

*PLANNING GUIDE . . .*

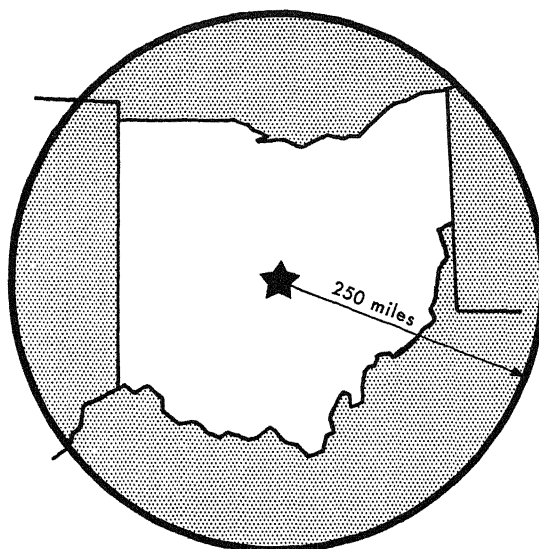
# Outdoor Recreation Facilities



THE COOPERATIVE EXTENSION SERVICE  
THE OHIO STATE UNIVERSITY  
COLUMBUS, OHIO

## FOREWORD

More than 22 million people live within 250 miles of Central Ohio. These people represent a growing population, including a number of concentrations of people in large metropolitan areas. Each year these people are gaining more leisure time, greater mobility, and more paid vacations.



These factors contribute to the growth of interest in outdoor activities, as reflected in the number of visitors to state parks. During the past decade, Ohio's population increased by 22 per cent; however, park use in the state increased seven times faster than the population. "Trends indicate a need for the doubling of our outdoor recreation facilities in the next 10 or 15 years," according to a former director of the Ohio Department of Natural Resources.

How can we meet this increasing demand for outdoor recreation facilities? We believe many rural landowners can provide facilities and services for people seeking relaxation in the out-of-doors. Although outdoor recreation is not usually thought of as a farm enterprise, the development of recreation facilities can provide a major supplement to farm income.

For those of you who wish to consider an outdoor recreation development on your land, this bulletin provides step-by-step guidance through the important points you should consider. The bulletin also provides information about where you can obtain additional assistance with specific problems.

Director

# Outdoor Recreation Facilities

William F. Cowen Jr., Thomas M. Stockdale, and Ralph W. Moore\*

A successful outdoor recreation enterprise, combined with or replacing your farm operation, can provide an important source of farm income. If such an operation is to be successful, both you, as the operator, and the community in which the enterprise will be located must be ready to accept the responsibilities involved.

The management of any outdoor recreation facility requires skills and public contact not normally needed for other farm enterprises. The commodity you will be marketing is personal services. Your ability to do routine maintenance tasks will play a large part in the success of your operation. Likewise, the reaction to your venture by the community can either make or break your operation.

This guide has been developed to help you plan a logical, orderly approach to outdoor recreation development. Of necessity, it is not specific to a particular enterprise, but it is adaptable to almost any type of enterprise you may be considering. Phases I and II, in addition to being essential to individual planning, are well adapted to regional, county, and community resource development planning. Phases III and IV are specific to the development of individual enterprises.

## PHASE I — ANALYZING THE SITE POTENTIAL

Analyze the site you are considering, whether it is one you already own or one you are thinking of buying. Your analysis should include: an inventory of the natural resources of the area, an analysis of the accessibility of services to the area, a review of regulations and restrictions which will affect your plans, and an inventory and listing of other factors which might affect the proposed development.



### Inventory of Natural Resources

#### **Water:**

Water is absolutely essential to any recreation development. Do you have water sources of satisfactory quality and sufficient quantity to meet the following requirements?

1. **Potable and Sanitary**—drinking, food preparation, and handling, showers, toilets, swimming pool, and associated uses.
2. **Recreation**—streams, lakes, and ponds.
3. **Other Water Considerations**—livestock, fire protection, and water for maintenance needs including sprinkling, spraying, and irrigation.

#### *Sources of Information:*

Quality — county sanitarian and State Department of Health.  
Quantity — Soil Conservation Service, Cooperative Extension Service, Ohio Division of Water, and local civil engineers.

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\*William F. Cowen Jr. is Extension Specialist, Forestry; Thomas M. Stockdale is Extension Specialist, Wildlife; and Ralph W. Moore is Area Extension Agent, Resource Development, The Ohio State University.

## Physical Characteristics Map

This should be an all-purpose map, which includes the following:

1. Boundaries, access roads, topography, drainage ways, and existing vegetative cover as these affect over-all planning.
2. Soils information, land-use classification, and watershed information as they will affect construction, drainage, sanitary disposal, and fertility.

### *Sources of Information:*

Mapping — Soil Conservation Service, Ohio Division of Lands and Soils, and local civil engineers.  
Soils Information — Soil Conservation Service, Cooperative Extension Service, Ohio Division of Lands and Soils.  
Waste Disposal — county sanitarian.

## Natural Attractions

Make a list and/or map of such features as climate, topography, forests, geologic formations, lakes, streams, ponds, and waterfalls, which will attract people to your proposed development. Information obtained in this part of your inventory will also be useful later in your advertising program.



## Analysis of Available Services

Critically analyze and evaluate the following services to the potential area. Consider their impact on the recreational use of the site:

1. **Existing and Proposed Highway Network**—local, state, and interstate roads.
2. **Sources of Fuel**—gas, coal, and wood.
3. **Electricity.**
4. **Telephone.**
5. **Public Transportation**—bus, train, airplane, taxi.

### *Sources of Information:*

Highway network — county engineer, State Department of Highways.  
Fuel, electricity, and telephone — local public utility companies.

## Investigation of Regulations and Restrictions

Regardless of where you plan your development, there are regulations and restrictions which may affect your proposed plans. Find out about the following:

1. **Planning and Zoning**—Check with county commissioners, local zoning commission, and local planning commission.
2. **Building and Plumbing Codes**—Check with county commissioners.
3. **Health and Sanitary Regulations**—Contact local, district, and state health departments, in the order listed.
4. **Water Development and Removal**—Get in touch with the county engineer, Soil Conservation Service, and Ohio Division of Water.

## Inventory and Listing of Other Pertinent Factors

Do not overlook the many other factors which might affect your proposed development. Some of these are:

1. **Off-Site Recreation Facilities**—Are there other recreation attractions and facilities which will complement or compete with the one you are considering?

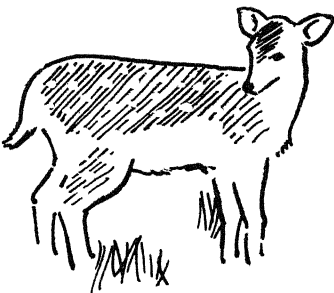
- a. Complementary example: You are considering a tent and trailer camping facility, and there is a state park nearby which has other attractions but no camping facility or has inadequate camping facilities to serve the demand.
  - b. Competitive example: A facility which offers activities similar to those which you are planning in a situation where there is not enough demand for this type of activity to justify a second facility.
2. **Local Services and Facilities**—
    - a. Services—stores, bait shops, laundry, auto service and repair, lodging, restaurants, etc.
    - b. Facilities—hospitals, churches, airports, bus and train stations, etc.
    - c. Professional services—doctors, dentists, veterinarians.
  3. **Historical Sites and Legends**—Mark on a map the local and area points of interest, scenic routes and trails, and anything else you think will attract people.

## PHASE II — DETERMINING TYPE OF RECREATION ENTERPRISE

### Alternative Site Development Possibilities

Your analysis of the site potential should have revealed the strengths and weaknesses of the property which you are considering for a recreation development. As you start the second phase, you should also be better acquainted with the regulations and restrictions which will apply to various enterprises and with the sources from which you can get assistance. Here are some further considerations:

1. **For what type of enterprise is the site best suited?** The U.S. Department of Agriculture has grouped the various kinds of recreation enterprises suitable for farms into seven categories. While these are logical groupings, they do not fully cover all kinds of income-producing recreation enterprises. These categories are:
  - a. Vacation farms.
  - b. Picnicking and sports areas.
  - c. Fishing waters.
  - d. Camping, scenery, and nature recreation areas.
  - e. Hunting areas (for harvesting naturally produced game in season).
  - f. Hunting preserves (for harvest of released game—during extended season).
  - g. Selling recreation land or recreation use rights.
2. **For what type of enterprise is the local area best suited?** These factors will influence the answer to this question: accessibility, local services and facilities, and complementary and competitive recreation facilities.
3. **What type of enterprise is the community ready to accept?**
4. **What type of enterprise are you as the owner and/or operator ready to manage?**



### Demand for Alternative Enterprises

By this stage, you probably have narrowed your thinking to two or three possible enterprises, based on site possibilities. It is now time to analyze the factors which will affect the potential demand for these al-





ternatives. Consider factors, including the following, which you think may influence your decision:

1. **Nearness to Potential Users.**
2. **Transportation Network to Area.**
3. **Social and Economic Characteristics of Probable Users**—age, income, education, family group, occupation.
4. **Visit Similar Facilities**—It will be helpful for you to visit a facility similar to the one you are planning and, if applicable, to meet with a group which has a need for the type of facilities you plan to offer. (Example: meet with a camping club, if you are planning a campground.)

The maps on pages 6 and 7 are included to help you in locating similar facilities and also to indicate the distribution of complementary and competitive facilities. These maps are reproduced, with permission, from *Ohio's Private Outdoor and Forest Recreation Enterprises* by Dwight R. McCurdy, Central States Forest Experiment Station, USDA Forest Service, in cooperation with Ohio Soil and Water Conservation Districts, May, 1963. Reference copies of this booklet are available in county Extension and Soil Conservation Service offices.

## PHASE III — PLANNING THE SELECTED ENTERPRISE

### Prepare a Long Range Development Plan

Make a list of the ultimate facilities you would like. Include size, number, quality, type, etc.

Then set up a construction timetable for completing the development. This should be a step-by-step or "by stages" timetable which includes construction, advertising, and employee training programs. (See Phase IV for advertising possibilities.)

### Determine Your Immediate Needs

List what you really need to get the project started, such as access roads, utilities, structures, water, and sewage systems.

What other items would improve the project. Make a list.

### Prepare a Cost and Return Estimate (Prospectus)

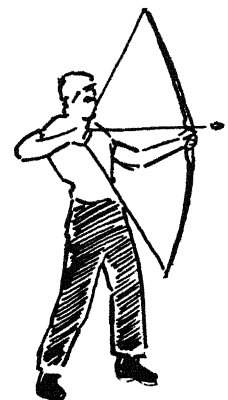
In order to get an idea of the probable financial returns from your enterprise, make a careful estimate of costs and income. Items to consider include:

1. **Investment Costs**—land, materials, labor, equipment.
2. **Operating Costs**—depreciation, labor, insurance, taxes, advertising, supplies, maintenance.
3. **Gross and Net Returns.**

Below is an example of preparing a cost and return estimate. It is reprinted, with permission, from *Opportunities for Private Campgrounds as an Alternative Use of Land* by Holcomb, Conklin and Winch, Virginia Extension Circular 792, February, 1963. Reference copies of this circular are available in county Extension offices.

#### **Cost of Establishing a Camping Operation**

The actual cost of establishing a private campground is difficult to assess. The three most expensive items, which will vary with each location, are roadways, water supply, and sanitary facilities. Each is an absolute necessity. A place to swim will also be a necessity in most camps. At the price most campers are prepared to pay this can only be a natural water-





course or, at most, a farm pond. In most instances road and pond construction and drilling for water require specialized equipment the landowner cannot furnish. A building for registration, the camp store, and storage may not be available.

The cost of constructing fireplaces, toilets, and other structures depends on the skills and tools of the operator or on available local labor, if the work is to be contracted. A case in point is fireplace construction at two different campgrounds. In one, the cost of materials was \$6 each and about four hours of labor went into the construction of each fireplace. In the second, the cash cost was \$1.50, with only one hour going into the construction and placement of each. While both are satisfactory, the more expensive one will last longer and will probably be preferred by most campers. In another instance, material costing 90 cents made a grill patterned after those for which some state parks were said to have paid \$9. In another, the grates were made of used water pipe.

In one operation, excellent garbage cans were salvaged from metal shipping containers. In another, standard garbage cans were purchased. Such variations in cost make it difficult to estimate the cost of a private operation.

The estimates given in the tables below, with a range of construction costs, provide a point of departure for the cost of establishing 7 camping units of 15 tentsites per unit. The 105-camper size was selected for the estimates because this seemed to be a reasonable size for one family to handle with some outside help. Construction, repair, and all the attendant work of preseason and end-of-season jobs could be done by one person. A modest income can be expected from this size operation if considerable home labor is used in the original construction and management. In making the estimates, man and machine hours are included only in the construction of roads, ponds, and water supply.

For each item the costs given can vary widely. Some operators will have a spring or other established source of drinking and washing water. Others may have a pond or natural watercourse for swimming. A few will have some or all of the tools necessary for the construction of the campsites. Tables 1 and 2 can be used as guides in making preliminary estimates for a particular enterprise.



Table 1. — Estimated Costs of Materials and/or Contracted Work and Depreciation for Campgrounds of 105 Tentsites.

Item	Number Units	Unit Cost	Total Cost		Est. Life Years	Depreciation Annual	
			Low	High		Low	High
Water Supply.....			\$1,000	\$2,500	15	\$ 65	\$165
Pool (farm pond).....			1,000	2,000	15	65	135
Roads (including gravel).....			600	1,500	15	40	100
Privies — 2 per 15 Tentsites	7	\$ 400	2,800	.....	10	280	.....
Flush Toilets & Showers.....	2	2,000	.....	4,000	15	.....	265
Docks — for Swimmers.....	2	150	300	300	10	30	30
Pool Safety Equipment.....	1	200	200	200	5	40	40
Tables .....	105	10-15	1,050	1,575	5	210	315
Fireplaces .....	105	2-6	210	630	5	40	125
Garbage Cans.....	105	4	420	420	3	140	140
Playground Equipment.....		2-500	200	500	3	65	165
Building for Storage & Store .....		8-1200	800	1,200	15	55	80
Total.....			\$8,580	\$14,825	.....	\$1,030	\$1,560

Table 2. — Estimated Cost of Equipment and Depreciation for Campgrounds of 105 Tentsites.

Item	Cost	Est. Life Years	Depreciation
Truck — 1-ton (used).....	\$2,000	5	\$ 400
Pickup — ¾-ton (used).....	1,200	5	240
Tractor (used).....	1,500	10	150
Mowing Machine.....	500	10	50
Cement Mixer.....	225	10	25
Refrigerator.....	400	10	40
Freezer.....	400	10	40
Tools — Miscellaneous.....	350	5	70
Total.....	\$6,575		\$1,015

In computing the total cost of the investment, the land used must also be given a value and included in the total cost. Table 3 itemizes the total estimated cost of the investment.

Table 3.—Estimated Capital Investment Summary for Campgrounds of 105 Tentsites.

Item	Cost	
	Low	High
Camp Construction (from Table 1).....	\$ 8,580	\$14,825
Operating Equipment (from Table 2).....	6,575	6,575
Land — 50 acres at \$50.....	2,500	2,500
Total.....	\$17,655	\$23,900

### Annual Operating Expenses

Annual operating expenses will include the following items:

1. **Insurance.** Each operation must carry liability and property damage insurance. The minimum, depending on state laws, will probably be \$5,000 for any one individual and \$10,00 for any one accident, with \$5,000 property damage. Few operators would consider the minimum as adequate coverage. Premiums will depend on the insurance company, the agent writing the insurance, and whether the insurance can be written in connection with a farm liability policy. Some insurance is sold on the basis of camper days and some on gross income from registrations.

2. **Workman's compensation and disability insurance.** The need for this will depend on state laws and whether outside help is hired.

3. **Advertising.** It is difficult to know how much to spend for advertising. There are several guidebooks listing camp locations and facilities, most of which do not charge for listings. A campground should be listed in all, including the ones for which a charge is made. Some camps also advertise in camping magazines. Most campers will use at least one guidebook for reference in planning trips and when on the road.

Another form of advertising is probably necessary. This is a brochure or leaflet describing location, facilities, charges, and other pertinent information. It usually has a few pictures of the camp and its activities. Brochures are useful in answering inquiries, for handing out as souvenirs, and for placing in strategic locations in the surrounding region.

4. **Taxes.** Another added expense may be an increase in taxes. This is dependent on the taxing authority, but is inevitable once additional buildings are constructed and the business is in operation.

5. **Outside help.** With a camp of 105 tentsites, it is quite likely that one helper will be needed, unless the operating family is large.

6. **Supplies, repairs, and miscellaneous items.** These items can be judged only by experience. Some of the items needed are registration blanks, writing paper, postage, telephone, etc. Gas, oil, and electricity are included in the estimate. Repairs to buildings and equipment are also a recurring expense.

The estimated annual operating expenses are itemized in Table 4.

Table 4.—Estimated Annual Operating Expenses for Campground of 105 Tentsites.

Item	Cost
1 Helper — 100 days @ \$10.00.....	\$1,000
Insurance .....	500
Advertising .....	200
Taxes .....	200
Supplies, Repairs, & Miscellaneous Items.....	1,000
Total Operating Expenses.....	\$2,900

In order to determine the net returns on the investment, all costs entering into the operation must be computed. Depreciation for replacement of camp buildings and operating equipment must be included. This computation is based on the estimated life of each item. Annual operating



expenses is another item. Finally, the interest on the investment must be taken into consideration. At the present rates of interest in good securities, at least 4% should be charged on the money invested in the business. These costs are itemized in Table 5.

Table 5. — Estimated Total Annual Operating Costs and Depreciation for Campgrounds of 105 Tentsites.

Item	Low	High
Depreciation for Installations (Table 1).....	\$1,030	\$1,560
Depreciation for Operating Equipment (Table 2).....	1,015	1,015
Annual Operating Expenses (Table 4).....	2,900	2,900
Interest on Investment — (computed from totals, Table 3).....	705	955
Totals.....	\$5,650	\$6,430

### Returns on the Investment

The camp operator will have two sources of income, the main one being registration fees. The other will be from the sales in the camp store — milk, ice cream, soft drinks, post cards, firewood, charcoal, etc.

The amount that can be charged per tentsite is dependent to some extent on charges for public camping. Where charges are made at public campgrounds, the rates run from 50 cents per night up to \$3 for a family of four. Rates in the few private campgrounds range from \$1.50 to \$4 per night, \$1.50 and \$2 being the most common. A lower weekly rate may be charged, and a higher one when more than four people occupy a tentsite.

If 105 sites are occupied 50% of the time for 100 days, season occupancy would amount to \$10,500 for 5,250 site-days at \$2 per day. With a profit of \$1,000 from the camp store the total estimated income for a season would be \$11,500. Income, operating costs and returns, including profit and labor, are itemized in Table 6.

Table 6. — Estimated Revenues, Operating Costs, Profit and Labor Income for Campgrounds of 105 Tentsites.

Item	Low	High
Revenues — 100 days, 105 sites 50% Occupancy @ \$2... ..	\$10,500	\$10,500
Store Profit.....	1,000	1,000
Gross Income.....	11,500	11,500
Less — Annual Operating Costs (Table 5).....	6,430	5,650
Profit and Return on Own Labor.....	\$ 5,070	\$ 5,850

All computations have been based on an operation which will occupy a landowner and his family full time for the camping season. It will also take at least one month to make the camp ready to open, and approximately one month after the season is over to store equipment.

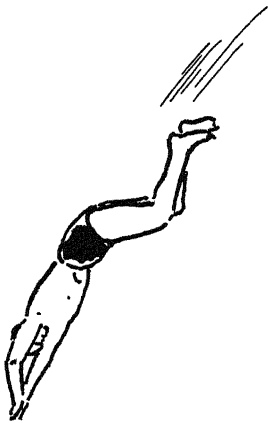
Most landowners who decide to go into the business will probably want to start out in a small way with 1 or 2 units, and expand as the camp becomes known. However, it must be remembered that a large portion of the total cost of establishing the camp is in basic costs. Also, someone must be on hand most of the time to service the campers. Therefore, the camp should be running at its maximum size and capacity as soon as possible to reduce overhead and maximize the income.

### Consider Methods of Financing

If your development plans require a larger investment than you can finance alone, present your prospectus to sources of investment capital. You may be able to arrange loans from local banks, savings and loan associations, development corporations, bond and mortgage companies, governmental financing agencies, or individuals.

### Secure Approval

Before you break ground, be sure to secure approval of the site and construction plans, if such approval is necessary. You may need to check with the Ohio Department of Health or the local governmental agency which has jurisdiction in the area.



## PHASE IV — BREAKING GROUND AND PROMOTING PROJECT

When conditions and time seem favorable, break ground. Move forward carefully, according to your development plan.

At each stage of construction, re-evaluate your project with reference to your long range goals. Be on the alert for possible changes which might improve your plans.

### Plan for Publicity

Many people must know about your enterprise, if it is to be profitable. Keep your local newspaper, radio and television people informed of your progress and plans. If the project is unusual or significant, they may include it in news stories. Use advertising methods which promise extensive publicity at reasonable cost. Here are some possibilities:

1. **Advertising Methods—**
  - a. Mass media—newspapers, radio, television, magazines.
  - b. Leaflets, brochures, posters, roadside signs.
  - c. Existing private and public organizations and agencies.
2. **What to Publicize—**location, facilities and attractions, services offered, rates, rules, and regulations.

### Investigate Insurance Needs

Any enterprise which serves people involves the risk of personal injury or property damage. Investigate your liability and insurance protection needs. A good discussion of these needs is presented in *Liability and Insurance Protection for Farmers Who Have Income-Producing Recreational Facilities* by Rush and Botts, ERS-120, Farm Production Economics Division, Economic Research Service, USDA, Washington 25, D.C.

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