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# **LODGES, RESORTS AND STATE PARK SYSTEMS**

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## **ABSTRACT**

State park lodge and resort systems are a small and important component of the travel and tourism industry. Over the last 30 years the state park lodge system has matured into a resort system centered in the central and east central part of the United States. Kentucky is the most intensive state resort system with 17 resorts and located in what is called State Resort Parks. Resort revenues, while a small portion of most state park revenues, accounted for \$49 million in 2001. Resorts are managed in one of three ways: state management, local contract management, or contract management with a national hospitality service firm. Resorts are seen as an attractive value-added part of the state park experience and as such will continue to be an important component of state parks.

Within the travel and tourism industry the presence of lodges is a term frequently reserved for more rustic settings. Certainly Yellowstone Lodge conjures up the presence of geysers, wildlife, and wilderness. Lodges

are a part of the National Park System and have long represented important gathering points for domestic and international travelers. Lodges within state park systems, by contrast, have experienced considerably less exposure to the general public. Some few lodges such as Stone Mountain in Georgia and Custer State Park located in South Dakota have evoked similar aura as those of the National Parks. Most state park lodges, however, operate in relative anonymity.

This paper reports the status of state park lodge and resort systems. State park resort systems have been a part of state park systems and travel and tourism operations for an extended period of time, but in the last 30 years the system has expanded and evolved. Because knowledge of state park resort systems is limited there is a need to increase awareness.

## METHODOLOGY

Data for this study was collected using a multimethod approach. The descriptive nature of the study allowed for collection of data from (1) literature readily available from state park systems, both printed and electronic, (2) utilization of the National Association of State Park Directors (NASPD) *Annual Information Exchange* (AIX) (2, 5), and (3) a telephone survey conducted with state park systems who have identified lodge and resorts within their system (4). For the purposes of this study states were included if they self-reported a lodge in the 2002 AIX. This process ensured the presence of the total reported universe of lodges and resorts in state park systems. If states reported the presence of cabins or group sleeping facilities these were deemed insufficient for inclusion in the study.

The AIX is published on an annual basis and provides information in seven areas: inventory, facilities, attendance, capital revenue sources and expenditures, operating revenue and expenditures, personnel, and support groups. For this research data from inventory, facilities, attendance, revenue and operating expenses were included.

## RESULTS

### WHAT IS A LODGE?

NASPD AIX has defined a lodge as "many rental units consisting primarily of sleeping rooms" (2). In practice each state determines what constitutes a lodge for reporting on the AIX. Operational definition may be an administrative decision or a legislative decision. The variability of definition ranges from a bed and breakfast to a small lodge or motel holding for 12 or fewer individual to a full scale lodge system including room for hundreds of people, convention center,

meeting rooms, indoor and outdoor pools, tennis and golf facilities, and so forth. The AIX definition cannot adequately reflect the size or nature of lodges. States self-describe lodges as resorts (e.g., KY, TN, WV), resort and conference center (IL, KY), motel (MN, MO), cottages (NY), as well as the more common term, lodge. The single distinguishing feature of all reported systems is that they are present in a state park. This alone makes them a unique fixture of the travel and tourism industry.

### DISTRIBUTION OF LODGES

Resorts exist in 25 states (see Table 1) with 123 resorts reported. One hundred and one (82%) of the resorts are year round and 22 (18%) are seasonal. The most common approach is to place a lodge in an existing state park. In some instances the park has been developed around a resort with the resort was the impetus for the park and being designated as a resort park (e.g., KY, OH). The term resort park has increased in usage among some state park systems (KY, WV, OH, TN). This description does not suggest a commonality of services among the various resorts, but may represent a marketing effort by the state park system. Resort parks typically have more resources available to the user. This can include golf courses, conference center, meeting rooms, fitness center, tennis, restaurants, gift shops, and other more traditional state park activities. Resort parks are frequently located by a major recreation resource such as a lake, river, or unique geographic feature.

Table 1 further reports the distribution of rooms. There is a broad distribution of lodges in state parks, but the distribution is far from equal. Seventy-nine percent of all room space is located in eight states (KY, TN, OH, IN, IL, WV, OK, and AL). With

the exception of Oklahoma, the states are grouped adjacent to each other running through the east-central United States. Kentucky has the largest representation of resorts (self described) and rooms with 17 resorts and 833 rooms.

## LODGE REVENUE

Table 2 reports revenue from lodge operations. In some cases revenue reported for lodges that are under external concession management only represent net income provided to the state. The gross revenue could be significantly higher. In fiscal year 2001 reported revenue for lodges was \$49,652,752 (Table 2). Ten states do not directly report revenue from lodge operations. The revenue may be reported elsewhere in the AIX and in most instances the states reports an inability to extract the data. Of the reporting states, three earn more than 25 percent of their total income from lodge operations (IN, OK, TN). Oklahoma reports the highest mean revenue per lodge (\$1.5 million) and is one of 4 states averaging more than \$1 million per lodge annually. Illinois earned the least per lodge annually at \$22,837. The average per-room earnings in lodges varied dramatically from a high of \$56,714 in Minnesota, with only 1 lodge and 7 rooms to a low of \$363 per room on 566 rooms in Illinois. All of Illinois lodges are open all year while Minnesota's lodge is seasonal.

The absence of data for the ten states does create some problems with seeing the whole picture. The Ten states represent 40 percent of the states with lodge systems, 34 percent of all lodges, and 20 percent of all lodge rooms. California, for example, includes Asilomar Conference Center in their lodges and it has a high annual occupancy rate. Data from these states would alter the results

and depict a larger impact on local and state economies.

Lodges account for 7.2 percent of all state park revenue operations (n=50). Restricting the comparison to states with lodges the proportion of revenue contribution doubles to 15.8 percent (Table 3) of all reported revenue. Lodge operations have an impact upon state park revenues.

Table 3 shows the change in revenue over a five-year period including only states who report income. Ohio reported income through 1998. The resultant decline in 1999, while not wholly attributed to Ohio, does account for about \$3.5 million of the \$4.2 million reduction in revenue. This is based on actual income reported for fiscal year 1998. Generally, however, between 1997 and 2000 income grew at a steady if not a spectacular rate. The table show a total growth of exceeding 20 percent, but an average annual growth rate of 6.09 percent.

## ORGANIZATIONAL STRUCTURES

Lodge systems typify three types of management structures common to government organizations. Model one has the state park system wholly operating the lodges. Kentucky, Alabama, and Tennessee are the three largest systems wholly operating in this manner. States operating under this model report a larger than average full-time and part-time staff. Measures of efficiency of the model are not available. In the second model states utilize individual contractors on a lodge by lodge basis. The lodge managers are not typically part of a large corporate system, but may be part of a small corporation or wholly individual. Indiana, for example, has a separate contract with each lodge manager. The lodge manager is responsible for hiring all of the staff to operate

the lodge. The state park manager is responsible to provide maintenance operations, less custodial services, and capital improvements for the lodge. This is a fairly common model of privatization (1). In most cases the individuals operating the lodge are not part of a larger management firm. The third model is to hire a national food service and hospitality management firm to manage individual lodges or the entire system. Two of the largest such companies, Delaware North Companies and AmFac operate in Georgia Ohio, California, Missouri, Nebraska, New York, as well as other States.

The decision to move from self-management to a management firm is typically not just a state park director's decision. Frequently it is a political decision residing in the governor's office or the legislature. The purpose may be to improve the quality of operations, reduce an existing deficit, reduce the state park staff (have the management firm assume responsibility for lodge employees), or for a philosophical reason (1). In some cases states have moved between models. Alabama, for example, used privatization of resorts and then moved them back to state operation. They are currently pursuing a mixed model with one resort under concession operation and the others under state operation.

## SUMMARY

In the context of the travel and tourism market, state park lodge operations are small enterprises. Within the context of state park services they are part of a mix of services available to the general public. Frequently state park lodges are more affordable and accessible to the general public than private lodges. Lodges may evoke an environmental experience among state park users. State park lodge operations have shown a slow but steady growth over the past 20 years and are likely to continue to grow in the future. The management of lodges is undergoing change. Small, regional lodges will likely remain under state park management or a local contractor. Larger lodges and systems are more attractive to national and international food service and hospitality management firms. Decisions about the growth of state parks frequently remains in the hands of governors and legislatures where decisions to build are not always based on sound financial principles. Lodges are seen as an attractive value-added part of the state park experience and as such will continue to be an important component of state parks.

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TABLE 1  
Presence of Lodges

State	Total Resorts	Year Round	Seasonal	Rooms
Alabama	6	6		476
Arkansas	4	4		218
California	5	5		438
Florida	1	1		27
Georgia	7	7		277
Illinois	9	6	3	566
Indiana	7	7		612
Kentucky	17	17		833
Michigan	1	1		67
Minnesota	1		1	7
Mississippi	3	3		60
Missouri	6	1	5	102
Nebraska	2	1	1	88
New York	4	3	1	214
Ohio	8	8		709
Oregon	7	6	1	49
Oklahoma	4	4		518
South Carolina	1	1		80
South Dakota	6	1	5	110
Tennessee	7	6	1	717
Texas	5	5		96
Vermont	1		1	8
Washington	1	1		34
West Virginia	8	7	1	594
Wyoming	2		2	0
Total	123	101	22	6,900

TABLE 2  
Lodge Operations Revenue

State	Number of Lodges	Number of Rooms	Reported Revenue	Mean Revenue per Lodge	Mean Revenue per Room	Total State Park Revenue	Lodges percent of Total Revenue
Alabama	6	476	\$4,771,047	\$795,175	\$10,023	\$25,503,390	18.71%
Arkansas	4	218	\$1,836,991	\$459,248	\$8,427	\$13,983,925	13.14%
California	5	438	\$0				
Florida	1	27	\$509,213	\$509,213	\$18,860	\$29,892,927	1.70%
Georgia	7	277	\$1,443,034	\$206,148	\$5,210	\$20,516,081	7.03%
Illinois	9	566	\$205,534	\$22,837	\$363	\$5,435,150	3.78%
Indiana	7	612	\$8,789,381	\$1,255,626	\$14,362	\$32,080,535	27.40%
Kentucky	17	833	\$11,883,574	\$699,034	\$14,266	\$50,818,008	23.38%
Michigan	1	67	\$1,022,015	\$1,022,015	\$15,254	\$29,431,947	3.47%
Minnesota	1	7	\$397,000	\$397,000	\$56,714	\$11,351,000	3.50%
Mississippi	3	60	\$238,531	\$79,510	\$3,976	\$76,260,457	3.81%
Missouri	6	102	\$0				
Nebraska	2	88	\$0				
New York	4	214	\$0				
Ohio	8	709	\$0				
Oregon	7	49	\$0				
Oklahoma	4	518	\$6,173,603	\$1,543,401	\$11,918	\$23,897,358	25.83%
South Carolina	1	80	\$677,136	\$677,136	\$8,464	\$15,970,410	4.24%
South Dakota	6	110	\$0				
Tennessee	7	717	\$7,720,432	\$1,102,919	\$10,768	\$30,324,800	25.46%
Texas	5	96	\$0				
Vermont	1	8	\$0				
Washington	1	34	\$0				
West Virginia	8	594	\$3,985,261	\$498,158	\$6,709	\$18,852,238	21.14%
Wyoming	2	2	\$0				
<b>Total</b>	<b>123</b>		<b>\$49,652,752</b>			<b>\$314,318,226</b>	
<b>Average</b>				<b>\$661,958</b>	<b>\$13,237</b>		



TABLE 3  
Revenue Change for State Park Lodges

Fiscal Year	2001	2000	1999	1998	1997
Total Reported	\$50,063,894	\$49,889,074	\$45,654,814	\$49,863,526	\$20,487,314
Change	0.35%	9.27%	-8.44%	23.16%	

Note: 1999 was first year Ohio did not report revenue from lodges as a separate category.