

APPENDIX B

Market Potential and Feasibility Analysis of Commercial Concession Development at Mark Twain Lake, Missouri – January 2001

INTRODUCTION

I.1 Purpose of Study

The purpose of this study is to update a previous similar study completed in 1988 entitled “*Market Potential and Feasibility Analysis of Commercial Concession Development at Mark Twain Lake, Missouri*” (Horner and Shifrin, Inc.). The primary objectives of the current study include the determination of potential market support for new overnight lodging accommodations, and additional marina capacity either through expansion of existing marinas or the development of an additional new marina at Mark Twain Lake. An additional objective was the selection of three alternative sites for the potential development of a resort hotel or lodge facility at Mark Twain Lake.

I.2 Methodology

The primary methodology involved in this study included opinion surveys and personal interviews with representatives of concessions, businesses and various organizations in the Mark Twain Lake area. In addition, field site investigations were conducted for the selection and analysis of alternative resort hotel or lodge sites.

Three opinion surveys were conducted which consisted of the following: (1) households representing the general population within a 125-mile radius of Mark Twain Lake (Appendix A); (2) current slip renters at the two marinas at Mark Twain Lake (Appendix B); and (3) owners of pleasure boats within a 100-mile radius of Mark Twain Lake (Appendix C). The general population survey consisted of a telephone survey of 400 randomly selected households within the defined users market area of Mark Twain Lake. The distribution of telephone calls was based on population distribution and reflected the most recent (July, 1999) county population estimates.

The slip renter survey consisted of a mail-out questionnaire to all current slip renters at the Indian Creek Marina and Blackjack Marina at Mark Twain Lake. There were 360 questionnaires mailed of which 213 were completed and returned, for a response rate of almost 60%. The boat owners survey consisted of a mail-out questionnaire in Illinois and a telephone survey in Missouri of randomly selected households with a registered pleasure boat 18 feet or longer in length within the defined users market. Unfortunately, because of the restrictions imposed under the Federal Privacy Protection Act, the desired sample for the boat owner survey was not attained. Detailed results of each survey are located in Appendices A, B and C respectively.

The second major task included personal and telephone interviews with individuals and organizations directly associated with Mark Twain Lake, or located within the Mark Twain Lake immediate area. Individuals and organizations interviewed included the managers/operators of the Indian Creek and Blackjack marinas; the Mark Twain Lake Operations Manager; the Superintendent of the Mark Twain Lake State Park; the Missouri Department of Natural Resources; the Mark Twain Lake Association; motel operators; and local real estate brokers. A summary of these interviews and comments received are contained in Chapter 2 and Appendix E respectively.

Mark Twain Lake Master Plan

An additional major task was the selection and analysis of alternative resort lodge or hotel sites adjacent to Mark Twain Lake. This task involved the preliminary identification and screening of twelve sites in respect to the physical and economic feasibility of developing a resort lodge or hotel. A number of site selection criteria were utilized in the site analysis, with three alternative sites being ultimately selected based on a point system established for each site criterion.

I.3 Summary of Previous Study Recommendations

The previous similar study contained several recommendations regarding the potential for the development of a third marina, and a lodge/hotel resort and restaurant based on an assessment of market demand. Opinion surveys, similar to those included in the present study, were conducted of the general population, boat slip renters and registered boat owners, and formed the primary basis for the conclusions and recommendations.

Recommendations for concessionaire development at Mark Twain Lake in the 1988 study included the following.

- An effective market demand, along with financial feasibility, for justifying the addition of a third marina at Mark Twain Lake or the expansion of the existing two marinas based on the projection of total slip rental demand for 640 slips in the year 2000.
- Market support for an annual demand for 42,200 resort hotel/lodge room nights in the year 2000 based on survey responses. This overnight lodging demand would equate to a 195- room resort hotel/lodge in the year 2000.
- Projected demand for 341,500 meals served in a restaurant associated with a resort hotel or lodge in the year 2000.

I.4 Summary of Current Study Recommendations

It is concluded in this study that the following actions be pursued to enhance the Mark Twain Lake area and user market. These recommendations are based on an analysis of the Mark Twain Lake environment; surveys of slip renters at Mark Twain Lake, boat owners, and the general population; interviews with local businesses and other organizations; and a market analysis of the existing and potential users market for Mark Twain Lake.

- Development of a quality resort lodge/hotel with a quality restaurant and ancillary uses should be a higher priority than development of a third marina. A resort lodge/hotel should preferably be located near the existing activities, attractions and complementary uses along Highway J above the Dam. The location of a resort lodge/hotel near or in the midst of other activities is preferable considering the potential synergistic effect as a result of mutually supporting activities.
- Development of additional activities (including nighttime), especially those oriented to families and older population.
- Consideration of the development of a third marina only after other amenities (i.e. resort lodge/hotel, etc.) are developed. Considering current slip vacancy rates at the two existing marinas in addition to a general lack of other activities and complementary uses for attracting Lake visitors and users, a third marina could have adverse economic impacts on the existing concessionaires.
- If and when a third marina is developed, it should be centrally located on the Lake, preferably in the Highway 107 area or future expansion area of the Mark Twain State Park to take

advantage of other amenities (i.e. Mark Twain State Park and Shrine) and create a new activity center. An exclusive sailboat marina may be justified.

- Preservation of the quiet, peaceful, relaxing and pristine environment, which is a major attribute of Mark Twain Lake compared to the majority of the competing lakes as cited by survey respondents. While additional commercial activity may be needed, and encouraged, the primary goal should be that of maintaining and preserving the natural attributes which attract the majority of the visitors and users to the Lake.
- Improved fish stocking program through better coordination and management by the entities responsible for management and operation of Mark Twain Lake and Clarence Cannon Dam. Since fishing is a major recreational use of the Lake, it is paramount that the quality of fishing be maintained and enhanced through improved stocking in addition to monitoring and coordination of Lake levels to prevent deterioration of this sport.
- Closer monitoring and coordination of the Lake levels between the responsible entities as it affects recreational boating and fishing.
- Expanded marketing and advertising program for Mark Twain Lake, which implies additional funding from the public and/or private sector. The Lake is not well known, even in Missouri, as evidenced by the survey responses from the general population of which 25 percent stated they had never heard of Mark Twain Lake.
- Improved signage on the major highways advertising Mark Twain Lake, inclusive of all three states within the Lake's market area.
- Evaluation of procedures and practices by law enforcement officials in the immediate area of Mark Twain Lake. Excessive or unnecessary law enforcement was frequently cited by area business people as a factor contributing to a negative image of the Lake and the non-return of some visitors.
- Improving the quality and aesthetic appearance of new development on non-Corps managed properties around the Lake. The majority of the existing commercial development in the immediate area of the Lake is not aesthetically appealing and does not reflect consistent higher quality architectural standards. The respective officials of Monroe County and Ralls County should establish special planning and architectural standards, possibly a special zoning district, towards the goal of enhancing and maintaining consistent higher quality and aesthetically appealing development in the immediate Mark Twain Lake area.