



# Business Feasibility Study of the Albright and Mather Training Centers



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EXECUTIVE SUMMARY &  
INTRODUCTION





*The Stephen T. Mather and Horace M. Albright Training Centers are two of the National Park Service's primary training destinations. These training centers play an important part in communicating the history, tradition, and values of the NPS.*

## Executive Summary

The Stephen T. Mather and Horace M. Albright Training Centers are two of the National Park Service's primary training destinations. These training centers play an important part in communicating the history, tradition, and values of the NPS. They are places where employees get to know and understand the NPS, their colleagues, and themselves. Through time they have become organizational touchstones.

The Eppley Institute for Parks and Public Lands in partnership with the National Park Service (NPS) conducted a feasibility study that assessed viability and the possibility of increasing use by NPS training divisions and expanding the operations of the Stephen T. Mather and Horace M. Albright training centers to include fee-for-service and cost recovery use by an audience outside the NPS, including private, public, and nonprofit organizations.

The study reviewed five distinct areas related to this overall purpose: a legislative review, market analysis, benchmarking analysis, travel-cost analysis, and financial analysis.

The legislative review revealed that authorities exist that would allow the NPS to lease the lodging facilities to outside organizations for training events.

The market analysis indicated an upward trend in the amount of money per employee that organizations are spending on training and professional development, as well as a large market demand for residential training facilities.

The benchmarking analysis demonstrated that the Albright and Mather training centers meet and/or exceed industry standards regarding technology and training center facility amenities.

Travel costs of actual NPS training events were compared with estimated travel costs if the same events had been held at Albright or Mather. In all cases reviewed it was found that overall estimated costs would have been equal or less than the actual costs for those training events.

Finally, the financial analysis conducted showed that under conditions that are well within reach, both of these training centers could operate at a cost recovery level of more than 100%.

Overall, the findings from this study indicate that the Albright and Mather training centers, through the use of lease agreements, are capable of operating as residential training centers that recover the cost of operations and attain surpluses that can be deposited in non-reverting funds dedicated specifically for facility maintenance and improvements.

If the NPS were to devote funds that would encourage a scenario whereby these facilities were used for a much larger proportion of NPS training events, it would essentially be paying now for a great investment in its future. That future would not only include professionally developed employees, who are and will become the leaders of the NPS, but also the future of the facilities themselves so that a continual cycle of improvement is created.

Even in the absence of any policy shifts, these two training centers could still achieve the goal of self-sufficiency by making a concerted effort to attract more NPS training events to their facilities. This can be accomplished through internal marketing and through word of mouth. Increases in the number of NPS training events at these facilities could get them to their break-even points without the need for any additional occupancy by non-NPS groups.

In short, an investment in the Mather and Albright Training Centers by pursuing the dormitory project at Mather and by increasing the number of NPS training events that take place at both facilities is an investment in the future of the NPS and its employees.

Ultimately all NPS visitors will benefit from such an investment. These facilities are on par with the best in the industry, and NPS employees can only benefit from experiencing the transfer of knowledge and passion of their colleagues in a setting created by their colleagues.



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# Introduction

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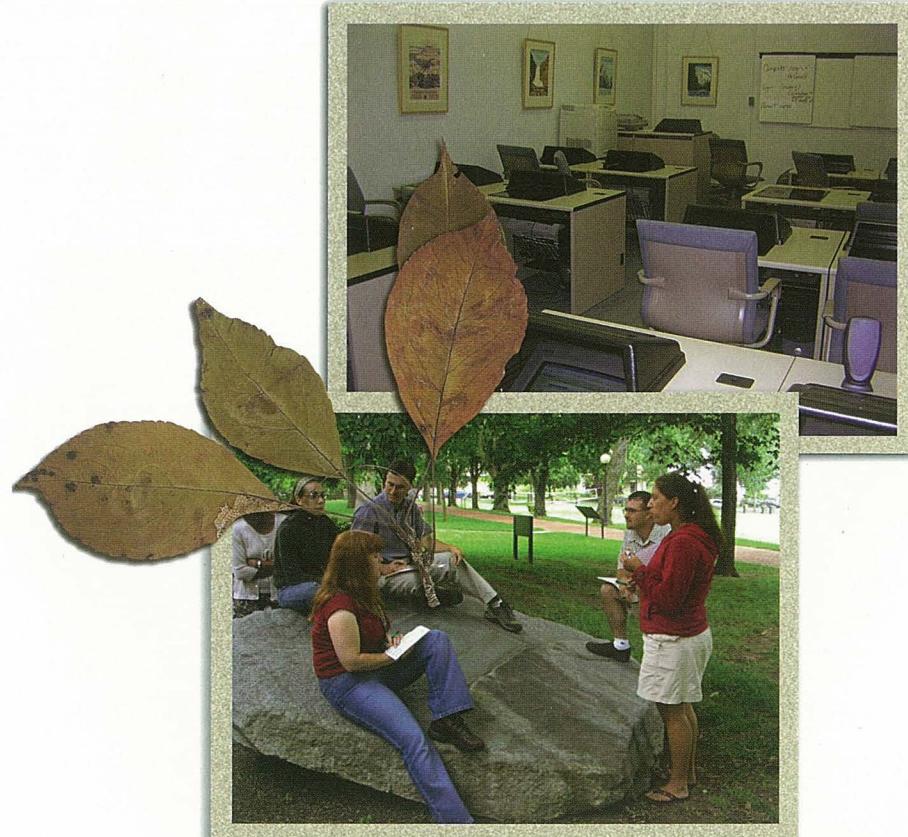
This document includes a description of each facility to provide context and familiarity with these facilities. This is followed by a detailed evaluation of NPS policies and laws regarding the use of federal property by outside organizations. Specific authorities, which allow for expanded use of the training centers and define appropriate user groups for which services may be provided, are identified. The document also explores the strategies other federal agencies have utilized to enact similar entrepreneurial pursuits. These results are summarized to support recommendations about how the NPS could proceed with enacting a fee strategy at these facilities.

The next section of the report analyzes the training industry and assesses the potential of the related markets. Specific emphasis is placed on markets NPS facilities are best suited to serve. These results are followed by a benchmarking study comparing the infrastructure of multiple training and conference centers that comprise a representative sample of similar facilities. The benchmarking study compares facility attributes, services, and pricing.

Based on the market analysis and benchmarking results, scenario forecasts for both centers were created to consider potential revenue generation, and opportunity for return. These forecasts were used to create five-year pro forma revenue and cost projections

that demonstrate the net revenue potential of these facilities. The pro forma projections include forecasts of revenue generation and likely costs of operation given a set of realistic assumptions about cost increases, facility maintenance needs, and gradual increases in occupancy.

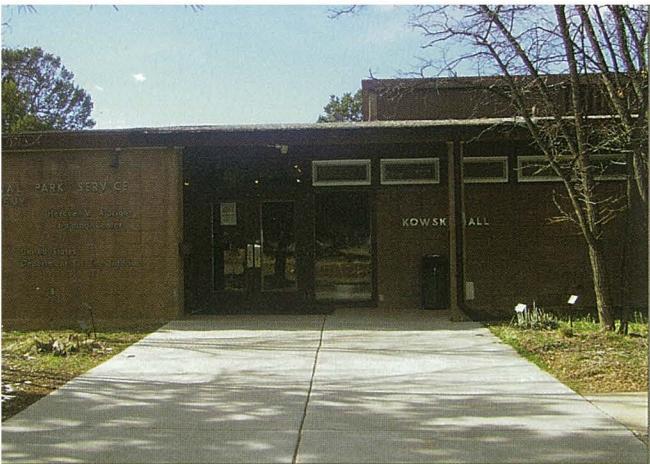
The report concludes with an overall summary and conclusions about the feasibility of expanded use of the Mather and Albright training centers based on the five-year projections and the other findings from the research conducted.



Computer room and front lawn at Mather Training Center

NPS FACILITIES





*The Horace M. Albright Training Center (HOAL or Albright) is located in Grand Canyon National Park on the South Rim. HOAL was constructed in 1963 specifically as a training center for park rangers as part of the Mission 66 initiative.*

## NPS Facilities

The Stephen T. Mather and Horace M. Albright Training Centers are two of the National Park Service's primary training destinations. These training centers play an important part in communicating the history, tradition, and values of the NPS. They are places where employees get to know and understand the NPS, their colleagues, and themselves. Through time they have become organizational touchstones. In this light, they are unique among the training facilities surveyed for this study. Descriptions of these facilities are provided to familiarize the reader with the current operations, historical relevance, and geographic locations of the facilities.

### **Horace M. Albright Training Center**

The Horace M. Albright Training Center (HOAL or Albright) is located in Grand Canyon National Park on the South Rim. HOAL was constructed in 1963 specifically as a training center for park rangers as part of the Mission 66 initiative. The current facilities have served as an NPS training destination for its entire 44-year history. Prior to moving to this facility, the Albright Training Center was located in an adapted-use building in Yosemite National Park from 1957 to 1963.

The training center underwent an \$8 million line-item renovation in 2005-2006, which significantly improved the health and safety of the facilities, expanded teaching capability, and converted student residences to single-occupancy studios. The training center location is a land assignment from Grand Canyon National Park of approximately ten acres that include five student residence buildings, parking lots, trails, and Kowsky Hall, which contains the classrooms and offices. Training facilities consist of two large classrooms (Classrooms 1 and 2), one smaller classroom (Classroom 3), two small breakout rooms, a large breakout room that can be divided into two

smaller rooms, a kitchen for student use, and a student communication room with e-mail and telephone stations. As part of the renovation, the center installed a new computer network system, as well as state-of-the-art "smart" classrooms with integrated audiovisual and satellite downlink capability.

The National Park Service primarily uses HOAL as a venue for its Fundamentals II Servicewide training. The training center also houses the administrative offices for several other Training and Development programs including the Servicewide Natural and Cultural Resources Stewardship training program and the Visitor and Resource Protection training program.

NPS employees attending training at HOAL stay on-site in newly renovated efficiency apartment units. Each of the 72 apartment units is equipped with a telephone, bed, bath, and kitchenette. A commons area provides students with a social and entertainment venue, including lounge furniture, a pool table, a television, and a kitchenette. Outdoor grills, picnic tables, camping gear, and bicycles are also available to HOAL students. In addition, students have use of the Grand Canyon Recreation Center which is adjacent to the training center. This facility has a weight room, exercise machines, volleyball court, and more. The training facility is within one-half mile walking distance to the park's shuttle bus, which provides transportation to all the scenic destinations, amenities, and services on the South Rim of the park.

The NPS Division of Training and Employee Development is responsible for the upkeep of the training center as well as roads, trails, and grounds within the assigned area. In 2006, HOAL awarded a service contract to a private contractor to handle reservations, cleaning, and general indoor maintenance of the residential facilities. The training center buildings are

on Grand Canyon National Park's inventory and the park's facility management system. The park maintains the facility condition assessment for the training center. T&D pays the park for maintenance and services rendered by the park to the training center. The training center pays for utilities directly or through reimbursement to the park.

The Albright Training Center also includes six houses built as part of the original 1963 project to house training center employees. These houses are located in the park housing area. Over the years, the training center and the park have mutually agreed upon trading houses to meet their respective needs. Currently, the training center occupies seven houses, three of which are the original 1963 units. In addition, the training center has secured, through an agreement with the park, the use of a historic structure, which is currently being renovated to become a single-family house for Albright staff.

The training space at HOAL can accommodate a maximum of 100 trainees at a time. Each of the two large classrooms comfortably holds up to 40 students. The smaller classroom can accommodate 24 students. The additional training space consists of a comfortable but minimally equipped meeting area that is best suited as complementary space to the three main classrooms. Because some apartment units are reserved for use by the service contractor and training center employees, the apartments can accommodate a maximum of 66 students.

### **Stephen T. Mather Training Center**

The Stephen T. Mather Training Center (STMA or Mather) is located in West Virginia on the former grounds of Storer College, a historically black college that closed in the 1950s. The center and grounds

are within the Harpers Ferry National Historic Park (HAFE). STMA has a history of being one of NPS's premier training centers. Although the number of trainings at the facility has declined over the past decade, a strong sentimental value remains for STMA's symbol as a home for NPS training. This legacy is perceived as one influence on the continued use of this facility for training purposes. Therefore, it is important to examine the current state of training at STMA, as well as provide a brief history of the facility to help identify the facility's inherent strengths and weaknesses.

The National Park Service currently uses STMA for both training and administrative purposes. According to its mission, STMA is committed to "the professional growth and continuous learning of all NPS employees and associated partners in its assigned career fields and special programs, and providing them with comprehensive, competency-based, and mission-focused training and development." Currently, these career fields and programs include the following: Interpretation (INT), Partnerships (PAR), Recreation & Conservation (REC), Technology Enhanced Learning (TEL), Train the Trainer, and Fundamentals V. The NPS offers both fully-funded and tuition-based training at STMA.

Mather's proximity to the Harpers Ferry NHP, the C&O Canal, Antietam Battlefield, Monocacy Battlefield, the Appalachian National Trail (and partnership), the Potomac and Shenandoah Rivers, and the Harpers Ferry Center gives it a set of resources that enhance its value as both an interpretive site and a technical training support center. Mather's quiet campus atmosphere, a legacy of Storer College, coupled with modern classroom amenities, make it an exceptional setting for adult learning activities.

Employees attending trainings at STMA utilize local



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accommodations, as currently there is no on-site residential facility. A 36-person dormitory was operated at the training center from 1964 until 2000, when it was closed because of the expense and difficulty of meeting contemporary safety and accessibility requirements. The building is now used as offices by the training center and the adjacent Harpers Ferry Design Center. Lodging options now available to the training center are local hotels and bed & breakfasts. STMA employees perceive a lodge facility as a major need. A 38-person dormitory has been proposed for STMA and is listed in the NPS line-item construction program. The lodge project has been fully designed and approved through the NPS project review process however, competing priorities and dwindling line-item funding have caused the projected funding date to slip to 2010.

Harpers Ferry National Historic Park is responsible for the upkeep of historic buildings within the park, including the Mather Training Center. The training center buildings are on the park's inventory and facility management system. The park maintains the facility condition assessment for the training center. The Division of Training and Employee Development (T&D) pays the park for maintenance and services rendered by the park to the training center. The training center pays for utilities directly or through reimbursement to the park.

The training space at STMA can accommodate a maximum of 100 trainees at a time. Facilities consist of an upper classroom, lower classroom, computer lab, Storer College Room, and support offices. In the main classroom building, there is a fully-equipped, modern kitchen/dining area that can accommodate approximately 10 students, as well as a snack/break room where students have access to vending machines throughout the day. The center has full Internet

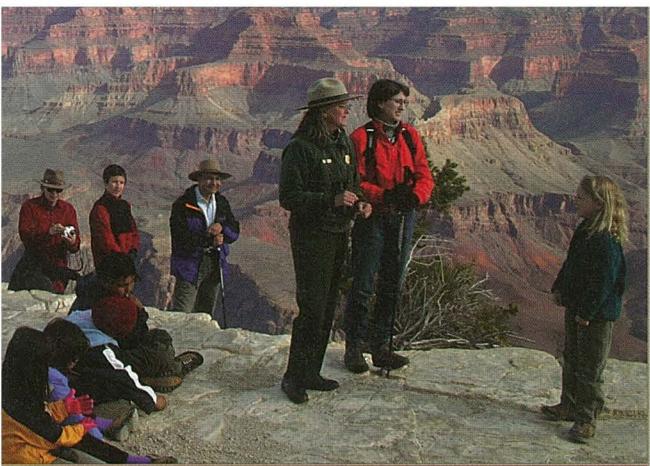
connectivity and a satellite downlink. The upper classroom has space for 40 to 60 students, and the lower classroom accommodates 24 to 40 students. The Storer College Room can accommodate 30 people as a meeting room, or it can be used as three breakout rooms. The computer lab can accommodate 14 trainees and 1 instructor.



Artist rendition of dormitory and classroom activity at Mather Training Center

# LEGISLATIVE REVIEW





*Under the National Park Service Organic Act, units of the National Park System must be managed in accordance with the fundamental purpose of conserving them in a manner that will leave them unimpaired for the enjoyment of future generations.*

# Legislative Review

There are several key pieces of legislation that help guide NPS policy and give direction to administrators about the authorities available for the use of NPS property by outside individuals and organizations. The primary piece of guiding legislation is the National Park Service Organic Act.

Under the National Park Service Organic Act, units of the National Park System must be managed in accordance with the fundamental purpose of conserving them in a manner that will leave them unimpaired for the enjoyment of future generations. Although the Stephen T. Mather and Horace M. Albright Training Centers are not parks, they are within units that are part of the National Park System; therefore, the enabling legislation for the two encompassing parks affects the training center operations.

The Organic Act informs NPS policy requiring the provision and development of public accommodations, facilities, and services within such units to be limited to locations that are consistent with the preservation and conservation of the resources and values of the units. In addition, the Organic Act prevents indiscriminate use so that visitation will not unduly impair these resources.

The Organic Act serves as the foundation of Public Law 105-391, known as the 1998 NPS Omnibus Management Act. Following the provisions enumerated in the Omnibus Act, the NPS does not have defined statutory authority to operate Mather (STMA) and Albright (HOAL) Training Centers as fee-for-service facilities, as is the case for some other federal training facilities, such as the National Conservation Training Center and the Eastern Management Development Center. However, there are four distinct provisions within the Omnibus Act that provide options for fee-for-service activity pertaining to NPS

operations in general. Utilizing these authorities for STMA and HOAL operations provides plausible strategies for incorporating fee-for-service activities into the management of these facilities. These authorities include the following: leases, special use permits, commercial use authorizations, and concessions contracts. Each authority is detailed below.

## Leases

This authorization allows for the establishment of either a long-term lease agreement with a nonprofit group or partner or short-term leases with multiple users. Under 16 U.S.C. 1a-2(k) and 16 U.S.C. 470h-3, “the NPS Director (or delegated officials) has the authority to lease any federally owned or administered property located within the boundaries of park areas.” (36 CFR Ch. I §18.1 [7-1-05 Edition])

The Director may enter into leases with nonprofit organizations (recognized as such by the Internal Revenue Service) or units of government without a bidding process if the Director determines that the nonprofit or governmental use of the property will contribute to the purposes and programs of the park area. Additionally, the Director may enter into non-bid leases with a term of sixty days or less if the Director determines that to do so is in the best interests of the administration of the park area. If historic land is to be leased under the authority of this section, the Director must comply with 36 CFR Part 800 (commenting procedures of the Advisory Council on Historic Preservation) before entering into the lease. All leases entered into under this code shall have as short a term as possible (with a maximum of 60 years), taking into account the financial obligations of the lessee and other factors related to determining an appropriate lease term.

*“Property may be leased only if the rent*

*is equal to or higher than the property's fair market value rent. The determination of fair market value rent accounts for any restrictions on the use of the property or terms of the lease that limit the value and/or the highest and best use of the property and any requirements under the lease for the lessee to restore, rehabilitate, or otherwise improve the leased property." (36 CFR Ch. I §18.5 [7-1-05 Edition])*

If the NPS deems that the highest and best use of STMA and HOAL is to house educational programs that promote the NPS mission, then leasing options provide a viable means for maximizing facility use, as long as the following requirements are met:

- "(a) The lease will not result in degradation of the purposes and values of the park area;
- (b) The lease will not deprive the park area of property necessary for appropriate park protection, interpretation, visitor enjoyment, or administration of the park area;
- (c) The lease contains such terms and conditions as will assure the leased property will be used for activity and in a manner that are consistent with the purposes established by law for the park area in which the property is located;
- (d) The lease is compatible with the programs of the National Park Service;
- (e) The lease is for rent at least equal to the fair market value rent of the leased property;
- (f) The proposed activities under the lease are not subject to authorization through a concession contract, commercial use authorization or similar instrument; and
- (g) If the lease is to include historic property, the lease will adequately insure the

preservation of the historic property." (36 CFR Ch. I §18.4 [7-1-05 Edition])

Unless otherwise authorized by law, a lease may not authorize the lessee to engage in activities that are subject to authorization through a concession contract, commercial use authorization, or similar instrument. Proposed lease activities are subject to authorization under a concession contract if the Director determines in accordance with 36 CFR Part 51, park area planning documents, and related guidelines and policies that the proposed activities meet applicable requirements for issuance of a concession contract.

NPS Director's Order #38, which applies to the leasing of National Park Service real property specifically states that "rent proceeds from [36 CFR] Part 18 leases are to be deposited in a special account in the Treasury of the United States and will be available until expended for infrastructure needs of the applicable park area, including facility refurbishment, repair and replacement, infrastructure projects associated with park resource protection, and direct maintenance of the leased property." (Director's Order #38, Section C (2))

### **Special Use Permit**

The special park uses authority contained in 36 CFR Ch. I § 2.50 and detailed in Director's Order #53 provides a second authority for park unit use. Special events, including entertainments, ceremonies, and similar events, are allowed in NPS units, provided a special use permit is obtained from the superintendent. Permit issuance requires establishment of a meaningful association between the park area and the special event, with the event's observance contributing to visitor understanding of the significance of the park area. Additionally, a permit will not be issued if the event would substantially impair the operation



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of public use facilities or services of NPS concessionaires or contractors. Special use permit holders must obtain liability insurance for the event and post a bond to cover any rehabilitation or clean-up costs associated with the activity. NPS may only recover costs for any such use and cannot charge fair market value rent for a special use permit.

STMA and HOAL could issue special use permits for any activity that does not contradict the purpose or values of the parks in which they are located. Additionally, there must be a specific reason to issue a special use permit for a training center — that is, there must be something at the training center that is unique and cannot be obtained elsewhere through the use of another type of facility. The training centers may also charge only for reimbursable costs as a fee for special use permits. This fee would be very low compared to the fair market rate charged by other, private-sector businesses, such as nearby hotels, and would place the centers in an unfair competition for space with nearby hotels and other private-sector businesses that would charge market rates for meeting/training space.

### **Commercial Use Authorizations**

Section 418 of the Omnibus Act outlines commercial use authorization within units of the National Park System, implicitly including NPS training centers. The Secretary of the Interior may grant a written authorization to a person or entity for the provision of services to park area visitors.

Commercial use authorizations are limited to two years and to specific uses established in 418(c):

- (1) “commercial operations with annual gross receipts of not more than \$25,000 resulting from services originating and

provided solely within a unit of the National Park System pursuant to such authorization; (2) the incidental use of resources of the unit by commercial operations which provide services originating and terminating outside the boundaries of the unit; or (3) such uses by organized children’s camps, outdoor clubs and nonprofit institutions (including back country use) and such other uses as the Secretary determines appropriate.” (National Parks Omnibus Management Act of 1998, Title IV National Park Service Concessions Improvement Management Act of 1998, Section 418 (c))

Nonprofit institutions are not required to obtain commercial use authorizations unless taxable income is derived by the institution for the authorized use.

Payment of a reasonable fee for issuance of commercial use authorization is required; at a minimum, such fees allow for the recovery of management and administrative costs associated with the facility. Commercial use authorization provides a viable strategy for STMA and HOAL to obtain revenue in certain specific cases. Some examples might include an annual youth camp at HOAL or a small commercial Appalachian Trail outfitter employee training event at STMA.

### **Concessions Contracts**

Another authorization that provides a more stable business environment than commercial use authorizations is a concessions contract. Concessions contracts are established to provide necessary and appropriate park services, including food, lodging, and retail services, for the park visitors. Concessions contracts should not be considered for STMA and HOAL management because the primary purpose of these

facilities is to provide training to NPS employees. However, should the NPS ever find itself in a position in which it cannot financially manage its training centers, a concessions contract may be the best viable option for keeping these facilities in operation.

### **Summary**

In summary, the lease option provides NPS with the greatest potential for expanding T&D services to a broader audience on a fee-for service basis. The flexibility of utilizing short-term or long-term leases will allow for maximum facility use with the fewest number of potential restrictions. In addition, the proceeds from lease agreements can be used for facility maintenance and improvements.

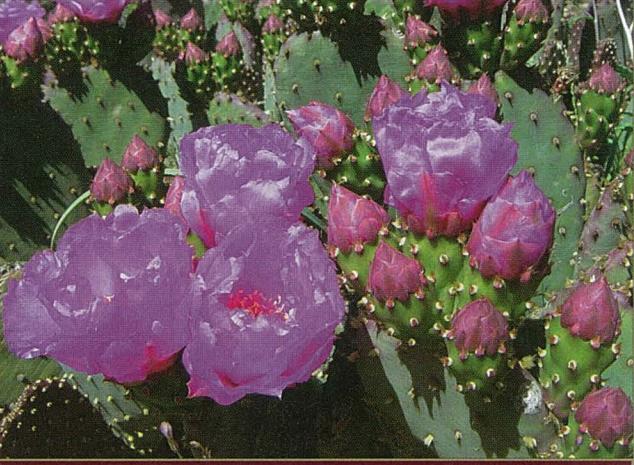
An effort to increase the use of special use permits for events related to the NPS or T&D mission could increase facility use during weekends, holidays, and other historically underutilized times. Special events permits could also be coupled with short-term leases to compensate NPS for appropriate property use by non-NPS parties.

Incorporating commercial use authorizations into facility management practices would allow a third party, such as a nonprofit agency, an outdoor club, a school or university, or a children’s camp to use the training centers for a fee, which at a minimum compensates the NPS for facility management and administration costs.

Finally, concessions contracts do not currently provide NPS with a viable strategy for the management of Mather and Albright Training Centers but could prove useful in situations where the combination of other more promising options do not recover the costs of maintenance or operations.

AUTHORITIES USED BY OTHER  
FEDERAL AGENCIES





# Authorities Used by other Federal Agencies

Facilities operated by other federal agencies provide models of various contractual arrangements, which may be available to the National Park Service. These facilities include the U.S. Fish and Wildlife Service National Conservation Training Center (NCTC), the Office of Personnel Management Eastern Management Development Center (EMDC), the United States Postal Service (USPS) Bolger Center, and the Bureau of Land Management (BLM) National Training Center (NTC). Each of these facilities charges partial or complete user fees for the provision of training services. The operational models of these facilities are influenced in part by various pieces of legislation that stipulate the financial and contractual operations of these facilities.

## U.S. Fish and Wildlife Service National Conservation Training Center

The NCTC was authorized by Congress to utilize a special type of account known as a receipt account or a non-reverting account for the operation of its facility. Funds in a receipt account are not directed back to the U.S. Treasury's general fund; instead, they remain under the control of the corresponding agency or unit. Legislative authorization to operate using this type of account is rarely granted by Congress but provides NCTC with a great deal of operational flexibility with respect to the amount of fee-for-service activity they pursue.

*Pub. L. 104–208, div. A, title I, § 101(d) [title I], Sept. 30, 1996, 110 Stat. 3009–181, 3009–185, as amended by Pub. L. 105–83, title I, Nov. 14, 1997, 111 Stat. 1547, provided in part: "That hereafter, pursuant to 31 U.S.C. 9701, the Secretary shall charge reasonable fees for the full costs of providing training by*

*the National Conservation Training Center, to be credited to this account, notwithstanding 31 U.S.C. 3302, for the full costs of providing such training, to remain available until expended."*

Although the NPS currently does not have the statutory authority to operate using a non-reverting accounting strategy, NPS could request similar legislation for their training programs. Alternatively, they could approximate the advantages of this model through the establishment of a "friends of" organization. A nonprofit "friends" group could direct donations given by outside trainees back to the NPS training centers to support NPS training operations. There is statutory language in the 1998 Omnibus Act that speaks directly to the commercial operation of NPS units through nonprofit partnerships at specific park units.

## Office of Personnel Management Eastern Management Development Center

The EMDC does not receive any appropriations from Congress but rather is authorized through its enabling legislation to provide leadership training to government agencies on a fee-for-service basis. EMDC is limited to providing services strictly to government agencies. This authorization allows the EMDC to establish its rates at a level commensurate with the costs of developing training, leasing the space, and operating the facilities on a per student level. Student fees include facility rental, administrative, hospitality, maintenance, and any other operational costs incurred by EMDC. In addition, EMDC designs, develops, and implements training courses using their own faculty and staff and also includes these costs in their model.

Facilities operated by other federal agencies provide models of various contractual arrangements, which may be available to the National Park Service. These facilities include the U.S. Fish and Wildlife Service National Conservation Training Center (NCTC), the Office of Personnel Management Eastern Management Development Center (EMDC), the United States Postal Service (USPS) Bolger Center, and the Bureau of Land Management (BLM) National Training Center (NTC).

The EMDC model is instructive because it closely approximates the NPS Special Use Permit authority in that its charges for services are based on a cost recovery model. The NPS could use this authority to charge fees to non-NPS users of their training facilities if the training events taking place were defined as special events. In order for this model to be cost effective for the NPS, all costs associated with a training event would have to be considered in the cost recovery calculations, including administrative, maintenance, and operations of the training center during an event.

### **United States Postal Service Bolger Center**

The Bolger Center is owned by the United States Postal Service and managed through a contract by Dolce International, a hotel and conference center management corporation. The specific terms of this contract were not made available to the Eppley Institute despite efforts to obtain them. The details of this contract are considered proprietary information, and the USPS, as a government corporation, is not subject to the Freedom of Information Act. The primary legal issue arising from this model pertains to government competition with the private sector. Local businesses and officials have criticized the Bolger Center for exploiting unfair competitive advantages in the provision of conference and event services to the public. Specifically, the Bolger facility is not subject to property taxes because it is federal property. Additionally, there is a question as to whether or not it is appropriate to use USPS property for private enterprises that are not directly linked to the USPS mission. Although these issues do not pose a strong legal threat to this operation, they do highlight the importance of building local support for facility operations that are perceived as competing with the private sector.

The Bolger Center model is most closely related to an NPS concessions contract. Although it may provide a good example of why a concessions contract is not a good choice for operation of STMA and HOAL, it also demonstrates how this type of arrangement could be a viable solution should the NPS find itself in a position in which it is no longer financially able to manage these training centers.

### **Bureau of Land Management National Training Center**

The BLM National Training Center is a General Services Administration (GSA) leased, non-residential training facility located in Phoenix, Arizona. BLM training is coordinated at the National Training Center. The center has the lead role in development, design, and instruction for the Bureau's training curriculum. BLM's Washington, D.C., headquarters and state offices work in collaboration with the NTC to help guide the Bureau's training and competency priorities on a yearly basis. This centralized model affords the BLM maximum efficiency for the development and delivery of programs. It also helps the training managers train BLM employees in a manner that is responsive to the Bureau's current and future needs.

Funding for this facility and its programs is primarily received through a separate line item in the BLM national budget. In addition, BLM divisions or program areas allocate funds to the NTC to develop program-specific training courses. The NTC also hosts training events for non-BLM agencies and organizations and uses two different authorities to charge fees for these users. A leasing authority found in the Federal Property and Administrative Services Act of 1949 is used for training events that are longer than one week. Under this authority, NTC leases facility space



*The operational models of these facilities are influenced in part by various pieces of legislation that stipulate the financial and contractual operations of these facilities.*

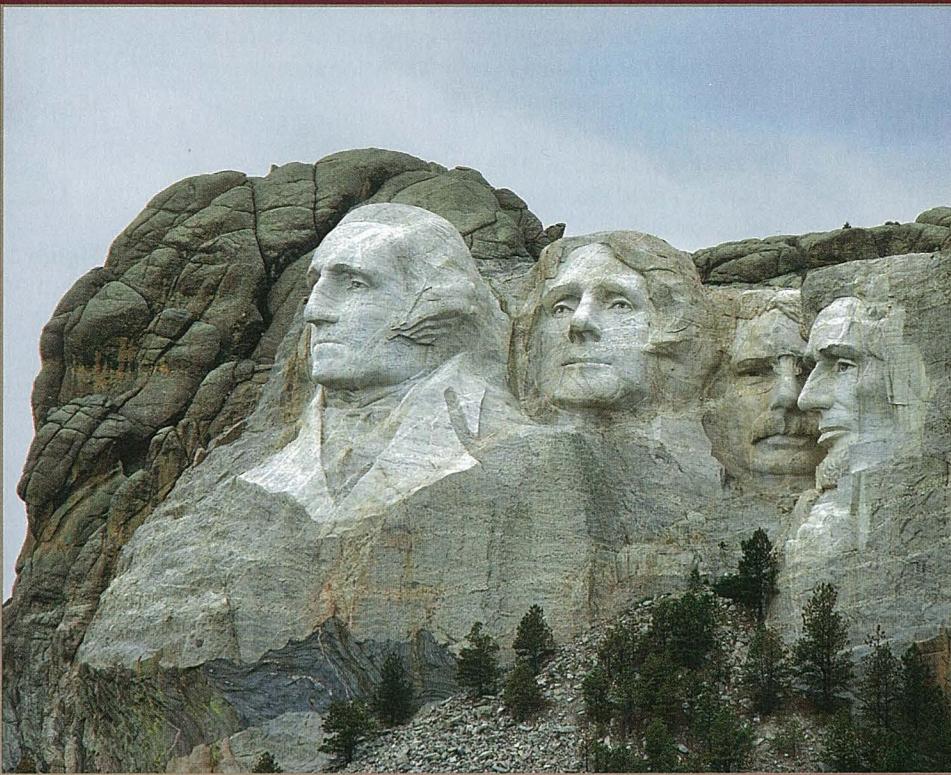
at a fair market rate. Funds from a facility lease are deposited into a lease program account, which can be used for facility maintenance and upgrades. For training events that are one week or less in duration, the BLM's cost recovery program is the basis for charging fees. Cost recovery calculations include costs for overhead, information technology, logistics, and physical space related to the training event. Proceeds from this program are deposited to a general account used for labor costs, equipment maintenance, general supplies, etc.

The BLM model is an excellent example for the NPS training centers because it is a centralized training model that utilizes several different funding sources combined to cover the costs of operating the facility. Line-item appropriations are already part of the NPS model, but they only fund personnel and facilities management costs. The NPS also seeks funding from specific program areas to develop training for those programs. The third funding source for BLM is leasing and special use permits, but these activities are a very small percentage of the overall funding. These activities could, however, become very important for the NPS.

The difference between the two agencies is not in the funding mechanisms, but in the amount of funding and its purpose. The BLM centralized model puts a high value on state-of-the-art facilities and highly trained and productive personnel. They are tasked with implementing a specific number of training events each year using their base funding and then completing additional specific courses as funded by the program areas. The NPS model, on the other hand, funds the personnel and the facilities, but it does not fund implementation of training events except for NPS Fundamentals.



# MARKET ANALYSIS



# Market Analysis

The actions of other agencies and the intent of the NPS to attract training events from non-NPS agencies and organizations indicate that the potential exists to expand training services beyond the current scope. To verify this assumption, the Eppley Institute conducted a market analysis consisting of a review of training, development, and conference center trends in the United States; conference center standards; potential market segments; and NPS training and development trends. A summary of this research provides a closer look at the size of this industry and the potential markets that the NPS could attract to the Mather and Albright training centers.

## General Training and Development Trends

As a whole, the training and development industry is experiencing growth in spending, as well as a notable shift towards learning technologies.

Based on data in the *2005 State of the Industry Report* produced yearly by the American Society for Training and Development (ASTD), annual training expenditures per employee have shown steady growth since 1999.

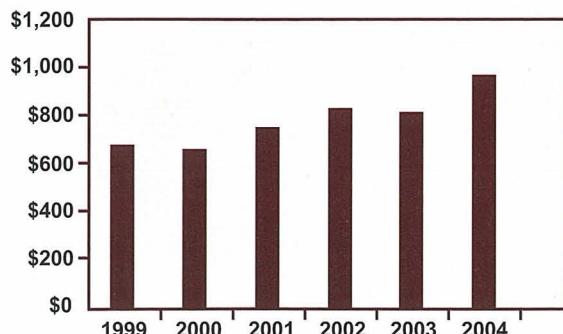


Figure 1: Average Training Expenditure per Employee

With 281 public and private U.S. institutions of varying sizes and industries submitting data, reported improvements in the accounting of training expenditures could contribute to the most recent jump of over 16% from \$820 per employee in 2003 to \$955 per employee in 2004. Average expenditure as a percentage of payrolls has remained fairly steady for a number of years and hovers around 2.34%.

A study conducted in 2004 by The Exceleration Group showed the breakdown of these expenditures by functional area, with the largest amount going toward content creation (28%), followed by content delivery (25%), and then facilities, labs, and learning dedicated real estate (22%).

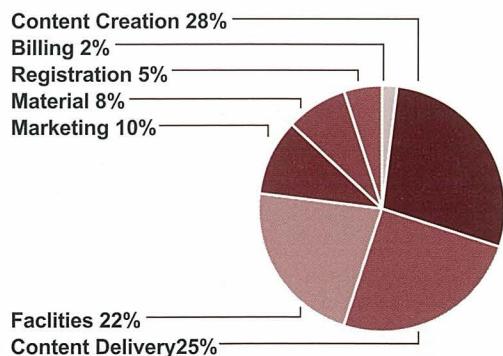


Figure 2: Percent of Training Expenditure by Functional Area

According to the ASTD report, the increase in spending on training is consistent with the simultaneous increase in the number of hours of formal learning reported per employee. This number jumped from 26 hours in 2003 to 32 hours in 2004.

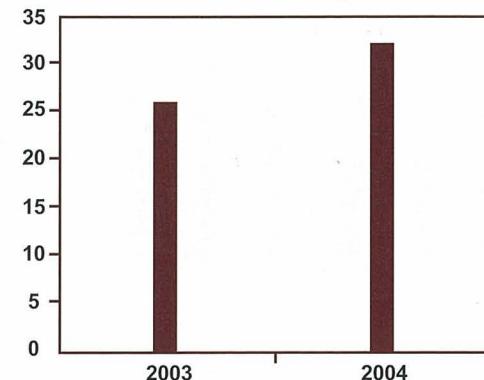


Figure 3: Average Annual Hours of Formal Learning per Employee

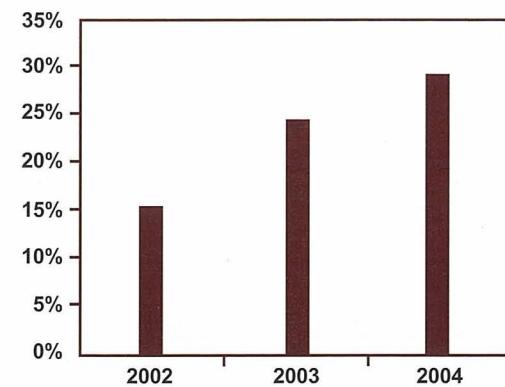
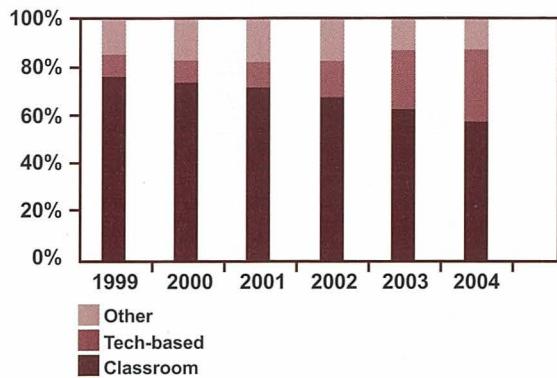


Figure 4: Average % of Training Delivery via Learning Technologies

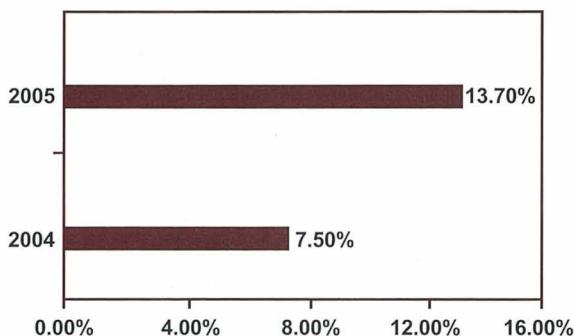
Since 1999, the percentage of training and education that takes place in the classroom has shown a sharp decline while the percentage of total training taking place via learning technologies is greatly increasing.



**Figure 5: Average % of Learning Hours Provided via Different Delivery Methods**

### General U.S. Conference Center Trends

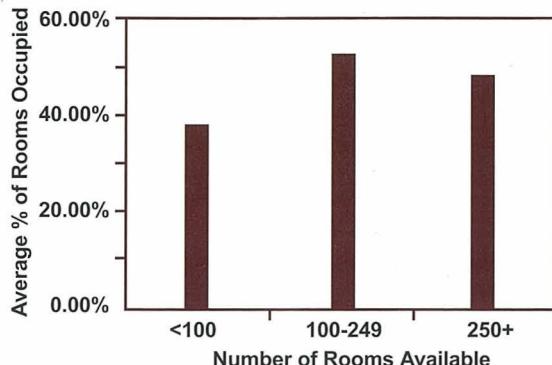
As a whole, the conference center industry saw a 7.5% revenue increase in 2004, which is partly due to a conference center demand increase of 4.3%. In 2005 the growth was even greater, with the industry seeing a 13.7% increase in total revenue.



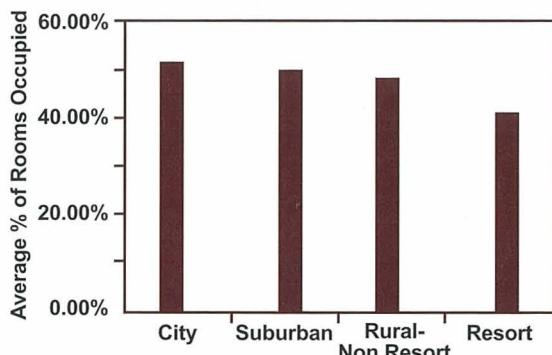
**Figure 6: Revenue Growth in Conference Center Industry**

In 2003, conference centers with fewer than 100

guest rooms only reported a 37.2% occupancy rate (compared to 52.9% for 100-249 room establishments and 48.5% for those establishments with more than 250 rooms). However, rural (non-resort) conference centers reported a 47% occupancy rate (highest rate reported was city locations with 51.7%). *NOTE: These numbers account for occupancy associated with conferences only and do not account for regular room rentals in these facilities.*



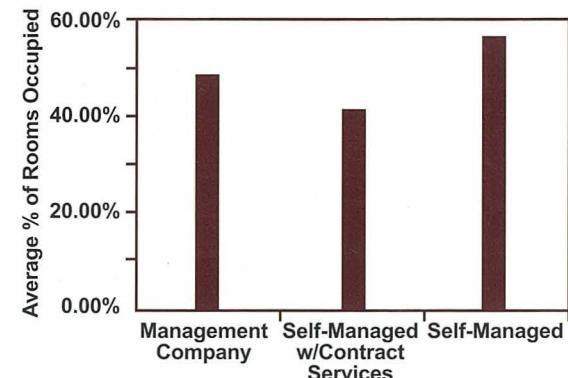
**Figure 7: Conference Center Occupancy by Size**



**Figure 8: Conference Center Occupancy by Setting**

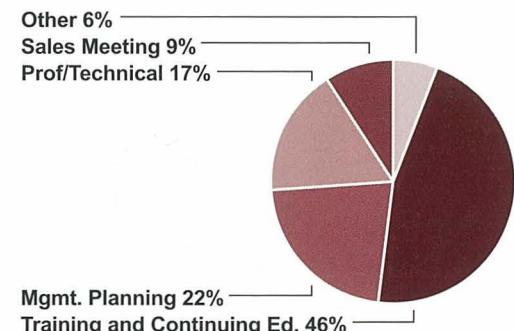
Conference centers that were completely self-managed in 2004 saw higher occupancy levels (56.4%) than those

administrated by management companies (48.7%) or by a combination of contract services and self-management (42.1%).



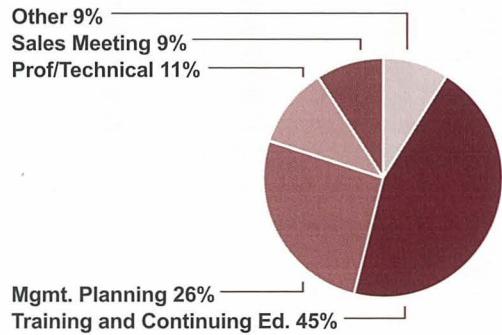
**Figure 9: Conference Center Occupancy by Management Type**

The greatest percentage of meetings held at residential conference centers in 2003 was training/continuing education. Across all types of centers, training and continuing education meetings accounted for 45.6% of all sessions, more than double the next closest type, which was management planning at 22.2%, followed closely by professional/technical meetings at 17.4%.

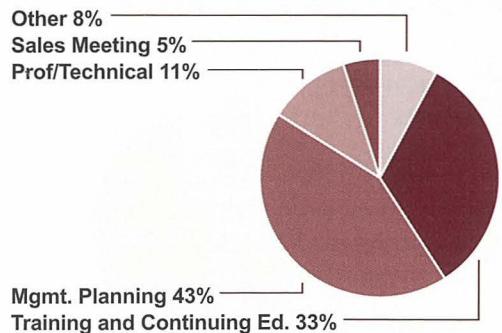


**Figure 10: Percentage of Meetings by Type in 2003**

In 2005 a distinct difference was seen in the use of residential versus day conference centers in terms of training and continuing education. Residential conference centers still had the largest percentage of their hosted events (45%) in this category; however, day centers saw management planning take the lead and only had 33% of their hosted events dedicated to training and continuing education.



**Figure 11: % of Meetings by Purpose in 2005 for Residential Conference Centers**



**Figure 12: % of Meetings by Purpose in 2005 for Day Conference Centers**

One other important statistic is that nearly half of all the groups meeting in conference centers in 2004 were classified as local organizations. Overall these trends indicate that there is a strong market for residential and day use training facilities, and that Mather and Albright are both well positioned to capture a share of this market. Mather is especially well positioned to capture a share of the management planning and day use facility markets (until the dormitory is completed). Its proximity to the Washington, DC, metropolitan area places STMA in a large local market where management planning retreats at day use facilities are an increasing trend. HOAL is also well positioned based on these trends with training and education comprising about 45% of residential conference center uses over the past several years.

### Conference Center Standards

If the NPS wishes to pursue this market and attract other public, private, and nonprofit training events to STMA and HOAL, they should at least be aware of industry standards and expectations. As an example of such standards, the International Association of Conference Centers (IACC) has established a Universal Criteria to which it holds all of its members, ensuring they reflect the current best practices of the conference center industry. The criteria for membership is directed toward centers catering to an average group size of 75 people or less and is based on six sections: Priority of Business, Conference Room Design, Conference and Business Services, Food and Beverage, Technology, and Guest Rooms (not applicable to non-residential centers). Under these six headings there are 30 specific requirements to be met covering everything from acoustical ratings and climate control to staffing and guest room furnishings. (*Please see Appendix A for a complete list of the IACC Universal Criteria.*)

While Mather and Albright will most likely have no use for membership in the IACC, the specified criteria are an excellent starting point for evaluating and planning public offerings. Other considerations for facility logistics have been collected informally through conversations with event planners across the United States, who were found primarily via Internet searches.

Adequate technological facilities are among the top specifications that make a location desirable; however, technology without a support staff is much less appealing. A facility that can offer a minimum of “business hours” technical support will enjoy a significant advantage over one that offers no support. In general, assigning an event planner to each hosted group is considered among best practices and should not be overlooked.

It is expected when booking 25-30 participants in a residential facility, the staff/organizer of the event will be given a free or reduced room. When services are purchased from the facility (food, technology, etc.), there should be no additional room rental charge. These are basic best practices that event planners consider to be very important to conference center users. Should the NPS decide to actively pursue the marketing of the Mather and Albright Training Centers to outside organizations, a more thorough review of industry best practices should be done as a preparatory exercise.

### Potential Market Segments

As discussed earlier, use of the training centers by organizations other than the National Park Service would require users to have a purpose or reason connected with the National Park Service or the federal government. The training centers cannot put themselves in the position of being in direct competi-

tion with the private sector when there is no federal government nexus for use. Potential users, therefore, are identified as those who would meet the criteria for use of the facilities at STMA and HOAL, more specifically, those organizations with a mission not in conflict with that of the individual park or NPS as a whole. For example, the USFWS NCTC uses their authority to allow organizations focused on conservation to use their facility. Likewise, the BLM NTC permits state, local, and non-profit land management agencies and organizations to lease their training facility.

Although there are a number of market segments the NPS could target to maximize the capacity of STMA and HOAL and generate additional revenue, the scope of this study did not allow for a complete review of these potential market segments. Some examples of these market segments include state park and other state agencies, local parks and recreation agencies, academic and professional conferences, and other federal agencies. Two of the most promising market segments were analyzed more closely: local nonprofit organizations and college and university field schools.

### **Local Nonprofit Organizations**

Nonprofit organizations focused on NPS-related issues such as recreation, environmental stewardship, cultural preservation, history, and similar topics are a client base that may potentially be interested in renting the Albright and Mather facilities for their own training sessions. These organizations could connect with these sites for their unique characteristics and preserved natural and cultural heritage, which cannot be found in other locations.

For the purposes of this study, the Albright Training Center vicinity is considered to be comprised of

those areas within an eight-hour driving radius. This included many of the counties within Arizona, California, Colorado, Nevada, New Mexico, and Utah. Within the Albright vicinity there are nearly 70,000 nonprofit organizations that file Form #990 with the IRS (and have gross receipts of more than \$25,000). Of these, roughly 2,000 are specifically dedicated to environmental issues. These environmentally focused organizations reported a collective annual spending on “Conferences, Conventions, and Meetings” of over \$3.5 million in 2002. Total spending in this category for all 70,000 area nonprofits totaled roughly \$315 million.

The Mather Training Center vicinity is considered to be comprised of those areas within a two-hour drive, which includes counties in Maryland, Virginia, and West Virginia, as well as Washington, DC. Within the Mather vicinity there are nearly 80,000 nonprofit organizations above the \$25,000 mark. There are only about 800 of these specifically dedicated to environmental issues; however, those 800 spent over \$10 million in 2002 on “Conferences, Conventions, and Meetings.” Total area spending in this category for all nonprofits in the area reached well over \$500 million.

### **Field Studies Programs**

There are dozens of colleges and universities across the country that run field study programs throughout the year. Both Albright and Mather have potential to be used as sites for existing program destinations, as well as for creating new field school opportunities.

Albright is an ideal location for field studies in many subject areas, such as forestry, geology, or photography. Similarly, Mather might cater to park studies, recreation, conservation, history, or African-American studies. Both locations would be ideal for classes in park management, archaeology, environmental sci-

ences, or recreation and leisure, among others. There are 82 colleges and universities in the Albright region and 50 in the Mather region with student populations larger than 2,000.

Average field schools tend to run one to six weeks. Housing costs, when provided by the college or university, tend to be somewhat below GSA per diem rates at roughly \$20 to \$45 per night, depending on the type of accommodations and the program. Some field opportunities are also run by non-academic institutions. These usually have a higher price associated with them for both housing and program fees in general. (*Please see Appendix B for examples and descriptions of different types of field school opportunities.*)

### **NPS Training and Development Trends**

The National Park Service has identified sixteen distinct career fields and one set of universal competencies that encompass all the operational and functional roles of NPS employees. Training and development (T&D) programs exist for each of these fields. The division receives base appropriations for the operation of four training centers including the Mather and Albright Training Centers.

T&D program areas are not centrally organized within the division from either a physical or geographic standpoint. NPS trainings take place at a diverse range of public and private facilities, according to interagency partnership agreements and the discretion of training program managers. Currently, STMA houses the administrative bodies of four training programs, including the Technology Enhanced Learning program (TEL), and HOAL is home to three programs. This dispersed training model provides the flexibility to maximize the current NPS training facilities at STMA and HOAL. Although these NPS

facilities cannot accommodate all T&D programs, a greater percentage of trainings could be held at STMA and HOAL to maximize facility capacity and decrease NPS spending on external facility use.

Currently, many training events are held in locations that are considered more convenient to the students. A notable number of training events are held at parks or regional offices. Some training events are held in other locations such as hotels and conference centers. In order to quantify this trend, a review of fiscal year 2005 training events was done using the data stored in the My Learning Manager database. It should be noted that this data is not complete and does not accurately reflect the full scope of classroom training sponsored or presented by NPS programs and offices outside the Division of Servicewide Training and Employee Development. In fact, 100% of the training events held at NPS training centers are represented in this data set, but only a small percentage of other NPS training events are represented.

	Training Events Held at an NPS Training Center	Training Events Not Held at an NPS Training Center	Total Training Events
	39	69	108
<b>Total Number of Students</b>	810	1095	1905
<b>Average Duration (Days)</b>	3.56	4.54	4.05
<b>Total Training Days</b>	139	313	452

**Figure 13: NPS Training Events in Fiscal Year 2005 as reported in My Learning Manager**

Even though this data set does not represent the full scope of NPS training events taking place outside of the NPS training centers, it is clear that there is a significant amount of training being conducted at outside facilities. Directed efforts by STMA, HOAL, or T&D upper management to bring some of these events to STMA and HOAL could result in maximum use of capacity at these two facilities.

### **Summary of Industry and NPS Trends**

Trends indicate that the conference center industry is on the rise in both demand and revenue. The numbers suggest that a small facility in a rural setting should expect anywhere from a 37% to a 47% occupancy rate, with the strongest prospects for centers that are self-managed (56% overall). Use of conference facilities for training/continuing education purposes continues to dominate (45%) the market, except for in non-residential (day) centers where it falls second (33%) to management planning (43%).

As a small rural residential facility, HOAL could expect non-NPS occupancy levels for programs in training/continuing education to fill somewhere between 16% and 21% of their annual capacity.

As a small sub-urban non-residential facility, STMA could expect non-NPS occupancy levels for programs in training/continuing education to fill somewhere between 15% and 18% of their annual capacity.

Both training centers have the greatest chance for highest possible outside occupancy by operating as self-managed facilities.

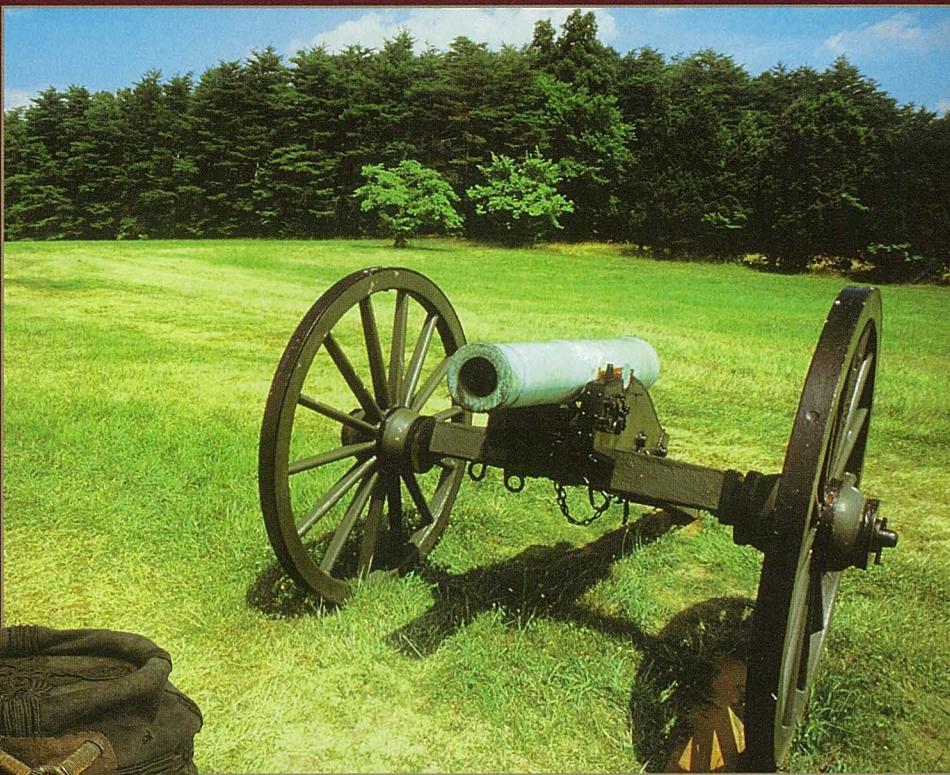
Industry standards and best practices are common in the conference center marketplace as demonstrated by the IACC Universal Criteria and commercial event planners. The NPS should become knowledgeable

about these standards and best practices if STMA and HOAL are to attract outside organizations.

There are several large market segments that would make excellent clientele for STMA and HOAL. The ones covered in this report include local nonprofit organizations and college and university field school programs. Both of these market segments are well established, fit closely with the NPS mission, and account for hundreds of millions of dollars annually.

STMA and HOAL could increase use by targeting the internal NPS training market to capture training events that are currently not being held at NPS training centers.

# BENCHMARK COMPARISONS





# Benchmark Comparisons

In order to benchmark management models, fees, and facility amenities against similar facilities and agencies, the Eppley Institute in conjunction with the Acting Director of the NPS Division of Training and Development, selected five non-NPS facilities for comparison purposes. Information was collected from these facilities through a combination of site visits, personal interviews with management and staff, phone interviews, and e-mail correspondence. Information about pertinent variables was compiled and is presented in the following sections.

## Agency Training and Development Models

The following agencies provide models of various organizational approaches to training and development. Each of these agencies charges partial or complete user fees for the provision of training services or meeting space. The operational models of these agencies are influenced in part by unique scenarios that the NPS Division of Training and Employee Development could pursue to help the NPS in its continued efforts to strategically manage human capital and maintain its training infrastructure.

### United States Fish and Wildlife Service (USFWS)

The National Conservation Training Center (NCTC) is a leading government training center that prides itself on its commitment to organizational learning through knowledge sharing practices. The USFWS has instituted centralized training to support this practice and runs its training and development efforts through NCTC.

NCTC's mission is to provide USFWS employees and the conservation community at large with the most advanced and comprehensive conservation training available. The USFWS, other Department of

Interior agencies, including the National Park Service, and private and nonprofit organizations utilize this full-service facility to learn modern conservation practices, develop cooperative efforts, and network within the broader conservation community.

According to NCTC's director and management team, the centralized model for training and development is essential to the NCTC's success. Not only does it consolidate training costs and increase service delivery efficiency, it also creates a common home for agency employees and all professional conservationists. USFWS leaders believe the "home" concept strengthens the agency's culture and promotes networking and community building opportunities that are not available in a non-campus style facility.

Because NCTC operates from a receipt account (also known as a non-reverting account), it has a great deal of operational flexibility with respect to the amount of fee-for-service activity it pursues. As long as the appropriated dollars are sufficient to cover NCTC trainings, the facility does not have to pursue trainees outside the USFWS (on a fee-for-service basis), but any revenues generated from user fees go directly back to NCTC.

The centralized model is made possible in part by the agency's budget. NCTC is largely funded through a line-item congressional appropriation that goes directly to the facility and funds USFWS training programs as well as NCTC maintenance. Turnkey hospitality and accommodation is provided for NCTC trainees through a procurement contract with the hospitality concessionaire Aramark. NCTC pays Aramark for its services from a mixture of appropriated and fee-for-service monies.

*In order to benchmark management models, fees, and facility amenities against similar facilities and agencies, the Eppley Institute in conjunction with the Acting Director of the NPS Division of Training and Development, selected five non-NPS facilities for comparison purposes.*



### **Office of Personnel Management (OPM)**

OPM operates three training centers through the division of the Center for Leadership Capacity Services, which provides leadership development services and courses for federal agencies. The training centers are located in privately owned facilities where OPM holds long-term leases. These facilities are the Eastern and Western Management Development Centers (EMDC and WMDC) and the Federal Executive Institute (FEI).

Courses at these facilities are typically created for federal employees. As a result, the content is driven by the President's Management Agenda. EMDC and WMDC are sister facilities that primarily train federal managers at the GS-13 and 14 levels. The FEI trains federal executives and operates independently of EMDC and WMDC. All training courses and related materials are created and produced in-house by OPM staff.

EMDC and WMDC provide services to the same pool of prospective trainees. This pool consists of the 250,000 GS-13s and GS-14s serving throughout the federal government. These two facilities draw as many trainees as possible from this pool. The separate geographic locations of these facilities divide this pool and help prevent these facilities from competing for the same participants.

These OPM facilities have specific authorization to operate independent of the U.S. Treasury and the general fund with regard to the establishment and promulgation of training facilities to serve the federal government. This authority is given through several key pieces of legislation and executive orders including the following:

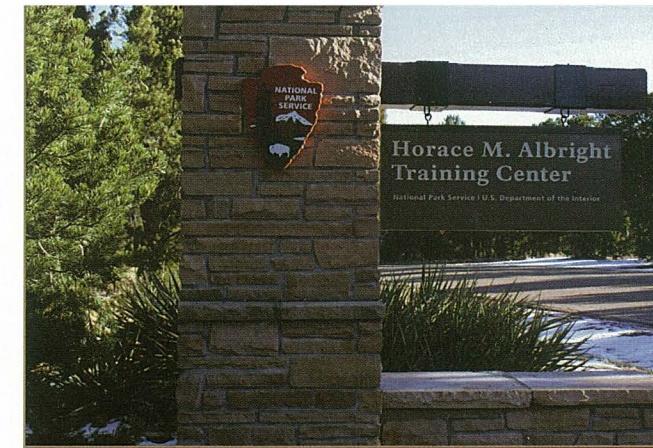
- Title 5 U.S.C. sections 1101-1105 provide over all authorities for the OPM.

- Sections 1301-1307 provide special authorities for OPM, including the establishment of a revolving fund.
- Section 1304(e) provides OPM with the authority to sign reimbursable agreements with other agencies to conduct training and provide related personnel management services.
- Section 1304, along with title 31 USC section 6505, authorizes OPM to perform services for state and local governments.

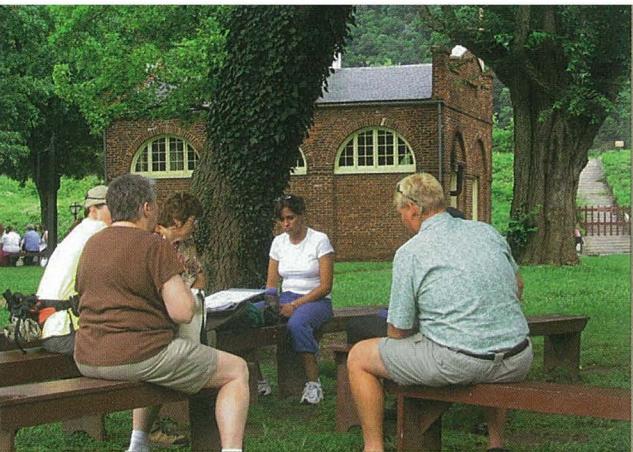
The following specific information was obtained from EMDC and most likely reflects the operations of WMDC and FEI as well. Since EMDC operates like a business, without government appropriations, they must establish fees for their services. The EMDC cost recovery model is based on three groups of expenses associated with the delivery of specific courses. The first set of expenses considered is direct expenses, such as food and lodging costs, contracted faculty, guest speakers, books, materials, and other miscellaneous supplies. The second group includes administrative expenses for salaries and benefits. These are derived from the estimated time a Program Director and Program Coordinator will spend supporting a single delivery of a class. The third group of expenses is the indirect overhead expenses, which are approximately 40%. The summation of these three expense groups gives EMDC their bottom line figure for the development and delivery of a course. Dividing this number by the optimal number of participants gives the cost per student. A final price check is run to see if this number is similar to numbers from past courses and a final price adjustment occurs based on this comparison.

### **Bureau of Land Management (BLM)**

The BLM centralizes the administration of its training programs through the National Training Center



*The operational models of these agencies are influenced in part by unique scenarios that the NPS Division of Training and Employee Development could pursue to help the NPS in its continued efforts to strategically manage human capital and maintain its training infrastructure.*



*Although the general overview of agency training models is useful in providing the NPS with background information and may help to influence overall policy decisions for the T&D Division, more specific information about the facilities was desired in order to compare the functionality and marketability of STMA and HOAL.*

(NTC), a GSA-leased facility in Phoenix, AZ. The NTC is a modern facility, originally built to the BLM's specifications for administrative purposes, on-site training, and distance learning uses. The NTC's mission is to sustain the health and productivity of the nation's public lands through education and training.

The nature of BLM training courses often necessitates off-site training (35-40% of BLM trainings are off-site); however, the NTC still coordinates, develops, and budgets these courses. The remaining 60-65% of BLM trainings takes place at the NTC. One course delivered on-site at the NTC is the agency's 17-week Lands Academy, which delivers comprehensive training to BLM employees in the practices of modern land and resource management. This course developed out of a perceived need to promote agency-wide training that served the agency's central mission of sustaining the health, diversity, and productivity of the public lands. The Lands Academy and other trainings are valued throughout the agency as investments in human capital and organizational development.

The NTC is funded through a line-item appropriation in the BLM's budget and by line-item contributions from each of the BLM's divisions. The congressional appropriation accounts for approximately 68% (\$8.7 million) of the budget with an additional 32% (\$4 million) coming from the divisions. These divisional contributions demonstrate the agency's commitment to training and help the NTC develop courses that best serve the agency's needs.

### Benchmark Results

Although the general overview of agency training models is useful in providing the NPS with background information and may help to influence overall

policy decisions for the T&D Division, more specific information about the facilities was desired in order to compare the functionality and marketability of STMA and HOAL. A large amount of data was collected from the five benchmark facilities and has been placed in comparison tables with the relevant data from STMA and HOAL. These comparisons are presented in two tables (please see Figure 14 and Figure 15):

- Facility data including capacities, amenities, and physical attributes
- Services and Fee structures

In addition, these facilities were asked to provide their 2005 occupancy rates as a comparison against Mather and Albright to help determine what might be realistic goals to set for increased occupancy. The results of this comparison are presented at the end of this section as part of an overall summary of the benchmark results.

### **Facility Attributes Comparison**

This comparison table contains information about capacities, amenities, and physical attributes of the benchmark facilities. Since each facility has a unique layout, an effort was made to manipulate the information when needed in order to make it comparable to the Mather and Albright training Centers. Notes are provided to clarify any manipulations that were made.

Facility	STMA	HOAL	NCTC	EMDC	BLM NTC	USPS Bolger Center	Lied Lodge
Lodging On Site (Y/N)	N	Y	Y	Y	N	Y	Y
Residential Capacity (Trainees/day)	0	66	225	168	0	477	144
Day-Use Maximum Capacity	100	120	300	175	400	NA	300
Level Two Classrooms <sup>1</sup> (Number)	1	2	3	NA	2	6 <sup>#</sup>	6 <sup>#</sup>
Level Two Classroom Dimensions (ft)	45x35	39x39	NA	NA	48x32	48x35	57x32
Level Two Classroom Size (sq ft)	1575	1521	NA	NA	1536	1680	1824
Level Two Classroom Capacity (Students): U-Shape and Classroom Configurations	30-50	30-45	40-60	NA	48-80	44-74	30-48
Level One Classrooms <sup>2</sup> (Number)	1	1	3	NA	7	13	4
Level One Classroom Dimensions (ft)	37x24	28x18	NA	NA	32x38	44x20	32x28
Level One Classroom Size (sq ft)	888	504	NA	NA	896	880	896
Level One Classroom Capacity	24-40	24	24-36	NA	33	24-30	14-24
Level Two Breakout Rooms <sup>3</sup> (Number)	1*	1**	2	NA	1	27	3
Level Two Breakout Rooms Dimensions (ft)	45x16	28x18	NA	NA	28x21	30x15	27x19
Level Two Breakout Rooms Size (sq ft)	720	504	NA	NA	588	450	513
Level Two Break Out Rooms Capacity	30	20	16-20	NA	20	20	8
Level One Breakout Rooms <sup>4</sup> (Number)	3*	2	2	NA	5	25	1
Level One Breakout Room Dimensions (ft)	16x14	18x12	NA	NA	14x14	16x10	19x13
Level One Breakout Room Size (sq ft)	224	216	NA	NA	196	160	247
Level One Breakout Room Capacity	8	8	8-14	NA	10	8	8
Computer Labs	1	0	3	2	3	2	0
Computers/lab (1 computer is an instructor's)	16	NA	18, 20, 24	NA	12	16	NA
Auditorium (Capacity)	NA	NA	250	NA	225	450	380
Other Training Rooms	NA	NA	Broadcast Studio	Biofeedback Training Lab	Broadcast Studio	Broadcast Studio	NA
Wireless Capability (Y/N)	N	Y	N	Y	N	Y	Y
Cellular Connectivity (Y/N)	Y	Y	Y	Y	Y	Y	Y
Wellness Center (Y/N)	N	Y	Y	Y	Y	Y	Y
Outdoor Recreation	Y	Y	Y	N	N	Y	Y
Nearest Major Airport	D.C. Area	Phoenix <sup>+</sup>	D.C. Area	D.C. Area	Phoenix	D.C. Area	Omaha
Shuttle Service (Y/N)	N	Y	Y	Y	Y	N	N

**Figure 14: Facility Attributes Comparison Table**

Facility Attributes Notes:

<sup>1</sup> Level Two classrooms range between 1500 and 1900 square feet. One classroom at each facility within this range was chosen for room capacity comparisons.

<sup>2</sup> Level One classrooms range between 500 and 1500 square feet. One classroom at each facility within this range was chosen for room capacity comparisons.

<sup>3</sup> Level Two breakout rooms range between 390 and 800 square feet. One breakout room at each facility within this range was chosen for room capacity comparisons.

<sup>4</sup> Level One breakout rooms range between 150 and 350 square feet. One breakout room at each facility within this range was chosen for room capacity comparisons.

\* There is no built in Audio Visual equipment in classroom.

\* The Storer College Room can be divided into three smaller rooms.

\*\* This room can be divided into 2 separate breakout rooms of 15x18 and 13x18.

+ Grand Canyon Airport is nearby and has secondary service. Grand Canyon Airport is the third busiest airport in Arizona. Charter flights, air tours, and limited scheduled service to/from Las Vegas are available.

### Service and Fee Structure Comparisons

This comparison table contains information about services offered by each benchmark facility and their corresponding fee structures. Since each facility

has a unique service package, an effort was made to manipulate the information when needed in order to make it comparable to the Mather and Albright training centers. Notes are provided to clarify any

manipulations that were made.

Facility	STMA	HOAL	NCTC	EMDC	BLM NTC	USPS Bolger Center	Lied Lodge
Government or Private	Govt.	Govt.	Govt.	Govt.	Govt.	Private <sup>1</sup>	Private
Training Center=1 (Offers Courses) Conference Center=0 (Facility Rental)	1	1	1	1	1	0	0
Full Service Facility (Classrooms, Lodging, and Meals)	N	N#	Y	Y	N	Y	Y
Facility Charge for Lodging and Meals (Person/Day)	NA	NA	110 (104 for NPS)	107	NA	229-280 <sup>2</sup> peak, 189 off peak	99
GSA Max Lodging and M&IE in Area	107	112	107	107	160	239	99
Lodging Rate (Person/Day)	NA	50	63	63	NA	173.08*	60
GSA Max Lodging in Area	63	76*	63	63	98.92*	173.08*	60
Meals Rates (Person/Day)	NA	NA	41	44	NA	64	39
GSA Max M&IE in Area	44	44	44	44	59	64	39
Facility Rentals	N	N	Y	N	Y	Y	Y
Daily Rates Per Person**	NA	NA	NA	NA	NA	80 <sup>3</sup>	20 <sup>4</sup>
Classroom (24-30 Seats) Rental Cost Per Day	NA	NA	505	NA	450	1800 <sup>5</sup>	600 <sup>6</sup>
Classroom (36 Seats) Per Day	NA	NA	586	NA	560	NA	NA
Classroom (40 Seats, Tiered, U-Shaped) Per Day	NA	NA	672	NA	600	NA	NA
Classroom (60 Seats, Tiered, Fixed) Per Day	NA	NA	782	NA	790	NA	NA
8-10 Person Breakout Room Per Day	NA	NA	185	NA	60-100	NA	NA
14-16 Person Breakout Room Per Day	NA	NA	305	NA	145	NA	NA
Auditorium Per Day	NA	NA	1078	NA	1620	NA	NA
Computer Lab Per Day	NA	NA	1439	NA	NA	500	NA
Shuttle Service to/from Airport	None	Bus charter on request	\$70 R/T	\$70 R/T	\$40 R/T	\$120 R/T	\$45 R/T
Shuttle Service Time	NA	4 hours	2 hours	2 hours	30 min.	1.5 hours	1 hour

**Figure 15: Service and Fee Structure Comparison Table**

Service and Fee Structure Notes:

<sup>1</sup> Government-owned but privately managed

<sup>2</sup> Includes 1 meeting room and 1 breakout room; additional rooms are charged extra

<sup>3</sup> Includes break service and lunch

<sup>4</sup> Includes break service

<sup>5</sup> No other facilities in this comparison include lunch in their daily rental rates; therefore, Bolger Center room prices are based on 30 participants at a rate of \$60, which was calculated by using their daily rate of \$80 per person and subtracting \$20 per person for lunch.

<sup>6</sup> Rental rates are based on 30 participants per day

\* Apartment units at Albright are equipped with kitchenettes

\* Average GSA Per Diem rates used due to seasonal variation

\*\* Per Person Facility Charge (Includes meeting space and breakout room)

### **Summary of Benchmark Results**

Comparing the NPS training centers with the benchmarked facilities highlights the uniqueness of Mather and Albright as federal training facilities. The typical federal training center is much larger than either of these facilities in terms of both day use and residential capacity. The other benchmarked facilities have at least twice the training and residential capacity of either of the NPS training centers.

- Classroom and breakout room sizes at STMA and HOAL are, in general, on par with the comparison facilities, as are training amenities such as audio-visual capabilities and other technologies. All of the comparison facilities are located near major airports; HOAL is the farthest away from the nearest metropolitan airport. Most of the facilities also offer a shuttle service from the airport, which, especially in the case of HOAL, can eliminate some student rental car expenses.
- Four of the seven facilities compared in the benchmark study offer a full-service package for their students. Full service includes training facilities, lodging, snack service, and meals. Neither STMA nor HOAL offers this level of service. STMA only offers training facilities; however, after construction of the proposed dormitory, lodging would also be available for students. HOAL offers training facilities and lodging for their students.

An important difference between Mather and Albright and the full-service facilities is meal service. While the kitchenettes in the residential facilities at Albright give students a great option for preparing their own meals, cooking dinner at the end of a long day of training may not be an appealing prospect for some students. This fact, coupled with the

dining options at the Grand Canyon and Tusayan, make Albright unique compared to other facilities that either provide full meal service or have a much wider array of dining options because of their urban locations. The lack of full service dining at Albright can be construed as both a pro and a con, but the fact that Albright guests are staying at the Grand Canyon makes it easy to turn focus away from these details and emphasize Albright's unparalleled natural assets.

It must also be noted that the three benchmarked training centers without meal service, Mather, Albright, and BLM NTC, all have the ability and facilities to offer their students catered meal services. These services can be provided by private caterers, and all three facilities are willing and able to provide these services if a group so desires.

All the benchmark facilities with on-site lodging charge a fee for that service. All these facilities charge the GSA lodging per diem rate for lodging in their respective area except Albright, which charges some \$20 per night less than the GSA per diem rate. In addition, all the comparison facilities except the OPM Eastern Management Development Center rent their training space by the day. However, neither of the NPS facilities offers this service.

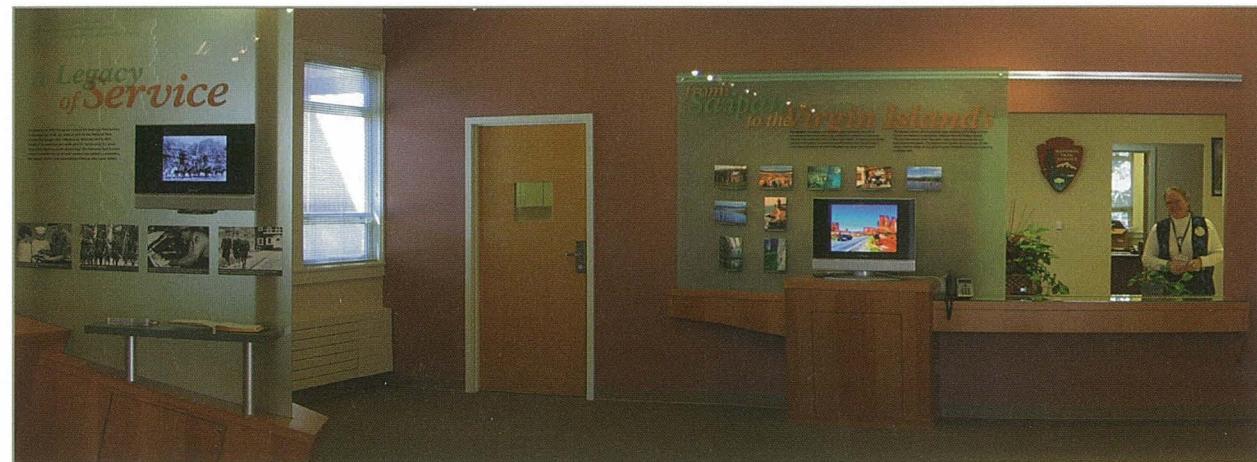
The daily rates charged by the privately run facilities, the Bolger Center and the Lied Lodge, are a per person rate and include snack and lunch service. The two federal facilities offering daily rentals of their training rooms, NCTC and the BLM NTC, charge on a per room basis. Interestingly, even though these facilities are located in very different metropolitan areas, they are charging very similar rates for training room daily rentals.



*Comparing the NPS training centers with the benchmarked facilities highlights the uniqueness of Mather and Albright as federal training facilities. The typical federal training center is much larger than either of these facilities in terms of both day use and residential capacity.*

Both of these facilities are using the federal leasing authority to charge for these services outside of their respective agencies, and have determined these rates to be within the fair market value of similar services in their areas.

As noted previously, HOAL currently charges \$50/night for lodging; all other facilities offering lodging charge the maximum GSA per diem rate, and facilities without lodging have agreements with local hotels to provide accommodation at the local government rate. Since the Albright apartments are located in an area with an acute shortage of accommodation, it would be appropriate to charge students the maximum GSA rate of \$76 (average daily rate based on seasonal variation) for lodging.



Lobby at Albright Training Center

Facility	Mather	Albright	NCTC	EMDC	BLM NTC	Bolger	Lied
2005 Occupancy Rate*	54%	41%	64%	80%	39%	60%	57%

**Figure 15: Service and Fee Structure Comparison Table**

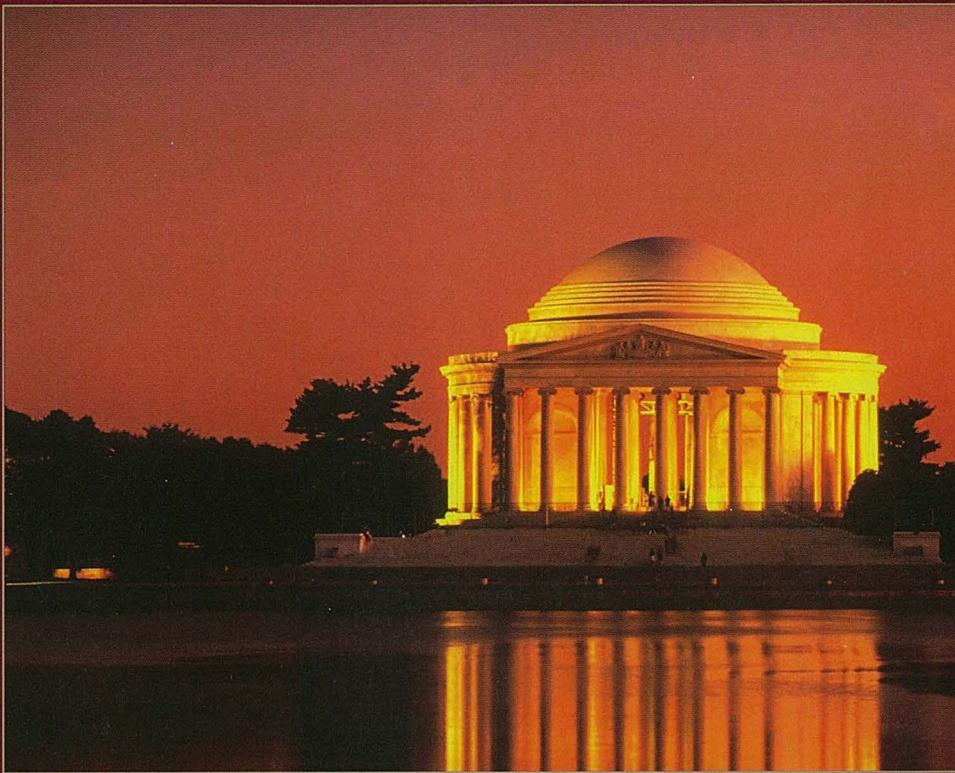
\*Occupancy rates are based on occupancy of lodging facilities except at Mather and BLM NTC, which are based on occupancy of the training space.

In the hospitality industry, 80% of capacity is considered to be full occupancy. The occupancy rates reported by the benchmark facilities indicate that only one of them, OPM EMDC, reached that level in 2005. Most of the others were in the vicinity of 60% occupancy. Albright operated in a temporary facility from May 2004 through March 2006, so their 2005 occupancy rate does not accurately reflect normal operations of the facility.

These figures indicate that there is room for increased occupancy at both STMA and HOAL. It is notable that OPM EMDC has a rather high occupancy rate. This facility is the most aggressive of the federal facilities in marketing its services to its target audience. However,

it also has the most leeway of any of the federal facilities through its special authorities and ability to operate outside the U.S. Treasury. Because only one year of these occupancy rates was obtained, and because the rates reported are mostly in the same general range, it is difficult to draw any conclusions except that in setting annual goals, Mather and Albright should strive to achieve occupancy rates in the 60% to 80% range.

# TRAVEL COST ANALYSIS





If the NPS is going to attract more training events to the Mather and Albright training centers, it is necessary to consider travel costs to these locations.

# Travel Cost Analysis

If the NPS is going to attract more training events to the Mather and Albright training centers, it is necessary to consider travel costs to these locations. In order to analyze the relative travel costs, GSA per diem rates and airfares were examined. Locations for comparison of per diem rates were determined from the list of NPS training events for 2005 in the My Learning Manager database. Locations for training events held at non-NPS training centers were considered. The results of these comparisons are presented in the GSA Per Diem Rates section.

Air travel is also an important factor when training event participants come from a wide variety of locations across the United States, as is the case with many NPS training events. In order to provide

a general overview of air transportation costs to the airports serving STMA and HOAL, GSA airfares from each of the NPS regional office locations were examined. The results of this inquiry can be found in the GSA Airfares section.

## GSA Per Diem Rates

Maximum GSA per diem rates, including lodging, meals, and incidental expenses, were compared for 13 locations, including Harpers Ferry, West Virginia, for Mather and the Grand Canyon for Albright. This comparison indicates that Harpers Ferry and the Grand Canyon have relatively low per diem rates compared with other destinations. When considering a training event for 20 or more students, this difference in cost can be significant.

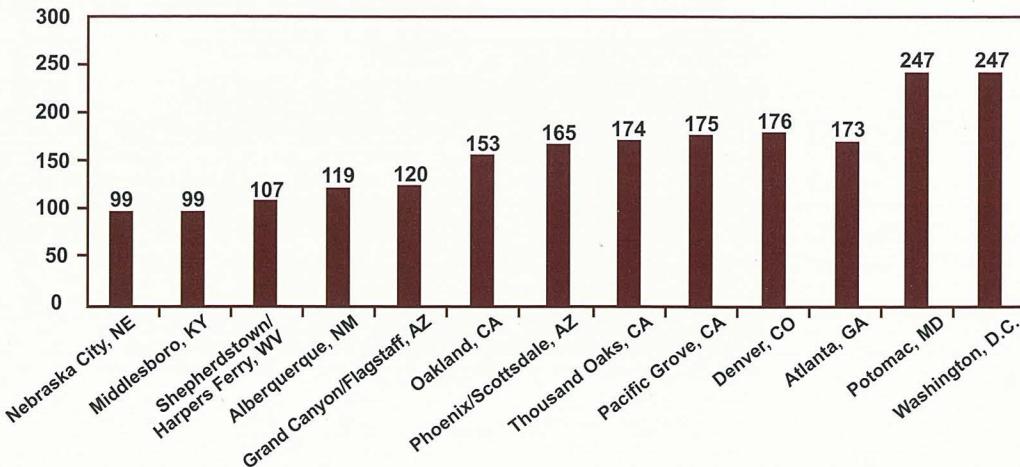


Figure 17: 2007 Maximum GSA Per Diem Rates for Selected Locations

## GSA Airfares

The NPS has seven regional offices located strategically throughout the country. The locations of these regional offices served as the origin airports for this analysis. Airfares from each of these locations to

a D.C. area airport for Mather and to Phoenix and Grand Canyon Airport for Albright were considered.

NPS Regional Office Locations	Origin Airport	Destination Airport	Airline	Unrestricted Govt. Fare	Capacity Controlled Govt. Fare
<b>National Capital Region</b>					
Washington, DC	BWI	PHX	Southwest	\$185	\$163
	BWI	GCN	Southwest/Scenic Airlines	\$487	\$372
<b>Alaska Area Region</b>					
Anchorage, AK	ANC	PHX	Alaska	\$589	NA
	ANC	GCN	Alaska/Scenic Airlines	\$777	NA
	ANC	DCA	Delta Airlines	\$628	NA
<b>Northeast Region</b>					
Philadelphia, PA	PHL	PHX	US Ariways	\$199	\$149
	PHL	GCN	Southwest/Scenic Airlines	\$502	\$372
	PHL	IAD	United Airlines	\$205	NA
<b>Midwest Region</b>					
Omaha, NE	OMA	PHX	Southwest	\$195	\$166
	OMA	GCN	Southwest/Scenic Airlines	\$411	\$391
	OMA	BWI	United Airlines	\$119	\$94
<b>Intermountain Region</b>					
Denver, CO	DEN	PHX	United Airlines	\$112	NA
	DEN	GCN	United Airlines/Scenic Airlines	\$336	NA
	DEN	DCA	Frontier Airlines	\$199	\$159
<b>Southeast Region</b>					
Atlanta, GA	ATL	PHX	America West Airlines	\$310	\$152
	ATL	GCN	AirTran Airways/Scenic Airlines	\$377	\$376
	ATL	IAD	AirTran Airways	\$75	\$74
<b>Pacific West Region</b>					
Oakland, CA	OAK	PHX	Southwest	\$111	\$104
	OAK	GCN	Southwest/Scenic Airlines	\$347	\$337
	OAK	BWI	Southwest	\$179	\$164
<b>Pacific Northwest</b>					
Seattle, WA	SEA	PHX	Alaska Air	\$139	\$69
	SEA	GCN	Alaska Air/Scenic Airlines	\$367	\$317
	SEA	DCA	US Airways	\$239	\$178

Figure 18: 2006 GSA Airfares

According to Topaz International, an independent third party corporate travel company, the average airfare paid by business travelers in the first half of 2005 was approximately \$450. By factoring in an average discount negotiated by GSA for government airfares of 30%, it can be roughly concluded that the average government airfare for this period was approximately \$315. The average non-restricted government airfare to the major airports serving the NPS training centers is \$240. This excludes the flights directly to the Grand Canyon Airport. However, the average airfare for travel all the way to the Grand Canyon airport via Las Vegas is \$390, which is somewhat higher than the national government airfare average, but the savings in transfer costs from Phoenix would easily make up for this difference. In conclusion, costs for air transportation from NPS regional office locations to airports serving the Mather and Albright training centers are notably lower than average government airfares.

As an example, an analysis was done that compares actual costs from several trainings that took place in FY2005 (total costs and number of participants for these were provided by NPS training managers) to the estimated costs for conducting those same trainings at Mather and Albright training centers. The following assumptions were used in these calculations:

- Actual training hours were divided by 8 and rounded up to the nearest whole number to determine number of training days
- Per diem days = number of training days + 1
- Grand Canyon per diem was calculated using the GSA Max M&IE plus \$50 per night for lodging at HOAL
- All travel costs to Grand Canyon were based on travel via Las Vegas to Grand Canyon Airport on Scenic Airlines

Location	Number of Participants	Number of Days	Total Actual Costs	Estimated Costs at Mather	Estimated Costs at Albright
Denver, CO	59	10	\$92,000	\$74,127	\$81,278
Castillo De San Marcos, NM	28	9	\$57,132	\$33,248	\$38,356
Estes Park, CO	15	6	\$40,500	\$12,772	\$15,758
Omaha, NE	15	5	\$14,830	\$11,167	\$14,333

**Figure 19: Training Costs Comparative Analysis**

This analysis is limited by the fact that a complete breakdown of costs for the actual training events was not available. Therefore we do not know if some of the total costs were from rental cars, airport transfers, or rental of training rooms or AV equipment. We also do not know whether all costs reported were paid by the training manager that provided the information, or if some costs may have been covered by parks or other NPS units. Despite this limitation, and if we assume that the reported total costs for these trainings are truly the total costs, then it is apparent that had these trainings been held at Mather or Albright, they would have cost the NPS less money.

Such savings results from lower per diem rates and lower than average travel costs, but besides these direct savings in travel costs, there are other reasons why the NPS could benefit from hosting training events at Albright and Mather. The training centers have NPS support staff on site; have access to NPS intranet; can provide supplies and materials on site; and have access to FedEx, copy machines, printers, and other support at no extra cost. In addition, NPS centers have no charge for phones or use of AV equipment.

## Summary of Travel Cost Analysis

The GSA per diem rate comparisons indicate that STMA and HOAL have relatively low per diem rates associated with their locations. In addition, the analysis of GSA airfares as compared to national averages suggests that air travel costs to the airports serving Mather and Albright are generally lower than average. The combination of these two findings implies that these two NPS training centers offer a notable savings to students when it comes to overall travel costs to participate in a training event.

For NPS training events, the combination of lower than average travel costs, no training facility rental fees, no audio visual equipment fees, and existing administrative infrastructure such as printing, communication, and internet support add up to a very cost effective training event when compared to hosting an event at a non-NPS location.

# FINANCIAL ANALYSIS



# Financial Analysis

The feasibility of attracting more training events to the Mather and Albright training centers depends heavily on whether this objective is financially viable. The overall objective is twofold. On the one hand, NPS T&D would like to have these facilities more fully utilized to reach their potential so that more students can experience the NPS heritage associated with them and the parks in which they are located. While, on the other hand, the opportunity to generate more revenue that can be reinvested in the upkeep and maintenance of the facilities is also a desired outcome.

The legislative review, market analysis, and benchmark study were completed to ascertain the feasibility of more fully utilizing the facilities. However, the financial analysis was completed to determine the financial results that might be realized should this objective be obtained and to determine what extent this objective would need to be fulfilled in order to reap the desired financial results.

An analysis was done for each of the two facilities, which included a break even analysis, revenue, and cost projections given several different scenarios, as well as a five-year projection based on what was determined to be the most realistic scenario. The revenue and cost projections were done for the lodging facilities and day use of training rooms. The STMA lodging projections are based on the proposed dormitory. These calculations and resulting findings are presented in the following two sections.

## Stephen T. Mather Training Center Financial Analysis

To determine the feasibility of operating the STMA proposed lodging facility, the following assumptions were used:

Week per year available for rent	48
Nights per week available for rent	5
"Checkout" days per week	1
Average participants per event	20 or 30
Weeks occupied by NPS Fundamentals FY06	24
Weeks occupied by other NPS training FY06	6
Total # of apartments	38
# of apartments used for staff housing	2
# of apartments available to rent	36
FY07 price per bednight	\$69.00
FY07 housekeeping per hour	\$12.83
Hours per day with staff at front desk	16

**Figure 20: Mather Dormitory Operating Assumptions**

With so many variables to manipulate, developing realistic scenarios to determine the financial feasibility of this operation could be highly complex with a huge number of combinations that could be created among the different variables. In order to make this process more manageable, a number of variables were held constant as illustrated in the table above (*see Figure 20*).

The most important variables for this analysis were those involving capacity of the facility. Capacity was manipulated in two ways. Because of the nature of the training facility and the standard implementation of a training event, the main capacity scenario was based on the number of weeks the facility was booked regardless of the number of participants staying that week. For example, if a training event of 20 participants booked the facility for a specific week, it was assumed that the remaining 16 rooms would not be rented.

Similarly, in the various scenarios presented below, the number of participants was also manipulated to provide a clearer picture of how more participants per training event would affect the results. Here again, the possible combinations of participants per week with the availability of 36 rooms was too large to consider in the framework of this report. Therefore, the scenarios either include a 20-person training event or a 30-person training event. Twenty persons was chosen because it is the average number of participants in an FY2006 NPS Fundamentals training event, and 30 was chosen because it represents approximately 80% of the available rooms, which is considered by industry standards to be full capacity.

The expenses for operating the STMA dormitory used in these scenarios were provided by the STMA Lodge Bed Nights Analysis, which is explained in detail in the Mather Training Center Business Plan, Fiscal Year 2004.

## Mather Dormitory FY2006 Scenario and Break-Even Analyses

The first set of scenarios addresses the financial results of operating the dormitory if the Mather Training Center were to maintain its FY2006 training schedule. As a comparison, a break-even scenario was completed for a full year of 20-person training events and 30-person training events. The break-even amount was calculated by manipulating the number of training weeks in a year until the break-even amount was reached.

Scenario	Total Training Weeks	Percent of Capacity Filled	Total Revenue	Total Expenses	Surplus (Deficit)
FY2006 Average (20 Participants)	30	62.5%	\$207,000	\$309,220	\$(102,220)
Break Even (20 Participants)	51	105.2%	\$348,450	\$348,147	\$303
Break Even (30 Participants)	31	65.4%	\$324,990	\$324,376	\$615

**Figure 21: Mather Dormitory FY2006 Scenario and Break-Even Analyses**

The scenario based on FY2006 operations estimates a residential facility at Mather would run an annual deficit per year of about \$100,000 if it were to maintain current NPS occupancy. The apartments would be occupied 62.5% (30 weeks) of the available 48 weeks per year.

The break-even analysis using 20 participants per week shows that the dormitory could not break even without either increasing the available weeks per year or increasing the average number of participants per session. Using the existing assumptions, STMA would have to increase usage to 105.2% of the available 48 weeks per year.

The break-even analysis using 30 participants per week, however, shows that STMA does have the ability to break even by increasing the average number of participants. Based on current usage, if the average number of participants per week were increased to 30, only one additional week of training events would allow the dormitory to break even.

The break-even scenarios are based on the closest number of training weeks possible, including partial weeks, without running a deficit. They are based on holding many variables constant and do not equal zero because manipulating those variables was not practical for this analysis.

#### Mather Dormitory Scenarios with NPS Fundamentals

To help determine levels of operation for the STMA dormitory at which desired financial results would be met and to help set goals for these operations, several scenarios were considered using the assumptions stated above (*see Figure 20*). These scenarios are based on NPS Fundamentals using the facility at the same levels as in FY2006. The number of training weeks used by NPS Fundamentals was 24, which is 50% of the capacity based on the number of weeks available in a year.

Since these scenarios are based on continued use of STMA by NPS Fundamentals 50% of the time, the amount of remaining available capacity was manipulated to determine the financial results if 30%, 60%, and 80% of that additional capacity were filled by other training events. In addition, these scenarios manipulated the number of participants in those other training events to show the differences between training events averaging 20 participants and those averaging 30 participants.

Average Participants in Additional Training	Additional Training Weeks Used	Additional Capacity Used	Total Revenue	Total Expenses	Surplus (Deficit)
20	7	30%	\$215,280	\$310,360	\$(95,080)
30	7	30%	\$322,920	\$324,0498	\$(1,178)
20	14	60%	\$264,960	\$317,198	\$(52,238)
30	14	60%	\$397,440	\$334,107	\$63,333
20	19	80%	\$298,080	\$321,757	\$(23,677)
30	19	80%	\$447,120	\$340,780	\$106,340

**Figure 22: Mather Dormitory Scenarios with NPS Fundamentals**

Review of the Mather dormitory scenarios with NPS Fundamentals reveals that if this training program maintains its current usage of STMA, a concerted effort would still need to be made to fill the additional training weeks with other events. It is fairly clear that the average number of participants has a notable effect on the financial results. The ideal situation in this case would be to fill the additional capacity with training events averaging at least 30 participants per week. At this rate, a sizeable surplus could be realized when using the facility 14 weeks above and beyond the weeks used by NPS Fundamentals.

#### **Mather Dormitory Scenarios without NPS Fundamentals**

Although the NPS Fundamentals program will likely remain at its current levels over the next several years, it was deemed necessary to examine the financial outcomes of the Mather dormitory with the assumption that this base program were not in existence. The following scenarios use the same assumptions as initially presented in this section of the report, however, they also assume that there is no base training program at STMA.

The capacity in these scenarios assumes no base use of STMA by any NPS training program. The amount of available capacity was manipulated to determine the financial results if 30%, 60%, and 80% were filled by training events. In addition, these scenarios manipulated the number of participants in those training events to show the differences between training events averaging 20 participants and those averaging 30 participants.

Average Participants	Training Weeks Used	Capacity Used	Total Revenue	Expenses Total	Surplus (Deficit)
20	14	30%	\$99,360	\$294,403	\$(195,043)
30	14	30%	\$149,040	\$300,744	\$(151,704)
20	29	60%	\$198,720	\$308,080	\$(109,360)
30	29	60%	\$298,080	\$320,762	\$(22,268)
20	38	80%	\$264,960	\$317,198	\$(52,238)
30	38	80%	\$397,440	\$334,107	\$63,333

**Figure 23: Mather Dormitory Scenarios Without NPS Fundamentals**

Review of the Mather dormitory scenarios without NPS Fundamentals reveals that a concerted effort would need to be made to fill the facility's capacity. Once again, it is fairly clear that the average number of participants has a notable effect on the financial results. The ideal situation would be to fill the capacity with training events averaging at least 30 participants per week. Even at this rate, as demonstrated in the break-even analysis, it would require booking a training event at least 31 weeks per year in order to realize a surplus. In short, without the base funding provided by the NPS Fundamentals program, operation of the Mather dormitory becomes a serious endeavor by the NPS, in which active marketing would be required to operate the facility at a break-even or surplus level.

#### **Mather Classroom Rental Projections**

Rental of classrooms at the Mather Training Center also

provides an opportunity to generate additional revenue for its operation. Since the dormitory project at STMA is not likely to be completed for several more years, rental of classrooms at the facility is the only source of additional revenue in the short term.

Financial projections were completed to determine the revenue potential from this activity. Since NPS training events are provided with classroom space at no charge, the projections considered four different combinations of classroom rental ratios ranging from no classroom rentals by NPS training events to 100% of the rentals by NPS training events. These ratios are based on the assumption that when classroom space is not being used by NPS training events, it can be rented to outside agencies and organizations that would pay a fair market price for the classroom space.

% NPS Use	Days of NPS Use	% Non-NPS Use	Days of Non-NPS Use
0%	0	100%	240
30%	72	70%	168
50%	120	50%	120
70%	168	30%	72
100%	240	0%	0

**Figure 24: Days Available for Classroom Rental Based on NPS to Non-NPS Use Ratio**

The financial projections also consider three different occupancy percentages for each NPS use to non-NPS use ratio. The occupancy percentages represent percentages of full capacity, where full capacity would mean that both classrooms and the computer room are rented for all the available days in a year. The amount of available capacity was manipulated to determine the financial results if 30%, 60%, and 80% were filled by training events.

The following assumptions were used in creating these projections:

Weeks per year available for rent	48
Days per week available for rent	5
Total available days per year	240
Rate for NPS groups	0
Classroom rate for non-NPS groups	\$500
Computer room rate for non-NPS groups	\$800
Classrooms available for rent	2
Computer rooms available for rent	1

**Figure 25: Mather Classroom Rental Assumptions**

The classroom rental rates in these projections are based on comparable rates for similar classroom facilities in the area. This comparison proved to be quite difficult as there are not many facilities in the area with classroom facilities equipped with the same technology as STMA. From the benchmark comparisons, NCTC charges a day rate of \$672 per day for a classroom similar in size as those at Mather. However, NCTC also provides break service. The OPM EMDC does not rent their classroom space to outside organizations. Shepherd University, located in Shepherdstown, West Virginia, charges a per person rate for their classroom facilities, which are only available

in the summer months. Their rate is \$6 per person; however, their classrooms are not fully equipped like the ones at Mather. Also, NCTC charges \$1,439 per day for use of their computer lab.

To provide more conservative projections when looking at the revenue potential for renting classroom space and because of the disparity in local market rates, it was decided to use a rental rate of \$500 per classroom and \$800 for the computer room. These rates were calculated based on the NCTC rates and accounting for the smaller number of services available at STMA.



Classroom at Albright Training Center

NPS to Non-NPS Ratio	Percentage of Classroom and Computer Room Capacity Rented		
	30%	60%	80%
0% NPS - 100% Non-NPS	\$129,600	\$259,200	\$345,600
30% NPS - 70% Non-NPS	\$90,720	\$181,440	\$241,920
50% NPS - 50% Non-NPS	\$64,800	\$129,600	\$172,800
70% NPS - 30% Non-NPS	\$38,880	\$77,760	\$103,680
100% NPS - 0% Non-NPS	\$0	\$0	\$0

**Figure 26: Mather Classroom Rental Projections**

These projections indicate that STMA could earn a notable amount of revenue by renting classroom space to outside organizations. Based on the FY2006 schedule, the NPS Fundamentals classes and a few other NPS training events used the classrooms about 50% of the available time. If this pattern were to continue, Mather could bring in over \$100,000 in additional revenue by renting the space to outside organizations. Although accomplishing this would require some marketing efforts, it appears the cost of those efforts could be worth the financial results.

### **Mather Five-Year Pro-Forma**

The lodging and classroom rental projections were designed to provide an idea of the potential revenue that could be earned from each of those sources independently. These can help to determine whether it is feasible to pursue either of those scenarios. In order to determine the overall feasibility of pursuing these scenarios, a five-year pro-forma was done that used realistic assumptions about achieving increased occupancy at STMA.

This pro-forma is based on a five-year time period with the first year being the first full year that the Mather dormitory is in operation. It also assumes that the NPS use reported in FY2006 remains constant over the five-year period. The assumptions used in the lodging and classroom projections are also used in this projection. In addition, the following assumptions were used in the calculations:



Artist rendition of proposed Mather dormitory

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Average number of participants *	25	25	25	25	25
Excess Lodging Capacity Used	15%	25%	45%	55%	65%
Excess Classroom Capacity Used	15%	25%	45%	55%	65%
Excess Classroom % NPS Use	50% NPS				
Classroom Rental Revenue per Day of non-NPS use	\$500	\$500	\$500	\$500	\$500
Price per Bednight (5% GSA increase per year)	\$69.00	\$72.45	\$76.07	\$79.88	\$83.87
Rate of inflation for energy	20%	20%	20%	20%	20%
Rate of inflation for labor	4.11%	4.11%	4.11%	4.11%	4.11%
Rate of general inflation	4.30%	4.30%	4.30%	4.30%	4.30%

**Figure 27: Mather Pro-Forma Assumptions**

\*The number 25 was selected for the average number of participants because it represents the average of the two numbers used in the previous calculations

Expenses		Year 1	Year 2	Year 3	Year 4	Year 5
<b>Housekeeping</b>						
<b>Labor: Non-checkout</b>	Single Rooms	\$ 20,977.05	\$ 22,131.75	\$ 24,441.15	\$ 25,595.85	\$ 26,750.55
	Apartments	\$ 3,356.33	\$ 3,541.08	\$ 3,910.58	\$ 4,095.34	\$ 4,280.09
	Public Areas	\$ 1,678.16	\$ 1,770.54	\$ 1,955.29	\$ 2,047.67	\$ 2,140.04
	<b>Total</b>	<b>\$ 26,011.54</b>	<b>\$ 27,443.37</b>	<b>\$ 30,307.03</b>	<b>\$ 31,738.85</b>	<b>\$ 33,170.68</b>
<b>Labor: Checkout</b>	Single Room	\$ 5,978.46	\$ 6,307.55	\$ 6,965.73	\$ 7,294.82	\$ 7,623.91
	Apartments	\$ 956.55	\$ 1,009.21	\$ 1,114.52	\$ 1,167.17	\$ 1,219.83
	Public Areas	\$ 419.54	\$ 442.64	\$ 488.82	\$ 511.92	\$ 535.01
	<b>Total</b>	<b>\$ 7,354.55</b>	<b>\$ 7,759.39</b>	<b>\$ 8,569.07</b>	<b>\$ 8,973.91</b>	<b>\$ 9,378.74</b>
<b>Laundry: Checkout only</b>	Single Rooms	\$ 5,444.55	\$ 5,744.25	\$ 6,343.65	\$ 6,643.35	\$ 6,943.05
	Apartments	\$ 1,306.04	\$ 1,377.93	\$ 1,521.71	\$ 1,593.61	\$ 1,665.50
	<b>Total</b>	<b>\$ 6,750.59</b>	<b>\$ 7,122.18</b>	<b>\$ 7,865.36</b>	<b>\$ 8,236.96</b>	<b>\$ 8,608.55</b>
<b>Cleaning Supplies</b>	Single Rooms	\$ 1,021.88	\$ 1,078.13	\$ 1,190.63	\$ 1,246.88	\$ 1,303.13
	Apartments	\$ 163.50	\$ 172.50	\$ 190.50	\$ 199.50	\$ 208.50
	Public Areas	\$ 163.50	\$ 172.50	\$ 190.50	\$ 199.50	\$ 208.50
	<b>Total</b>	<b>\$ 1,348.88</b>	<b>\$ 1,423.13</b>	<b>\$ 1,571.63</b>	<b>\$ 1,645.88</b>	<b>\$ 1,720.13</b>
<b>Guest Room Amenities</b>	Single Rooms	\$ 2,575.13	\$ 2,716.88	\$ 3,000.38	\$ 3,142.13	\$ 3,283.88
	Apartments	\$ 516.66	\$ 545.10	\$ 601.98	\$ 630.42	\$ 658.86
	<b>Total</b>	<b>\$ 3,091.79</b>	<b>\$ 3,261.98</b>	<b>\$ 3,602.36</b>	<b>\$ 3,772.55</b>	<b>\$ 3,942.74</b>
<b>Labor</b>						
	Front Desk Operations	\$ 53,625.60	\$ 55,829.61	\$ 58,124.21	\$ 60,513.11	\$ 63,000.20
	Building Manager	\$ 79,800.00	\$ 83,079.78	\$ 86,494.36	\$ 90,049.28	\$ 93,750.30
	<b>Total</b>	<b>\$ 133,425.60</b>	<b>\$ 138,909.39</b>	<b>\$ 144,618.57</b>	<b>\$ 150,562.39</b>	<b>\$ 156,750.51</b>
<b>Other</b>						
	FFE Updates (\$1,000,000 per 10 years)	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
	Utilities	\$ 22,300.00	\$ 26,760.00	\$ 32,112.00	\$ 38,534.40	\$ 46,241.28
	Miscellaneous (unanticipated) expenses	\$ 25,000.00	\$ 26,075.00	\$ 27,196.23	\$ 28,365.66	\$ 29,585.39
	<b>Total</b>	<b>\$ 147,300.00</b>	<b>\$ 152,835.00</b>	<b>\$ 159,308.23</b>	<b>\$ 166,900.06</b>	<b>\$ 175,826.67</b>
<b>Total Lodging Expenses</b>		<b>\$ 325,282.94</b>	<b>\$ 333,219.43</b>	<b>\$ 343,834.01</b>	<b>\$ 352,230.53</b>	<b>\$ 360,871.34</b>

Figure 28: Mather Five-Year Pro-Forma

<b>Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Lodging Revenue Total	\$ 282,037.50	\$ 297,562.50	\$ 328,612.50	\$ 344,137.50	\$ 359,662.50
Classroom Revenue Total	\$ 9,000.00	\$ 15,000.00	\$ 27,000.00	\$ 33,000.00	\$ 39,000.00
<b>Total Revenue</b>	<b>\$ 291,037.50</b>	<b>\$ 312,562.50</b>	<b>\$ 355,612.50</b>	<b>\$ 377,137.50</b>	<b>\$ 398,662.50</b>
<b>(Deficit) Surplus</b>	<b>\$ (34,245.44)</b>	<b>\$ (20,656.93)</b>	<b>\$ 11,778.49</b>	<b>\$ 24,906.97</b>	<b>\$ 37,791.16</b>

**Figure 28: Mather Five-Year Pro-Forma (continued)**

Based on these projections, if STMA is able to maintain its current use by NPS training events and if it successfully increases use of the amount of remaining capacity with training events from within the NPS and from outside organizations, then an operational surplus could be achieved after three years. It is important to note, however, that these positive results rely on the revenue generated from rental of classrooms. This means that in order for these results to be achieved, Mather must be successful in marketing their facility to non-NPS organizations that will use the dormitory for overnight accommodations and pay a classroom rental fee.

Closer analysis of this five-year projection reveals that if the increase in use were to be only by NPS training events, meaning without the classroom rental income, STMA would operate in a deficit under these circumstances throughout the five-year period. However, that deficit in the fifth year would only amount to about \$1,000. This fact simply reinforces that operating the lodging facility alone will mean difficulty in supporting its operating costs.

#### **Summary of Stephen T. Mather Training Center Financial Analysis**

The Mather financial analysis included a break-even analysis, revenue and cost projections for the proposed dormitory, classroom revenue projections, and

a five-year projection based on what was determined to be realistic assumptions.

The first scenario for operation of the dormitory was based on FY2006 operations. This scenario predicts that a residential facility at Mather would run an annual deficit per year of about \$100,000 if it were to maintain current NPS occupancy. The apartments would be occupied 62.5% (30 weeks) of the available 48 weeks per year.

The break-even analysis based on an average of 20 participants per week shows that the dormitory could not break even without either increasing the available weeks per year or increasing the average number of participants per session.

The break-even analysis based on an average of 30 participants per week, however, shows that STMA does have the ability to break even by increasing the average number of participants. Based on current usage, if the average number of participants per week were increased to 30, only one additional week of training events would allow the dormitory to break even.

The Mather dormitory scenarios with NPS Fundamentals maintaining its current use of the facility reveals that a concerted effort would still need to be

made to fill the additional training weeks with other events. The ideal situation in this case would be to fill the additional capacity with training events averaging at least 30 participants per week. At this rate, a sizeable surplus could be realized when using the facility 14 weeks above and beyond the weeks already used by NPS Fundamentals.

The Mather dormitory scenarios without NPS Fundamentals maintaining its current use of the facility reveals that a concerted effort would need to be made to fill the facility's capacity. The ideal situation would be to fill the capacity with training events averaging at least 30 participants per week. Even at this rate, it would require booking a training event at least 31 weeks per year in order to realize a surplus. In short, without the base funding provided by the NPS Fundamentals program, operation of the Mather dormitory becomes a serious endeavor by the NPS, in which active marketing would be required to operate the facility at a break-even or surplus level.

Classroom rental projections indicate that STMA could earn a notable amount of revenue by renting classroom space to outside organizations. Based on the FY2006 schedule, the NPS Fundamentals classes and a few other NPS training events used the classrooms about 50% of the available time. If this pattern were to continue, Mather could bring in over

\$100,000 in additional revenue by renting the space to outside organizations. Although to accomplish this would require some marketing efforts, it appears the cost of those efforts could be worth the financial results.

The five-year pro-forma indicates that if STMA is able to maintain its current use by NPS training events and is successful in gradually increasing use of the amount of remaining capacity with training events from both the NPS and outside organizations, an operational surplus could be achieved after three years. It is important to note, however, that these positive results rely on the revenue generated from rental of classrooms. This means that in order for these results to be achieved, Mather must successfully market their facility to non-NPS organizations that will use the dormitory for overnight accommodations and pay a classroom rental fee.

### **Horace M. Albright Training Center Financial Analysis**

The Albright training center recently completed a significant renovation project to upgrade the lodging and training facilities. In addition, a new contract for operation of the lodging facilities was recently signed and implemented. The ability to attract more training events to Albright is of significant interest especially because of the upgraded, state-of-the-art facilities it has to offer. This financial analysis is based on these new facility parameters. The following assumptions were held constant in determining the feasibility of operating the HOAL lodging facility at a higher level of use:

Weeks per year available for rent	48
Nights per week available for rent (except NPS Fundamentals, which uses the facility 12 nights per two-week session)	5
Average participants per event	22 or 49
Weeks occupied by NPS Fundamentals FY06	24
Weeks occupied by other NPS trainings FY06	0
Total # of apartments	72
# of apartments used for staff housing	6
# of apartments available to rent	66
FY07 price per bed night	\$50.00
FY07 housekeeping per room per week	\$39.19

**Figure 29: Albright Lodging Operating Assumptions**

The most important variables for this analysis were those involving capacity of the facility. Capacity was manipulated in two ways. Because of the nature of the training facility and the standard implementation of a training event, the main capacity variable was based on the number of weeks the facility was booked regardless of the number of participants staying in that week. For example, if a training event of 20 participants booked the facility for a specific week, then it was assumed that the remaining 46 rooms would not be rented. Similarly, in the various scenarios presented below, the number of participants was also manipulated to provide a clearer picture of how more participants per training event would affect the results. Here again, the possible combinations of participants per week with the availability of 66 rooms was too large to consider in the framework of this report. Therefore, the scenarios either include a 22-person training event or a 49-person training event. Twenty-two persons

was chosen because it represents the average number of participants in an NPS training event in FY2006 based on the data available from the My Learning Manager database. Forty-nine is the average number of participants in an FY2006 NPS Fundamentals training event at HOAL.

The expenses for operating the Albright lodging facilities used in these scenarios were obtained from contract number C2670060009 between the NPS Albright Training Center and Basic Contracting Services for hospitality and guest management services.

### **Albright Lodging FY2006 Scenario and Break-Even Analyses**

The first set of scenarios addresses the financial results of operating the lodging facilities if HOAL were to maintain its FY2006 training schedule. As a comparison, a break-even scenario was completed for a full year of 22-person training events and 49-person training events. The break-even amount was calculated by manipulating the number of training weeks in a year until the break-even amount was reached.

Scenario	Total Training Weeks	Percent of Capacity Filled	Total Revenue	Total Expenses	Surplus (Deficit)
FY2006 Average (49 Participants)	24	50%	\$352,800	\$363,440	\$(10,640)
Break Even (22 Participants)	73.4	152.9%	\$403,700	\$403,680	\$20
Breal Even (49 Participants)	33	68.7%	\$404,250	\$403,766	\$484

**Figure 30: Albright Lodging FY2006 Scenario and Break-Even Analyses at \$50 per Night**

The scenario based on FY2006 operations shows that the Albright apartments operate at a deficit of about \$10,000 per year with its current occupancy exclusively by the NPS Fundamentals classes. The apartments are occupied 50% (24 weeks) of the available 48 weeks per year.

The break-even analysis using 22 participants per week shows that the lodging facilities could not break even without increasing the available weeks per year, increasing the price per bed night, or increasing the average number of participants per session. Using the existing assumptions, HOAL would have to increase usage to 152.9% of the available 48 weeks per year.

The break-even analysis using 49 participants per week, however, shows that HOAL does have the ability to break even by increasing the average number of participants. If the same average number of participants per week that NPS Fundamentals maintains were continued by other training events, only nine additional weeks

of training events would allow the lodging facilities to break even.

The break-even scenarios are based on the closest number of training weeks possible, including partial weeks, without running a deficit. They are based on holding many variables constant and do not equal zero because manipulating those variables was not practical for this analysis.

After completing a survey of lodging rates in the Grand Canyon and Tusayan, Arizona, area, it was concluded that HOAL may be charging too little per room night. The vast majority of facilities surveyed offered a GSA per diem rate for government employees. This rate fluctuates by season, and the annualized average of the 2006 GSA rates for the Grand Canyon is \$72.58.

To compare the difference in potential revenue the same analyses above were done using the rate of \$72.58 per room per night.

Scenario	Total Training Weeks	Percent of Capacity Filled	Total Revenue	Total Expenses	Surplus (Deficit)
FY2006 Average (49 Participants)	24	50%	\$512,124	\$363,440	\$148,684
Break Even (22 Participants)	47.8	99.5%	\$381,626	\$381,608	\$18
Breal Even (49 Participants)	21.5	44.7%	\$382,315	\$381,683	\$632

**Figure 31: Albright Lodging FY2006 Scenario and Break Even Analyses at \$72.58 per Night**

The results from these analyses show that an increase in the HOAL lodging rate per roomnight to match the GSA per diem rate would significantly and positively impact the operating finances of the lodging facilities. Even at its current level of use with NPS Fundamentals occupying 50% of the training weeks, Albright would see a surplus of nearly \$150,000 from the rental of its apartments.

The break-even analysis using 22 participants as the average indicates that there would need to be a training event occupying the apartments every week the facility is in operation. This is a much different scenario than at the \$50 per night rate, in which the analysis demonstrated that it was not possible to break even with that average number of participants.

The break-even analysis using 49 participants is equally revealing, demonstrating that it would only require 21.5 training weeks to break even at the GSA per diem rate. Under these assumptions, if the NPS Fundamentals program were to be discontinued, the Albright training center would need to make a concerted effort to fill the capacity of the facilities and would still have a good chance of maintaining its lodging operations at a full-cost recovery level.

#### **Albright Lodging Scenarios with NPS Fundamentals**

To help determine levels of operation for the HOAL apartments in which desired financial results would be met and to help set goals for these operations, several scenarios were considered using the assumptions above. These scenarios are based on NPS Fundamentals using the facility at the same levels as in FY2006. The number of training weeks used by NPS Fundamentals was 24, which is 50% of the capacity based on the number of weeks available in a year.

Since these scenarios are based on continued use

of HOAL by NPS Fundamentals 50% of the time, the amount of remaining available capacity was manipulated to determine the financial results if 30%, 60%, and 80% of that additional capacity were filled by other training events. In addition, these scenarios manipulated the number of participants in those other training events to show the differences between training events averaging 22 participants and those averaging 49 participants.

Average Participants in Additional Trainings	Additional Training Weeks Used	Additional Capacity Used	Total Revenue at \$50 per Night	Total Expenses	Surplus (Deficit) at \$50 per Night	Surplus (Deficit) at \$72.58 per Night
22	7.2	30%	\$392,400	\$369,647	\$22,753	\$199,960
49	7.2	30%	\$441,000	\$377,266	\$63,734	\$262,890
22	14.4	60%	\$432,000	\$375,855	\$56,145	\$377,095
49	14.4	60%	\$529,200	\$391,092	\$138,108	\$377,095
22	19.2	80%	\$458,400	\$379,994	\$78,406	\$285,420
49	19.2	80%	\$588,000	\$400,310	\$187,690	\$453,231

**Figure 32: Albright Lodging Scenarios with NPS Fundamentals and Additional Training Events**

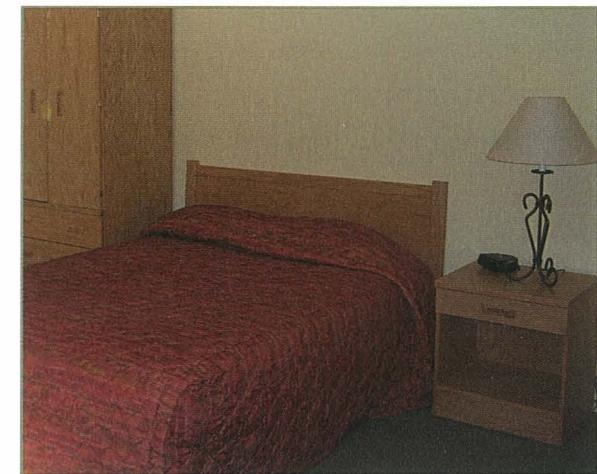
The financial scenarios for the Albright apartments with NPS Fundamentals maintaining its current level of use reveal that there is significant revenue-earning potential for these lodging facilities. Even at the current rate of \$50 per room night, an additional 7 weeks of training events at five nights a week and a 22 participant average yields a notable surplus. From this point the numbers continue to improve as the occupancy increases. When running the numbers at a rate of \$72.58 per night (GSA per diem), there are significantly higher surpluses for each scenario.

**Albright Lodging Scenarios without NPS Fundamentals**  
Although the NPS Fundamentals program will likely remain at its current levels over the next several years, it was deemed necessary to examine the

financial outcomes of the Albright apartments with the assumption that this base program were not in existence. The following scenarios use the same assumptions as initially presented in this section of the report; however, they assume that there is no base training program at HOAL.

The capacity in these scenarios assumes no base use of HOAL by any NPS training program. The amount of available capacity was manipulated to determine the financial results if 30%, 60%, and 80% were filled by training events. In addition, these scenarios manipulated the number of participants in those training events to show the differences between training events averaging 22 participants and those averaging 49 participants.

Albright lodging



Average Participants	Training Weeks Used	Capacity Used	Total Revenue at \$50 per Night	Total Expenses	Surplus (Deficit) at \$50 per Night	Surplus (Deficit) at \$72.58 per Night
22	14.4	30%	\$79,200	\$352,811	\$(273,611)	\$(237,845)
49	14.4	30%	\$176,400	\$368,048	\$(191,648)	\$(111,986)
22	28.8	60%	\$158,400	\$365,227	\$(206,827)	\$(135,293)
49	28.8	60%	\$352,800	\$395,701	\$(42,901)	\$116,424
22	38.4	80%	\$211,200	\$373,504	\$(162,304)	\$(66,926)
49	38.4	80%	\$470,400	\$414,136	\$56,264	\$268,697

**Figure 33: Albright Lodging Scenarios Without NPS Fundamentals**

Review of the Albright apartment scenarios without NPS Fundamentals reveals that a concerted effort would need to be made to fill the facility's capacity. It is clear that the average number of participants has a notable effect on the financial results. The ideal situation would be to fill the capacity with training events averaging at least 49 participants per week. Even at this rate, as demonstrated in the break-even analysis, it would require booking a training event at least 22 weeks per year in order to realize a surplus. In short, without the base funding provided by the NPS Fundamentals program, operation of the Albright apartments becomes a serious endeavor by the NPS, in which active marketing would be required to operate the facility at a break-even or surplus level.

#### **Albright Classroom Rental Projections**

Rental of classrooms at the Albright Training Center also provides an opportunity to generate additional revenue for its operation. Financial projections were completed to determine the revenue potential from this activity. Since NPS training events are provided with classroom space at no charge, the projections considered four different combinations of classroom rental ratios ranging from no classroom rentals by

NPS training events to 100% of the rentals by NPS training events. These ratios are based on the assumption that when classroom space is not being used by NPS training events, it can be rented to outside agencies and organizations that would pay a fair market price for the classroom space.

% of NPS Use	Days of NPS Use	% Non-NPS Use	Days of Non-NPS Use
0%	0	100%	240
30%	72	70%	168
50%	120	50%	120
70%	168	30%	72
100%	240	0%	0

**Figure 34: Days Available for Classroom Rental Based on NPS to Non-NPS Use Ratio**

The financial projections also consider three different occupancy percentages for each NPS use to non-NPS use ratio. The occupancy percentages represent percentages of full capacity, where full capacity would mean that all three classrooms are rented for all the

available days in a year. The amount of available capacity was varied to determine the financial results if 30%, 60%, and 80% were filled by training events.

The following assumptions were used in creating these projections:

Weeks per year available for rent	48
Days per week available for rent	5
Total available days per year	240
Rate for NPS groups	0
Classroom rate for non-NPS groups	\$500
Classrooms available for rent	3

**Figure 35: Albright Classroom Rental Assumptions**

The classroom rental rates in these projections are based on comparable rates for similar classroom facilities in the area. This comparison proved to be quite difficult as there are no facilities in the area with classroom facilities equipped with the same technology as HOAL. From the benchmark comparisons, NCTC charges a day rate of \$672 for a classroom similar in size to the large classrooms at Albright and \$505 per day for a classroom similar to the small classroom. However, NCTC also provides break service. The OPM EMDC does not rent their classroom space to outside organizations. The BLM NTC charges \$600 per day for a larger classroom and \$450 for a smaller classroom. The BLM rates are based on the fair market value for the Phoenix metropolitan area, which is the closest location to HOAL where similar facilities can be found.

In order to provide moderately conservative projections when looking at the revenue potential for renting classroom space and because of the disparity in market rates, it was decided to use a rental rate of \$500 per classroom. These rates were based on a comparison with BLM NTC.

	Percentage of Classroom Capacity Rented		
NPS to Non-NPS Ratio	30%	60%	80%
0% NPS - 100% Non-NPS	\$108,000	\$216,000	\$288,000
30% NPS - 70% Non-NPS	\$75,600	\$151,200	\$201,600
50% NPS - 50% Non-NPS	\$54,000	\$108,000	\$144,000
70% NPS - 30% Non-NPS	\$32,400	\$64,800	\$86,400
100% NPS - 0% Non-NPS	\$0	\$0	\$0

**Figure 36: Albright Classroom Rental Projections**

These projections indicate that HOAL could earn a significant amount of revenue by renting classroom space to outside organizations. Based on the FY2006 schedule, the NPS Fundamentals classes used the classrooms about 50% of the available time. If this pattern were to continue, then Albright has the potential to bring in over \$140,000 in additional revenue by renting the space to outside organizations. Although accomplishing this would require some marketing efforts, it appears the cost of those efforts could be worth the financial results.

#### **Albright Five-Year Pro-Forma**

The lodging and classroom rental projections were designed to provide an idea of the potential revenue that could be earned from each of those sources independently. These can help to determine if it is feasible to pursue either of those scenarios separately. In order to determine the overall feasibility of pursuing these scenarios, a five-year pro-forma was completed that included realistic assumptions about achieving increased occupancy at HOAL.

This pro-forma is based on a five-year time period beginning in 2007 and ending in 2011. It also assumes that the NPS Fundamentals use reported in FY2006 remains constant over the five-year period. The assumptions used in the lodging and classroom

projections are also used in this projection. In addition, the following assumptions were used in the calculations:

	Year 1	Year 2	Year 3	Year 4	Year 5
Average number of participants*	33	33	33	33	33
Excess Lodging Capacity Used	15%	25%	45%	55%	65%
Excess Classroom Capacity Used	15%	25%	45%	55%	65%
Excess Classroom % NPS Use	50% NPS				
Classroom Rental Charge per Day of Non-NPS use	\$500	\$500	\$500	\$500	\$500
Price per Room Night (5% GSA increase per year)	\$50.00	\$76.21	\$80.02	\$84.02	\$88.22
Rate of inflation for energy	20%	20%	20%	20%	20%
Rate of inflation for labor	4.11%	4.11%	4.11%	4.11%	4.11%
Rate of general inflation	4.30%	4.30%	4.30%	4.30%	4.30%

**Figure 37: Albright Pro-Forma Assumptions**

\*The number 33 was selected for the average number of participants because it represents 50% of the available room capacity



Classroom at Albright Training Center

Description	2007	2008	2009	2010	2011
Cost of Cleaning Rooms	\$9,912.00	\$12,293.31	\$16,253.65	\$18,227.58	\$20,214.00
Resident Manager Salary	\$72,000.00	\$74,959.20	\$78,040.02	\$81,247.47	\$84,586.74
Resident Asst. Mgr. Salary	\$14,400.00	\$14,991.84	\$15,608.00	\$16,249.49	\$16,917.35
Office Equip. and Supplies	\$7,800.00	\$8,135.40	\$8,485.22	\$8,850.09	\$9,230.64
Linen Supply	\$16,800.00	\$17,522.40	\$18,275.86	\$19,061.73	\$19,881.38
Laundry	\$6,195.00	\$7,697.34	\$10,177.07	\$11,413.03	\$12,656.81
Minor Maintenance	\$24,000.00	\$25,032.00	\$26,108.38	\$27,231.04	\$28,401.97
Reservation System	\$16,263.94	\$20,208.08	\$26,718.21	\$29,963.00	\$33,228.33
Supplies and Materials	\$25,200.00	\$26,283.60	\$27,413.79	\$28,592.59	\$29,822.07
Cleaning Public Area	\$13,200.00	\$13,742.52	\$14,307.34	\$14,895.37	\$15,507.57
<b>Lodging Contract Total</b>	<b>\$205,770.94</b>	<b>\$220,865.69</b>	<b>\$241,387.55</b>	<b>\$255,731.37</b>	<b>\$270,446.85</b>
Long term replacement costs (\$1,000,000 per 10 years)	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
Utilities	\$41,996.00	\$50,395.20	\$60,474.24	\$72,569.09	\$87,082.91
Miscellaneous (unanticipated) expenses	\$25,000.00	\$26,075.00	\$27,196.23	\$28,365.66	\$29,585.39
<b>Total Additional Costs</b>	<b>\$166,996.00</b>	<b>\$176,470.20</b>	<b>\$187,670.47</b>	<b>\$200,934.75</b>	<b>\$216,668.29</b>
<b>Total Expenses</b>	<b>\$372,766.94</b>	<b>\$397,335.89</b>	<b>\$429,058.02</b>	<b>\$456,666.13</b>	<b>\$487,115.14</b>
Lodging Revenue	\$382,500.00	\$613,177.61	\$707,211.90	\$775,844.58	\$849,572.50
Classroom Revenue	\$27,000.00	\$45,000.00	\$81,000.00	\$99,000.00	\$117,000.00
<b>Total Revenue</b>	<b>\$409,500.00</b>	<b>\$658,177.61</b>	<b>\$788,211.90</b>	<b>\$874,844.58</b>	<b>\$966,572.50</b>
<b>Total Surplus Revenue</b>	<b>\$36,733.06</b>	<b>\$260,841.72</b>	<b>\$359,153.88</b>	<b>\$418,178.46</b>	<b>\$479,457.36</b>

Figure 38: Albright Five-Year Pro-Forma

Based on these projections, if HOAL is able to maintain its current use by NPS Fundamentals and if it successfully increases use of the amount of remaining capacity with training events from within the NPS and outside organizations, then an operational surplus could be achieved in the first year. By the second year at these projected levels of increased use, Albright could see notable surplus revenue from rental of their apartments and classroom space. It should be noted that these projections are based on charging the GSA per diem rate for lodging beginning in 2008.

The incremental increases in use of the facilities would require devoted efforts to this goal. HOAL would likely need to employ an individual whose sole job was to book the available space for training events. Along with this expense, it would also include expenses for proper marketing, such as print advertising, attendance at trade shows, and direct phone solicitations. If these efforts were even somewhat successful in achieving the increases used in this pro-forma, they would justify their costs after a short period of time.

### **Summary of the Horace M. Albright Training Center Financial Analysis**

The Albright financial analysis included a break-even analysis, revenue and cost projections for the lodging facilities, classroom revenue projections, and a five-year projection based on what was determined to be realistic assumptions.

#### *Scenario 1*

The first scenario for operation of the lodging facilities was based on FY2006 operations. This scenario shows that the Albright apartments operate at a deficit of about \$10,000 per year with current occupancy exclusively by the NPS Fundamentals classes. The apartments are occupied 50% (24 weeks) of the available 48 weeks per year.

A break-even analysis using 22 participants per week shows that the lodging facilities could not break even without increasing the available weeks per year, increasing the price per bed night, or increasing the average number of participants per session.

A break-even analysis using 49 participants per week, however, shows that HOAL does have the ability to break even by increasing the average number of participants. If the same average number of participants per week that NPS Fundamentals maintains were continued by other training events, then only nine additional weeks of training events would allow the lodging facilities to break even.

#### *Scenario 2*

An analysis of FY2006 operations shows that an increase in the HOAL lodging rate per room night to match the GSA per diem rate would significantly and positively impact the operating finances of the lodging facilities. At this current level of use with NPS Fundamentals occupying 50% of the training weeks, Albright would see a surplus of nearly \$150,000 from the rental of its apartments.

A break-even analysis using 22 participants as the average and the GSA per diem rate as the charge per room night indicates that there would need to be a training event occupying the apartments every week the facility is in operation. This is a much different scenario than at the \$50 per night rate, in which the analysis demonstrated that it was not possible to break even with that average number of participants.

A break-even analysis using 49 participants and the GSA per diem rate as the room night charge is equally as revealing, demonstrating that it would only require 21.5 training weeks to break even. Under these assumptions, if the NPS Fundamentals program

were to be discontinued, then the Albright training center would need to make a concerted effort to fill the capacity of the facilities and would still have a good chance of maintaining its lodging operations at a full cost recovery level.

#### *Importance of NPS Fundamentals*

The Albright lodging scenarios with NPS Fundamentals maintaining its current use of the facility reveals that there is significant revenue earning potential for these lodging facilities. Even at the current rate of \$50 per roomnight, an additional 7 weeks of training events at five nights a week and a 22 participant average yields a notable surplus. From this point the numbers continue to improve as the occupancy increases. When running the numbers at a rate of \$72.58 per night (GSA per diem), there are significantly higher surpluses for each scenario.

The Albright lodging scenarios without NPS Fundamentals maintaining its current use of the facility reveals that a concerted effort would need to be made to fill the facility's capacity. It is clear that the average number of participants has a notable effect on the financial results. The ideal situation would be to fill the capacity with training events averaging at least 49 participants per week. Even at this rate, as demonstrated in the break-even analysis, it would require booking a training event at least 22 weeks per year in order to realize a surplus. In short, without the base funding provided by the NPS Fundamentals program, operation of the Albright apartments becomes a serious endeavor by the NPS, in which active marketing would be required to operate the facility at a break-even or surplus level.

#### *Classroom Rental Projections*

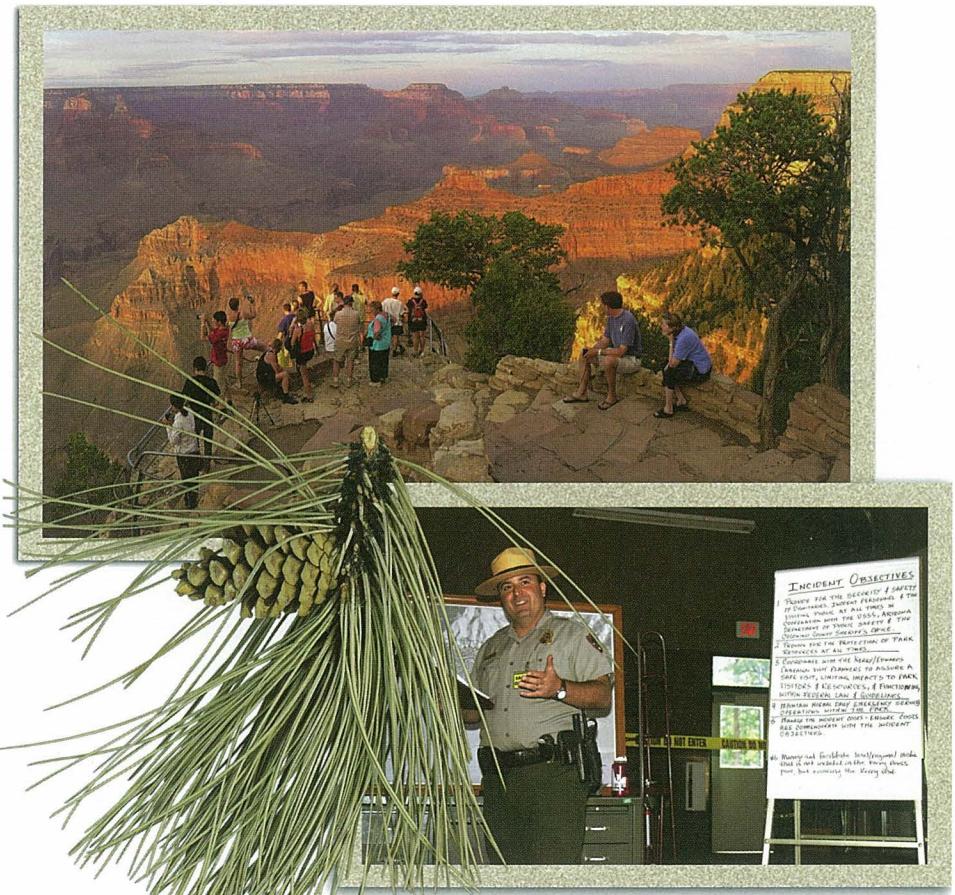
Classroom rental projections indicate that HOAL could earn a notable amount of revenue by renting

classroom space to outside organizations. Based on the FY2006 schedule, the NPS Fundamentals classes used the classrooms about 50% of the available time. If this pattern were to continue, then Albright has the potential to bring in over \$140,000 in additional revenue by renting the space to outside organizations. Although to accomplish this would require some marketing efforts, it appears the cost of those efforts could be worth the financial results.

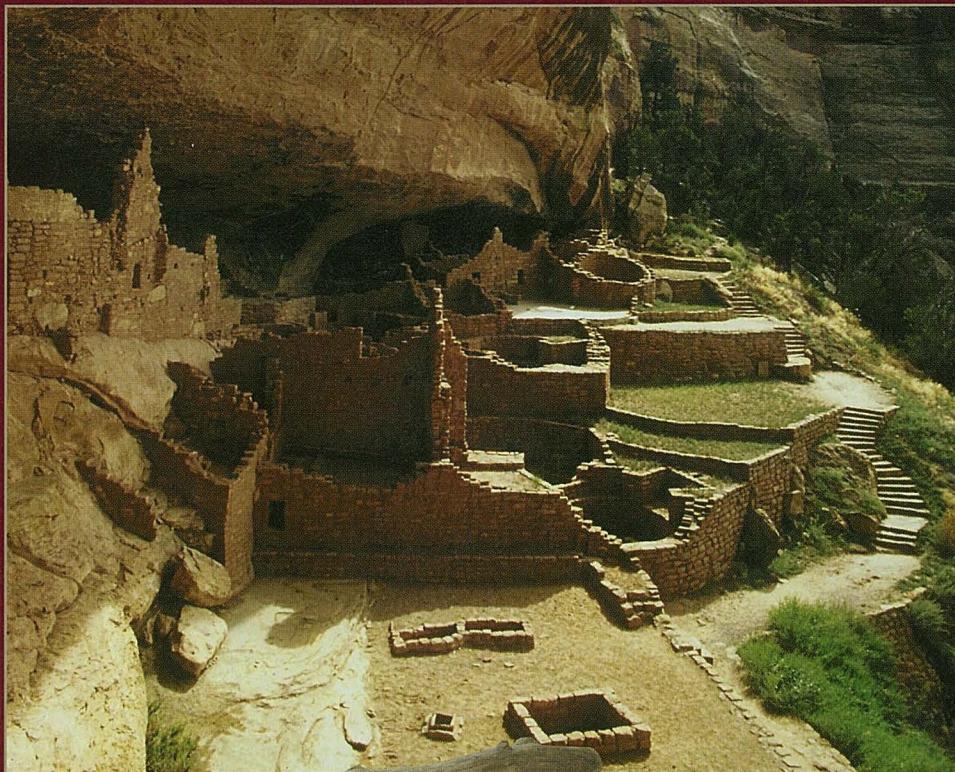
#### *Conclusion*

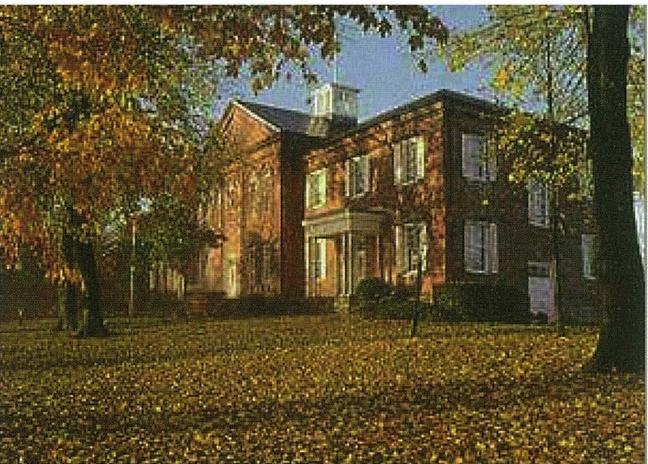
The five-year pro-forma indicates that if HOAL is able to maintain its current use by NPS Fundamentals and successfully increases the use of the amount of remaining capacity with training events from within the NPS and from outside organizations, then an operational surplus could be achieved in the first year. It should be noted that these projections are based on charging the GSA per diem rate for lodging beginning in 2008.

The incremental increases in use of the facilities would require devoted efforts to this goal. HOAL would likely need to employ an individual whose sole job was to book the available space for training events. Along with this expense, it would also require expenses for proper marketing, such as print advertising, attendance at trade shows, and direct phone solicitations. If these efforts are even somewhat successful in achieving the increases used in this pro-forma, they will well justify their costs after a short period of time.



# OVERALL SUMMARY & CONCLUSIONS





*The purpose of this report was to assess the feasibility of increasing use by NPS training divisions and expanding the operations of the Stephen T. Mather and Horace M. Albright training centers to include fee-for-service use by an audience outside the NPS, including private, public, and nonprofit organizations.*

# Overall Summary & Conclusions

The purpose of this report was to assess the feasibility of increasing use by NPS training divisions and expanding the operations of the Stephen T. Mather and Horace M. Albright training centers to include fee-for-service use by an audience outside the NPS, including private, public, and nonprofit organizations.

## Legislative Review – Training Center Use

A review of legislative authorities available to the NPS training centers was completed. The authorities investigated included leases, special use permits, commercial use authorizations, and concessions contracts. In addition, authorities used by some selected federal agencies were examined. The federal agencies were chosen because they operate similar facilities and each use different authorities to provide services to outside organizations and agencies. The agencies considered were the U.S. Fish and Wildlife Service, the Office of Personnel Management, the U.S. Postal Service, and the Bureau of Land Management.

It was concluded that using the lease option provides NPS with the greatest potential for expanding both Mather and Albright training center services to a broader audience on a fee-for-service basis. The flexibility of utilizing short-term or long-term leases will allow for maximum facility use with the fewest number of potential restrictions. In addition, the proceeds from lease agreements can be used for facility maintenance and improvements.

Special use permits and commercial use permits appear to be a viable option for revenue generation for the facilities but only on a supplemental basis. As the permit names imply, these could be used for special occasions or specific short-term programs. Revenue from these permits must be placed back

into the general administrative account and become reverting funds. Also, charges under these authorities only allow for cost recovery and cannot be based on market rates.

It was determined that concessions contracts do not provide NPS with a viable strategy for the management of Mather and Albright Training Centers

## Legislative Review – Training Model

The review of authorities used by other federal agencies showed that USFWS uses a centralized model and operates under a special authority granted by Congress. OPM also uses a centralized model with two facilities, one serving the Eastern United States and one serving the Western United States. They operate strictly on a cost recovery basis and are not provided any base appropriations. USPS also uses a centralized model, but their facility is operated by a concessioner that markets use of the facility to the general public. BLM has a centralized training and development model with one facility serving the entire nation. This facility is funded as a line item in the BLM national budget with supplemental funding coming from specific program areas and a small amount from special use permits and leases to outside organizations.

The most obvious conclusion from reviewing these other agencies' models is that the NPS should consider a more centralized training model to provide more coherent and coordinated training efforts Servicewide. In conjunction with such a model, it is necessary that the NPS put a higher financial priority on its Servicewide employee training and development. A more centralized model would provide the benefit of consistent and accessible training to all employees, would increase the use of the existing NPS training facilities, and would require more of a

commitment to fund employee travel to participate in training events.

## Market Analysis

A market analysis was conducted consisting of a review of training and development and conference center trends in the United States; conference center standards; potential market segments; and NPS training and development trends.

Employee training and development and conference center trends indicate that this industry is on the rise in both demand and revenue. Based on occupancy levels for training and conference facilities in the United States market, STMA and HOAL could expect non-NPS occupancy levels for programs in training/continuing education to fill between 15% and 20% of their annual capacity.

Industry standards and best practices are common in the conference center marketplace as demonstrated by the IACC Universal Criteria and information from commercial event planners. The NPS should become knowledgeable about these standards and best practices if STMA and HOAL are to attract outside organizations.

There are several large market segments that would make excellent clientele for Mather and Albright. The ones covered in this report include local nonprofit organizations and college and university field school programs. Both of these market segments are well established, fit closely with the NPS mission, and account for hundreds of millions of dollars of spending annually.

STMA and HOAL could increase use by targeting the internal NPS training market to capture training events that currently are not being held at NPS training centers.

## Benchmark Comparisons

In order to benchmark management models, fees, and facility amenities against similar facilities and agencies, the Eppley Institute in conjunction with the Acting Director of the NPS Division of Training and Development selected five non-NPS facilities for comparison purposes. Information was collected from these facilities through a combination of site visits, personal interviews with management and staff, phone interviews, and e-mail correspondence.

Four of the five benchmark facilities were from other federal agencies. Comparing the NPS training centers with the benchmarked facilities highlights the uniqueness of Mather and Albright as federal training facilities. The typical federal training center is much larger than either of these facilities in terms of both day use and residential capacity. The other benchmarked facilities have at least twice the training and residential capacity of either of the NPS training centers.

Classroom and breakout room sizes at STMA and HOAL are, in general, right on par with the comparison facilities, as are training amenities such as audio visual capabilities and other technologies. Four of the facilities compared in the benchmark study offer a full service package for their students. Full service includes training facilities, lodging, snack service, and meals.

All the benchmark facilities with on-site lodging charge a fee for that service. All these facilities charge the GSA per diem rate for lodging in their respective area except Albright, which charges some \$20 per night less than the GSA per diem rate. In addition, all the comparison facilities except the OPM Eastern Management Development Center rent their training space by the day.



*Comparing the NPS training centers with the benchmarked facilities highlights the uniqueness of Mather and Albright as federal training facilities. The typical federal training center is much larger than either of these facilities in terms of both day use and residential capacity. The other benchmarked facilities have at least twice the training and residential capacity of either of the NPS training centers.*



*The conclusions from the benchmark comparisons that are most useful operationally are that HOAL should be charging students the maximum GSA rate of \$76 (average daily rate based on seasonal variation) for lodging and that both facilities should use the federal leasing authority to rent their classroom space on a day-rate basis.*

The two federal facilities offering daily rentals of their training rooms, NCTC and the BLM NTC, charge on a per room basis. Interestingly, even though these facilities are located in very different metropolitan areas, they are charging very similar rates for training room daily rentals. Both of these facilities are using the federal leasing authority to charge for these services outside of their respective agencies and have determined these rates to be within the fair market value of similar services in their areas.

The Mather and Albright training centers have incorporated technology in their training rooms. The conclusions from the benchmark comparisons that are most useful operationally are that HOAL should be charging students the maximum GSA rate of \$76 (average daily rate based on seasonal variation) for lodging and that both facilities should use the federal leasing authority to rent their classroom space on a day-rate basis.

Occupancy rates of the facilities were also sought, but because only one year of these occupancy rates were obtained and because the rates reported were mostly in the same general range, it was difficult to draw any conclusions except that in setting annual goals, Mather and Albright should strive to achieve occupancy rates in the 60% to 80% range.

### Travel Cost Analysis

In this analysis, GSA per diem rates and government airfares were considered. Maximum GSA per diem rates, including lodging, meals, and incidental expenses were compared for 13 locations, including Harpers Ferry, West Virginia, for Mather and the Grand Canyon for Albright. This comparison indicates that Harpers Ferry and the Grand Canyon

have relatively low per diem rates compared with other destinations.

For the government airfare analysis, the locations of the seven NPS regional offices served as the origin airports. Airfares from each of these locations to a D.C. area airport for Mather and to Phoenix and Grand Canyon airports for Albright were considered.

The analysis of GSA airfares as compared to national averages suggests that air travel costs to the airports serving Mather and Albright are generally lower than average. The combination of these two findings implies that these two NPS training centers offer a notable savings to students when it comes to overall travel costs to participate in a training event.

For NPS training events, the combination of lower than average travel costs, no training facility rental fees, no audio visual equipment fees, and existing administrative infrastructure, such as printing, communication, and internet support, add up to a very cost-effective training event when compared to hosting an event at a non-NPS location.

### Financial Analysis

A financial analysis was done for the Mather and Albright Training Centers, which included a break-even analysis, revenue and cost projections given several different scenarios, and a five-year projection based on what was determined to be the most realistic scenario. The revenue and cost projections were done for the lodging facilities and day use of training rooms. The STMA lodging projections were based on the proposed dormitory.

### Mather Training Center

The first scenario for operation of the dormitory was

based on FY2006 training events. This scenario predicts that a residential facility at Mather would run an annual deficit of about \$100,000 if it were to maintain current NPS occupancy.

The break-even analysis based on an average of 20 participants per week showed that the dormitory could not break even without either increasing the available weeks per year or increasing the average number of participants per session. The break-even analysis based on an average of 30 participants per week, however, showed that STMA does have the ability to break even by increasing the average number of participants.

The Mather dormitory scenarios with NPS Fundamentals maintaining its current use of the facility reveals that a concerted effort would still need to be made to fill the additional training weeks with other events. The ideal situation in this case would be to fill the additional capacity with training events averaging at least 30 participants per week. At this rate, a sizeable surplus could be realized.

The Mather dormitory scenarios without NPS Fundamentals maintaining its current use of the facility revealed that a concerted effort would need to be made to fill the facility's capacity. In short, without the base funding provided by the NPS Fundamentals program, operation of the Mather dormitory becomes a serious endeavor by the NPS, in which active marketing would be required to operate the facility at a break-even or surplus level.

Classroom rental projections indicate that STMA could earn a notable amount of revenue by renting classroom space to outside organizations. Based on the FY2006 schedule, the NPS Fundamentals classes and a few other NPS training events used the classrooms about 50% of the available time. If this

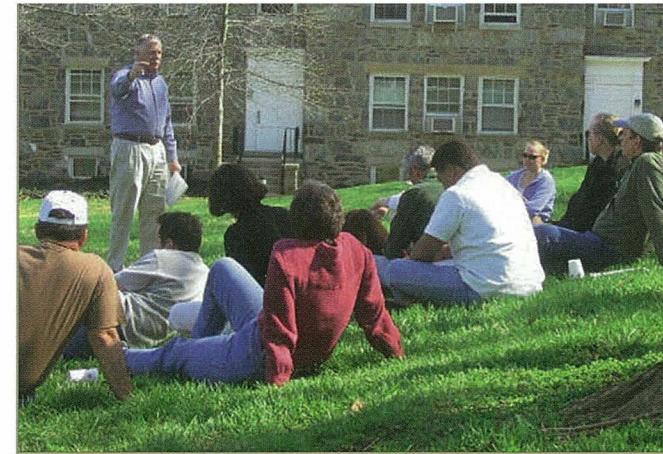
pattern were to continue, Mather could bring in over \$100,000 in additional revenue by renting the space to outside organizations.

The five-year pro-forma indicates that if STMA is able to maintain its current use by NPS training events and successfully increases use of the amount of remaining capacity with training events from within the NPS and from outside organizations, then an operational surplus could be achieved after three years. It is important to note, however, that these positive results rely on the revenue generated from rental of classrooms. This means that for these results to be achieved, Mather must successfully market their facility to non-NPS organizations that will use the dormitory for overnight accommodations and pay a classroom rental fee.

#### **Albright Training Center**

A variety of scenarios for operation of the lodging facilities were considered. Based on FY2006 training events, the Albright apartments operate at a deficit of about \$10,000 per year. The only training events at HOAL in FY2006 were NPS Fundamentals classes. Three seemingly obvious methods for reaching or surpassing the break-even point were explored. These included the following: 1) increasing the price per room night from \$50 to the GSA Maximum per diem of \$72.58 per room night; 2) increasing the average number of participants per training event; and 3) increasing the number of training events.

Increasing the price per room night to \$72.58 and maintaining its current level of operations HOAL could realize a surplus of nearly \$50,000. Increasing the total number of training events at Albright revealed that there is significant revenue-earning potential for these lodging facilities. Even at the current rate of \$50 per room night, an additional seven weeks of training events at five nights a week and a



*For NPS training events, the combination of lower than average travel costs, no training facility rental fees, no audio visual equipment fees, and existing administrative infrastructure, such as printing, communication, and internet support, add up to a very cost-effective training event when compared to hosting an event at a non-NPS location.*

22 participant average yields a notable surplus. In all scenarios considered, increasing the average number of participants per training event had a significantly positive impact on the revenue generated.

Because NPS Fundamentals classes currently occupy Albright 50% of its available training weeks, removal of any or part of that base would have a noticeable impact on the feasibility of recovering all costs for operation of the facility. In fact, without NPS Fundamentals maintaining its current use of the facility, a concerted effort would need to be made to fill the facility's capacity. In short, without the base funding provided by the NPS Fundamentals program, operation of the Albright apartments becomes a serious endeavor by the NPS, in which active marketing would be required to attract the number of training events necessary to operate the facility at a break-even or surplus level.

Classroom rental projections indicated that HOAL could earn a notable amount of revenue by renting classroom space to outside organizations. Based on the FY2006 schedule, the NPS Fundamentals classes used the classrooms about 50% of the available time. If this pattern were to continue, Albright has the potential to bring in over \$140,000 in additional revenue by leasing the space to outside organizations.

The five-year pro-forma indicates that if HOAL is able to maintain its current use by NPS Fundamentals and successfully increases use of the amount of remaining capacity with training events from within the NPS and from outside organizations, then an operational surplus could be achieved in the first year. It should be noted that these projections are based on charging the GSA per diem rate for lodging beginning in 2008.

## Conclusions

Overall, the findings from this study indicate that the Mather and Albright Training Centers are capable of operating as residential training centers that pay for themselves. They both have the likelihood of attaining surpluses that can be deposited in non-reverting funds dedicated specifically for facility maintenance and improvements.

If the NPS were to devote funds to create a system for training and employee development, in which career field training managers worked as a unified team to develop courses that met Servicewide needs and paid travel costs for employees to attend training events at Mather and Albright, it would essentially be paying now for a great investment in its future. That future would not only include well-trained employees, who are and will become the leaders of the NPS, but also the future of the facilities themselves so that a continual cycle of improvement is created.

Even in the absence of any policy shifts, these two training centers could still achieve the goal of self-sufficiency by making a concerted effort to attract more NPS training events to their facilities. This can be accomplished through internal marketing on InsideNPS, in internal publications, and through word of mouth. Increases in the number of NPS training events at these facilities could get them to their break-even points without the need for any additional occupancy by non-NPS groups.

In short, an investment in the Mather and Albright Training Centers by pursuing the dormitory project at Mather and by increasing the number of NPS training events that take place at both facilities is an investment in the future of the NPS and its employees. Ultimately all NPS visitors will benefit from such an investment. These facilities are on par with the best in the industry, and NPS employees can only benefit from experiencing the transfer of knowledge and passion of their colleagues in a setting created by their colleagues.



# APPENDICES



# Appendices

## Appendix A Universal Criteria

IACC reviews the Universal Criteria periodically to ensure that they reflect the current best practices of the conference center industry. Contact the IACC office at (314) 993-8575 or by e-mail to <info@iacconline.org> for updated information. All active members of the International Association of Conference Centers must meet the following criteria for membership:

### PRIORITY OF BUSINESS

1. A minimum of 60% (based on net area) of meeting space in the conference center is dedicated, single-purpose conference space.
2. Dedicated conference rooms are separated from living and leisure areas.
3. Dedicated conference rooms available to clients on a 24-hour basis for storage of materials.
4. The name of an ancillary conference center (where the conference center approved by IACC is part of a larger hospitality complex, resort or convention hotel) readily identifies the conference center and clearly differentiates the conference center from the remainder of the complex (e.g., the Executive Conference Center at the Raintree Hotel, not the Raintree Hotel & Conference Center).
5. The ancillary conference center has at least one public entrance with a door that clearly separates it from the remainder of the facility. Each public entrance has signage that displays the distinct name of the conference center.
6. A minimum of 60% of total revenue from guest rooms, meeting space, food & beverage, conference technology (A/V) and conference services is conference related. (If conference center is nonresidential or ancillary to a resort or convention hotel, 70% of total sales of the conference center is generated from conferences).

7. Conference center offers and promotes a package plan which includes conference rooms, guest rooms, three meals, continuous refreshment service, conference services and basic conference technology. (Nonresidential package includes conference rooms, lunch, continuous refreshment service, conference services and basic conference technology.)  
8. Average group size — 75 people or less.

### CONFERENCE ROOM DESIGN

9. Conference center has sufficient inventory so that no less than 60% of all meeting space can be set up using ergonomically designed chairs that have arms and that swivel and tilt synchronously and that allow height adjustment. Chairs shall have a rounded or waterfall edge on the front of the seat pan. Chairs shall have a minimum width of 18 inches; a depth of 16-17 inches for chairs with non-adjustable seat pans; and seat height within the range of 15 1/2 to 20 1/2 inches. The seat and inside back of the chair shall be fully upholstered or constructed of Pellicle® or like material. The arms and outside back of the chair may be fully upholstered or constructed of ABS molded plastic or of Pellicle® or like material. The base of the chair shall be of five-prong design with casters.
10. Conference center has sufficient inventory so that no less than 60% of all meeting space can be set up using tables that are at least 24 inches wide and that have a non-reflective, hard writing surface with a high-pressure laminate or hardwood veneer finish. Tables shall be of sufficient length to allow at least 30 inches of space per occupant. The edge of the table shall be comprised of a high-pressure laminate finish or a decorative edge banding material that is constructed of vinyl or wood products. Tables shall have a reverse "T" style leg mechanism or its equivalent with offset legs that are permanently affixed or that fold, and that do not impinge upon the tables' occupants. (Draped, skirted banquet tables are not

acceptable.)

11. Controllable level of lighting (50-70 foot candles at tabletop).
12. Climate-controlled conference rooms; conference rooms built after 1993 have individual climate controls.
13. Dedicated conference rooms have wall surfaces suitable for tacking or other display of flip chart-type sheets.
14. Acoustical rating for sound transmission through all walls of conference rooms meets or exceeds 50-60 NIC (Noise Isolation Class) for all fixed walls and 45-50 NIC for all operable walls.
15. Ambient sound levels within all conference rooms range from 25-35 NC (Background Noise Criteria) or less, and Reverberation Time (RT) falls between 0.8 and 1.2 seconds at mid-frequencies.
16. Amplified sound is available for all conference rooms over 1000 square feet. Rev. 07/27/2004 (Continued on reverse.)
17. Each dedicated conference room has one in-room telephone outlet, simultaneous Internet connectivity and adequate electrical outlets throughout the room.
18. Dedicated conference rooms have unobstructed interior views.

### CONFERENCE AND BUSINESS SERVICES

19. Conference center staff includes skilled conference planners who are thoroughly proficient in providing effective meeting room setups, menu and special event planning, conference technology (A/V) equipment and services, and other special needs of the client.
20. If conference center is ancillary to a resort or convention hotel, it must have a separate, dedicated conference services department which does not also serve the overall complex.
21. A designated conference planner is assigned to each conference group.
22. Within the conference center, staffed business

services are available from a central location and include at least the following products and services: basic office supplies (e.g., paper clips, tacks, pens/pencils, tape, scissors, etc.); computer workstations with current office software applications; facsimile services, including message/fax notification and delivery system; paper shredder; word processing; photocopying; computer printing; laptop/notebook computer rental; digital media (blank diskettes and CD's); blank audio and video cassette tapes; shipping supplies and services, including postage metering and express shipping; nametag and tent card paper stock.

#### FOOD & BEVERAGE

23. Separate dining and conference facilities, with at least one dining area available specifically for the convenience of conference groups.

24. Conference center provides dining facilities designed to accommodate conference groups on a flexible meeting schedule (at convenience of group), at least for breakfast and lunch, and to accommodate the capacity of the conference facility for lunch in no more than two seatings of one hour each.

25. Conference center provides continuous refreshment service outside of meeting rooms unless requested otherwise by the client.

#### TECHNOLOGY

26. On-site standard conference technology included as part of the conference package: flip charts, microphones, image and video display equipment.

27. Conference center offers and promotes a package plan that includes computer and video image display equipment in the main meeting room.

28. Skilled technicians proficient in providing creative program consultation; equipment setup, operation and instruction; and immediate response to service needs.

#### GUEST ROOMS

(Not applicable to non-residential centers)

29. Guest rooms have work areas that include a desk or table with hard writing surface and a comfortable chair; desk or table lighting which is controllable separately from overhead lighting and gives adequate illumination for reading and writing; a phone line and simultaneous Internet connectivity; and adequate, easily accessible power outlets.

30. Guest rooms are separated from conference and leisure areas to allow maximum privacy and comfort.

## Appendix B Field Program Examples

**Institution:** University of California, Santa Barbara

**Program Title:** Wildlife & Wildlands: Rocky Mountain Summer Project

**Program Location:** Bozeman, MT

**Program Description:** Extended backcountry field studies where students are able to spend the full summer in Rocky Mountain wildland habitats working on three interrelated projects covering a rich variety of wildlife topics and wildland environments.

**Duration:** 6 weeks

**Cost:** \$1650 plus \$75 application fee (Academic Program Fee only, room/board/transportation is additional)

**Credits:** 10 credits

**Web Link:** [http://www.unex.ucsb.edu/wildlands/rocky\\_mountain/](http://www.unex.ucsb.edu/wildlands/rocky_mountain/)

\*Similar programs are offered through UCSB for 2 to 4 weeks sessions with titles such as Wilderness Conservation: The California High Sierra Project, Wildlife Communities: The Washington Mountain Habitats Project, and Wildlife Survival: The Yellowstone Endangered Species Project.

**Institution:** Monticello partnered with University of Virginia

**Program Title:** The Archaeology of Chesapeake Slavery and Landscape

**Program Location:** Thomas Jefferson's Monticello Plantation

**Program Description:** Fieldwork addresses changing patterns of land use and settlement on Thomas Jefferson's Monticello Plantation from c. 1750 to 1860, along with their ecological and social causes and consequences.

**Duration:** 6 weeks

**Cost:** Housing at UVA is \$150 per week for a single, \$225 per week for a double

**Credits:** 6 credits

**Web Link:** <http://www.monticello.org/archaeology/fieldschool/index.html>

**Institution:** Radford University

**Program Title:** Geology Field School

**Program Location:** Radford, VA

**Program Description:** The Geology Field School for Earth Science Teachers is a course taught at Radford University for high school earth science teachers and middle school physical science teachers. It gives teachers practical experience in field geology while using the geology of Virginia as a natural teaching laboratory.

**Duration:** 6 weeks

**Cost:** Students responsible to provide own accommodations.

**Credits:** 6 credits

**Web Link:** <http://www.radford.edu/~fldsch/>

**Institution:** The Association for the Preservation of Virginia Antiquities and the University of Virginia

**Program Title:** Jamestown Field Schools and Fellowships in Historical Archaeology

**Program Location:** Jamestown, VA

**Program Description:** The field school will include weekly seminars and field trips exploring recent contributions of historical archaeology to colonial history, new methods in field recording and interpretation, and a survey of the recent literature in the field

**Duration:** 6 weeks

**Cost:** Housing is \$35 per student per day

**Credits:** 6 credits

**Web Link:** <http://www.apva.org/fldschl.html>

**Institution:** University of Georgia partnered with University of South Carolina

**Program Title:** Geology Field School

**Program Location:** Based out of Cañon City, CO

**Program Description:** Students measure, describe and correlate classic Paleozoic and Mesozoic sections in the Canon City, CO, area. These observations are used to construct a geologic column and to produce regional paleogeographic maps.

**Duration:** 6 weeks

**Cost:** \$2950 (includes tuition, room, board, van transportation)

**Credits:** 6 credits

**Web Link:** <http://www.gly.uga.edu/mroden/fieldSchool/index.html>

**Institution:** Oklahoma State University

**Program Title:** Geology Field School

**Program Location:** Cañon City, CO

**Program Description:** Initial studies include familiarization with various rock types and regional stratigraphy through detailed measurement and description of stratigraphic sections.

**Duration:** 5 weeks

**Cost:** \$2250 (\$582 tuition, \$1668 room/board plus field travel)

**Credits:** 6 credits

**Web Link:** <http://www.okstate.edu/geology/FieldFrameSet.htm>

**Institution:** University of North Carolina

**Program Title:** Archaeological Field School at Tivoli

**Program Location:** Lansford, Chester County, South Carolina

**Program Description:** Students will learn the basic techniques of archaeological excavation, as well as mapping, surveying, photography, and artifact identification. Although some classroom and laboratory instruction will be given, most of the students' time will be spent actually excavating in the field.

**Duration:** 5 weeks

**Cost:** \$560 for housing

**Credits:** 6 credits

**Web Link:** <http://rla.unc.edu/Teaching/Fieldschool2006/index.html>

**Institution:** New Mexico Photography Field School

**Program Title:** Various

**Program Location:** Based out of Santa Fe, NM

**Program Description:** Varies according to program

**Duration:** 1 week

**Cost:** \$1395 - \$2795 includes tuition, model/location fees, Meals in the Field, shared lodging, ground transportation during field school, and taxes.

**Credits:** N/A

**Web Link:** <http://www.photofieldschool.com/regis.html>

**Institution:** Wild Rockies Field Institute partnered with University of Montana

**Program Title:** Multiple Environmental Titles

**Program Location:** Multiple

**Program Description:** Promote rigorous interdisciplinary learning through a diversity of readings, discussions and experiences. Students have the opportunity to question local land managers, survey impacted ecosystems, and explore alternative philosophies for living on the land.

**Duration:** 1 to 8 weeks

**Cost:** \$1410-\$6355 all included except transportation to project

**Credits:** 2 to 12 credits

**Web Link:** <http://www.wildrockies.org/wrfi/index.html>

**Institution:** The Nielsen Environmental Field School, Inc

**Program Title:** Multiple Environmental Titles

**Program Location:** Multiple

**Program Description:** Multiple. Practically oriented, hands-on environmental field training.

**Duration:** 1 to 4 days

**Cost:** \$495-\$1495

**Credits:** For Professionals

**Web Link:** <http://www.envirofieldschool.com/about.htm>

## Appendix C Area Lodging Rates

<b>Hotels in Tusayan</b>		<b>November 13-17, 2006</b>	<b>February 19-23, 2007</b>	<b>July 23-27, 2007</b>	<b>Average</b>
Holiday Inn Grand Canyon	GSA	\$68	\$68	\$68	\$68
	Best	\$71	\$140	\$140	\$117
Best Western Grand Canyon Squire Inn 928-638-2681	GSA Best	don't offer \$112	don't offer \$110	don't offer \$161	don't offer \$128
Grand Hotel 928-638-3333	GSA Best	\$65 \$109	\$65 \$79	\$81 \$139	\$70 \$109
Quality Inn Grand Canyon 928-638-2673	GSA Best	\$122 \$140	\$122 \$90	\$122 \$170	\$122 \$133

<b>Hotels in Mather Area</b>		<b>November 13-17, 2006</b>	<b>February 19-23, 2007</b>	<b>July 23-27, 2007</b>	<b>Average</b>
Clarion Hotel (Shepherdstown)	GSA	too few rooms (\$69)	\$69	\$69	\$69
304-876-7000	Best	\$122	\$122	\$140	\$128
Days Inn (Shepherdstown)	GSA	\$63	\$63	\$63	\$63
304-876-3160	Best	\$75	\$75	\$75	\$75
Comfort Inn (Harpers Ferry)	GSA	\$75	\$75	\$75	\$75
304-535-6391	Best	\$85	\$85	\$85	\$85
Hilltop House Hotel (Harpers Ferry)	GSA	\$60	\$60	\$60	\$60
304-535-2132	Best	\$70 (no t.v.) to \$155	\$70 (no t.v.) to \$155	\$70 (no t.v.) to \$155	\$70 to \$155
Bavarian (Shepherdstown)	GSA	don't offer	don't offer	don't offer	n/a
304-876-2551	Best	\$115	\$115	\$115	\$115
Comfort Suites (Martinsburg)	GSA	\$60	\$60	\$60	\$60
304-263-8888	Best	\$100	\$100	\$105	\$102
Knights Inn (Charles Town)	GSA	\$80	don't know yet	don't know yet	\$80
304-725-2041	Best	\$80	don't know yet	don't know yet	\$80

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## Business Feasibility Study of the Albright and Mather Training Centers

