

**Attachment E:  
Project Feasibility**

**Measure R Fall 2011 Application: Town of Mammoth Lakes  
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**DEMAND ANALYSIS**

**1. Competitive Supply Analysis**

***A. Provide a review of both direct and indirect competition and the strengths and weaknesses of the competition (SWOT) – identification of where the proposed project fits within the marketplace.***

**Direct Competition – National/International:** With the reintroduction of air service to Mammoth Lakes in the winter of 2008/2009, it is reasonable to say that Mammoth Lakes competes with the finest alpine-recreation resort destinations in North America and that travel decisions are being informed by the perceived quality and opportunities of recreation amenities and attractions offered here. Examples of peer resorts that not only offer alpine skiing and provide access via air service, but also feature trail systems and/or enhanced year-round recreation opportunities, include Whistler, Park City, Sun Valley, Jackson Hole, Aspen, and Telluride. Note that many of these peer resorts were visited during the Town’s “Peer Resort Tour” in 2006.

**Direct Competition – Regional Trail Systems:** Assuming that “regional trail system(s)” equates to trail systems that can be accessed reasonably by car from the primary population centers that also serve Mammoth Lakes, it is important to keep in mind the full complement of outdoor-recreation activities that are offered in Mammoth Lakes. The following is a list of trail systems in the region that may offer competition to a Mammoth Lakes Trail System (MLTS); it is fair to say that none of these systems on its own offers the full complement of recreation opportunities available in Mammoth Lakes.

- Santa Monica National Recreation Area
- San Gabriel Mountains
- Jawbone Canyon
- Lake Tahoe: Tahoe Rim Trail
- Yosemite National Park: In-park hiking
- Sequoia National Park: In-park hiking
- Golden Gate National Recreation Area: In-park hiking

**Direct Competition – Local Trail Systems:** Local fee-based trail systems available on Mammoth Mountain through Mammoth Mountain Ski Area (MMSA) may appear to offer direct competition to an MLTS, but the activities available on each system are not necessarily duplicative. For example, an MLTS would not provide lift-assisted alpine skiing and snowboarding, but it would support backcountry skiing and snowboarding. The same can be said of mountain biking: while an MLTS

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will support mountain biking, it will not supply lift-accessed downhill mountain-biking experiences. And because all of the trail facilities and recreation infrastructure available through an MLTS would be free to the public, the activities available through MMSA at a cost to the participant should probably be viewed as a potential enhancement of recreation experiences in Mammoth Lakes and not as a direct competitor.

There are no “free to the public” trail systems in the immediate vicinity that would offer any meaningful competition to an MLTS. While there certainly are trails all along the east side of the Sierra and in local mountain ranges such as the Glass or the White mountains, these are perhaps better evaluated as potential enhancements to the recreation experiences available in Mammoth Lakes in the same way as the fee-based activities available through MMSA.

**Indirect Competition – National/International:** Outdoor-recreation opportunities of the type offered by an MLTS face indirect competition from the full array of tourism opportunities that don’t directly involve physical activity in a natural setting such as the Sierra Nevada. These include cultural and urban destinations, such as the major coastal cities of California, and gaming and culinary destinations, such as Las Vegas.

**Indirect Competition – Regional:** Indirect regional competition for an MLTS would most likely come in the form of festivals or driving tours, such as Mule Days or the Millpond Music Festival.

**Indirect Competition – Local:** Indirect local competition would include the fee-based recreation opportunities offered by MMSA as well as leisure pursuits in town such as shopping and dining. Summer festivals may also offer indirect competition, but are held for no more than one week each year.

***3. Describe the targeted users of your project/service. (Include numbers of participants)***

The target market for an MLTS includes the following:

- **Primary Market:** Adults 25–55
- **Secondary Market:** Adults 56 and older; families with children
- **Geographic Target:**
  - Southern California
  - Western United States
  - National visitors who are part of a “touring vacation” (e.g., “The

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- California Loop”)
  - International visitors who are part of a “touring vacation”
- **Current estimated number of users:** 122,000 (data source is from “Attachment G: The Economic & Fiscal Impacts and Visitor Profile of Mono County Tourism in 2008”)
- **Participants in the following types of activities that are supported by an MLTS:**
  - Backpacking
  - OHV
  - Biking
  - Paddleboarding
  - Birding
  - Pets
  - Boating
  - Rock Climbing
  - Camping
  - Running
  - Disabled Access
  - Skiing & Snowboarding
  - Disc Golfing
  - Snowmobiling
  - Dog Sledding
  - Snowplay
  - Equestrian
  - Snowshoeing
  - Fall Color Viewing
  - Swimming
  - Fishing
  - Wildflower Viewing
  - Hiking
  - Vista Viewing
  - Kiteboarding

**4. Projected Multi-Year Demand Analysis**

**A. Provide the projected demand with assumptions.**

With consistent investment in a trail system, as well as increased awareness and marketing efforts, a trail system would see an increase in demand. An economic impact model has been developed for this feasibility analysis (“Attachment H: MLTS Economic Impact Model”) that has looked at a number of scenarios, including 5%, 10%, 15%, and 20% annual increases in demand. A 10% increase in demand is probably the most realistic, and the following table documents the economic impact revenue projection.

10% Scenario	Year 1	Year 2	Year 3	Year 4	Year 5	Incremental Δ
Hikers	122,214	134,435	147,879	162,667	178,934	187,880
Spending	\$54	\$54	\$54	\$54	\$54	\$54
Length of Stay	2.3	2.3	2.3	2.3	2.3	2.3
Estimated Impact	\$15,235,197	\$16,758,717	\$18,434,589	\$20,278,048	\$22,305,852	\$23,421,145
						\$8,185,948

**Assumptions and data sources:**

- Hikers were identified as the primary focus of the model, based on data that was developed and used in “Attachment G: The Economic & Fiscal Impacts and Visitor Profile of Mono County

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Tourism in 2008” (Lauren Schlau Consulting, 2009). Data for the numbers of hikers was developed using this study’s impact model.

- The data developed for “Attachment G: The Economic & Fiscal Impacts and Visitor Profile of Mono County Tourism in 2008” includes spending, length of stay, and activity participation.
- Please see “Attachment H: MLTS Economic Impact Model” for complete details on assumptions and data resources.

**5. Projected Multi-Year Revenue Projections**

**A. Projected revenue with pricing assumptions.**

In terms of multi-year revenue projections, the preferred 10% growth scenario from the economic impact model projects a return based on an annual investment of \$300,000. Based on the assumptions outlined above, there is a projected return on investment of \$5.50 for every dollar invested.

ROI							
10% Scenario		Year 1	Year 2	Year 3	Year 4	Year 5	
Hikers	122,214	134,435	147,879	162,667	178,934	187,880	
Spending	\$54	\$54	\$54	\$54	\$54	\$54	
Length of Stay	2.3	2.3	2.3	2.3	2.3	2.3	
Estimated Impact	15,235,197	16,758,717	18,434,589	20,278,048	22,305,852	23,421,145	8,185,948
Incremental Change		1,523,520	1,675,872	1,843,459	2,027,805	1,115,293	8,185,948
Investment		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
ROI							5.5