sup> Discounting the amount spent for lodging, the average camping tourist would spend \$8.00 per day, or \$24.00 for the average three-person family. Thus, the merchants of Great Falls are losing well over \$243,360 per month ( $\$24.00 \times 338 \times 30$  days). The operation of the proposed campground, with its initial fifty camp sites, would add \$1,200 per day ( $50 \times \$24.00$ ) or \$128,400 per year ( $107 \times \$1,200$ ) to the local economy.

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<sup>2</sup>Computations in Chapter II indicated much more than 100 per cent.

<sup>3</sup>Interview with Robert Wells, Manager, Great Falls Chamber of Commerce, April 6, 1971.

## CHAPTER V

### MANAGEMENT

The management and operation of the proposed campground would be the responsibility of the Great Falls City Park Department. There are numerous methods of management that could be employed.

A full-time caretaker/operator could be employed for the period of time the campground is open. This method would have the decided advantage of having someone available, at least during the day, to offer assistance and generally monitor the campground. It would be necessary to have office space provided and wages paid if this method of management were used.

A second method of management that could prove successful would be to have the campground operated by private individuals on a concession basis. Some organization, such as the Lions Club, Rotary Club, or even the Boy Scouts with adult guidance could undertake this operation if it were profitable for their organization. This method

would have much the same advantages and disadvantages as a single, full-time caretaker/operator.

The third method would be to utilize only a part-time operator. The individual could be a regular employee of the City Park Department who would be given this specific responsibility. Maintenance and cleaning of the campground would remain the responsibility of the Park Department employees or summer over-hires. The operator would collect the rental fees twice each day--once early in the morning and once late in the evening. This system is currently employed at the Saltwater State Park south of Seattle, Washington. The park ranger there indicated it was extremely rare for a camper to arrive late at night and leave early in the morning before the rental fee was collected. This system also was used by the Great Falls City Park Department in operating a very small city campground many years ago and was considered quite satisfactory.<sup>1</sup>

Using the part-time operator method of management is recommended, at least for the first few years of operation. The City Park Board would then have ample time to evaluate

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<sup>1</sup>Interview with Robert Speck.



the need for a full-time operator and determine firm requirements for office space.

## CHAPTER VI

### ADVERTISING AND PROMOTION

As with almost any business with a profit-making motive, advertising and promotion play a substantial part in the amount of profit realized. This would be no less true for the proposed campground. For the camping tourist to know that it is available for his use, he must have seen a sign, read an advertisement or a listing in a campground directory, or have been told about it by a friend or fellow camper. These are discussed in reverse order.

Perhaps one of the most successful and certainly the cheapest form of promotion is a personal recommendation by someone who has previously visited the campground. It would be most advantageous for the City of Great Falls to have the proposed campground "sell itself" once it has been established. This could be readily accomplished by providing clean, well-maintained facilities. In addition, a small pamphlet advertising the campground could be provided with the customer's receipt for rental fee. The pamphlet would

likely be passed on to potential users, either friends or fellow travelers. Finally, the pamphlet could be placed at local service stations and at the Chamber of Commerce Tourist Information Center.

Since the camping industry has become big business, there are quite a number of nationally circulated camping directories that list parks and campgrounds. Many of these, such as Woodall's Trailering Parks and Campgrounds<sup>1</sup> and the Rand McNally Campground and Trailer Park Guide,<sup>2</sup> assign various ratings to campgrounds and parks. To compile data for such directories, these agencies send out questionnaires and teams of inspectors who rate the campground on such things as cleanliness, quantity and quality of facilities, and recreational activities in the general area. As the camping public today takes cross-country trips and often plans its stops, it would be almost a necessity to have the proposed campground listed in as many of these directories as possible. Although some of the directories offer

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<sup>1</sup>Thomas W. Brown, ed., Woodall's Trailering Parks and Campgrounds (4th ed.; Highland Park, Illinois: Woodall Publishing Company, 1970).

<sup>2</sup>Rand McNally Campground and Trailer Park Guide (New York: Rand McNally and Company, 1971).

advertising space for a fee, such advertising should not be too important as long as the campground is contained among the listings.<sup>3</sup>

Finally, as Ira B. Lykes, a long time consultant for campground development and management, has written:

Many campground owners who have been in business for a long time report that the best inducement for patronage results from signs along the highway advertising their campground and directing campers to it. This is especially true in cases of overnight campgrounds.<sup>4</sup>

Simple road signs, stating merely that the campground is located near Giant Springs or the State Park (proposed at Giant Springs), could be erected on all four highways leading into Great Falls. Giant Springs is already marked with directional signs and is shown on most maps.

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<sup>3</sup>Brown, ibid.

<sup>4</sup>Lykes, Park Design and Management, p. 48.

## CHAPTER VII

### CONCLUSIONS AND RECOMMENDATIONS

#### Conclusions

Information gathered revealed that the demand for camping spaces in Great Falls and Cascade County exceeded the 1970 supply by far greater than 100 per cent (378 per cent by one method of computation). This deficit will be almost doubled by 1985 unless positive measures are taken to meet the expected demand. The proposed campground location is near the major tourist attraction of Giant Springs, and if the Giant Springs area is designated a State Park, it would draw even more tourists into the area and increase demand for camping spaces at an even faster pace. The proposed location also has relatively easy access to the main highways through the city as it is near the U.S. Highway 87 By-Pass.

The estimated total development cost was \$91,822 (Table 5). There are several areas within this total that

TABLE 5

## SUMMARY OF COSTS ESTIMATES

<u>Item</u>	<u>Cost</u>
Landscaping	\$ 1,300
Trees	750
Interior Roads	20,000
Gravel	250
Water	20,000
Sanitation System	25,000
Electricity	5,000
Building	15,000
Miscellaneous	<u>4,522</u>
Total	\$91,822

could be reduced. Wherever an estimate range was given by a local agency, the maximum figure was used in this study. Refined estimates or bid quotations for the work may be considerably lower. Also, by putting in gravel roads instead of paved ones, the total cost could be reduced substantially. Caution should be taken in reducing facilities or the quality of facilities as these features are the ones that attract customers. In addition, not doing something during initial construction may result in greater

costs later when it becomes a necessity.

As seen in Table 4, operating costs would be approximately 33 per cent of the gross income. If the campground maintained a 100 per cent occupancy rate, it would have an annual gross income of \$16,050, and an annual net income of \$10,753 (\$16,050 minus 33% of \$16,050). This would yield a pay-back period of 8.5 years for the original investment.<sup>1</sup> Use of the net present value method to evaluate the cash flows of the project also confirmed that the project should be undertaken. Even assuming that it would take a few years for the campground to become widely known and reach 100 per cent occupancy, it would still be a profitable project. Tables 6 and 7 assume 50 per cent and 75 per cent occupancy, respectively, for the first three years of operation. Cash flows for fifteen years are discounted back to the present at 5 per cent cost of capital.<sup>2</sup> As the net present values from Tables 6, 7, and 8 were all positive,<sup>3</sup>

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<sup>1</sup>The pay back period is computed by dividing the original investment cost by the net annual return.

<sup>2</sup>Interview with J. L. McDonald, Great Falls City Treasurer, April 8, 1971. (Current city investments are yielding 4½% to 5% return.)

<sup>3</sup>Eugene F. Brigham and J. Fred Weston, Managerial Finance (3rd ed.; New York: Holt, Rinehart, and Winston, 1969), p. 181.

TABLE 6

PRESENT VALUE OF CASH FLOWS FOR 50%  
OCCUPANCY FOR FIRST THREE YEARS  
AND 100% OCCUPANCY THEREAFTER

<u>Year</u>	<u>Cash Flow</u>	<u>Present Value Factor<sup>4</sup></u>	<u>Present Value (1 x 2)</u>	<u>Conditional Probability</u>	<u>Expected Present Value (3 x 4)</u>
0	(\$91,822)	1.00	(\$91,822)	1.00	(\$91,822)
1	10,753	.952	10,236	.50	5,118
2	10,753	.907	9,753	.50	4,877
3	10,753	.864	9,291	.50	4,646
4	10,753	.823	8,850	1.00	8,850
5	10,753	.784	8,430	1.00	8,430
6	10,753	.746	8,022	1.00	8,022
7	10,753	.711	7,645	1.00	7,645
8	10,753	.677	7,280	1.00	7,280
9	10,753	.645	6,936	1.00	6,936
10	10,753	.614	6,602	1.00	6,602
11	10,753	.585	6,291	1.00	6,291
12	10,753	.557	5,989	1.00	5,989
13	10,753	.530	5,699	1.00	5,699
14	10,753	.505	5,430	1.00	5,430
15	10,753	.481	5,172	1.00	<u>5,172</u>
Net Present Value					\$ 5,165

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<sup>4</sup>Ibid., p. 818.



TABLE 7

PRESENT VALUE OF CASH FLOWS FOR 75%  
OCCUPANCY FOR FIRST THREE YEARS  
AND 100% OCCUPANCY THEREAFTER

<u>Year</u>	<u>Cash Flow</u>	<u>Present Value Factor<sup>5</sup></u>	<u>Present Value (1 x 2)</u>	<u>Conditional Probability</u>	<u>Expected Present Value (3 x 4)</u>
0	(\$91,822)	1.00	(\$91,822)	1.00	(\$91,822)
1	10,753	.952	10,236	.75	7,677
2	10,753	.907	9,753	.75	7,315
3	10,753	.864	9,291	.75	6,941
4	10,753	.823	8,850	1.00	8,850
5	10,753	.784	8,430	1.00	8,430
6	10,753	.746	8,022	1.00	8,022
7	10,753	.711	7,645	1.00	7,645
8	10,753	.677	7,280	1.00	7,280
9	10,753	.645	6,936	1.00	6,936
10	10,753	.614	6,602	1.00	6,602
11	10,753	.585	6,291	1.00	6,291
12	10,753	.557	5,989	1.00	5,989
13	10,753	.530	5,699	1.00	5,699
14	10,753	.505	5,430	1.00	5,430
15	10,753	.481	5,172	1.00	<u>5,172</u>
Net Present Value					\$12,457

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<sup>5</sup>Ibid.

TABLE 8

PRESENT VALUE OF CASH FLOWS  
FOR 100% OCCUPANCY

<u>Year</u>	<u>Cash Flow</u>	<u>Present Value Factor</u> <sup>6</sup>	<u>Present Value</u> (1 x 2)	<u>Conditional Probability</u>	<u>Expected Present Value</u> (3 x 4)
0	(\$91,822)	1.00	(\$91,822)	1.00	(\$91,822)
1	10,753	.952	10,236	1.00	10,236
2	10,753	.907	9,753	1.00	9,753
3	10,753	.864	9,291	1.00	9,291
4	10,753	.823	8,850	1.00	8,850
5	10,753	.784	8,430	1.00	8,430
6	10,753	.746	8,022	1.00	8,022
7	10,753	.711	7,645	1.00	7,645
8	10,753	.677	7,280	1.00	7,280
9	10,753	.645	6,936	1.00	6,936
10	10,753	.614	6,602	1.00	6,602
11	10,753	.585	6,291	1.00	6,291
12	10,753	.551	5,989	1.00	5,989
13	10,753	.530	5,699	1.00	5,699
14	10,753	.505	5,430	1.00	5,430
15	10,753	.481	5,172	1.00	<u>5,172</u>
Net Present Value					\$19,804

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<sup>6</sup>Ibid.

the proposed campground should be constructed. These tables all assume operation the year following construction.

Recommendations

1. The City of Great Falls should construct a high quality, public overnight campground near Giant Springs. This campground should be constructed whether or not Giant Springs is designated a State Park.

2. The campground should initially have a minimum of fifty camp sites, each with sewer and electrical hook-ups. The campground should be designed to permit future expansion.

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