

IOWA DEPARTMENT OF NATURAL RESOURCES

LEADING IOWANS IN CARING FOR OUR NATURAL RESOURCES

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HONEY CREEK RESORT STATE PARK – 2010 UPDATE

A STATE OF IOWA PARTNERSHIP

- Governor's Office
- Iowa General Assembly
- Honey Creek Premier Destination Resort Bond Authority
- Dept. of Management
- Dept. of Economic Development
- State Treasurer
- State Auditor
- Attorney General
- Natural Resource Commission
- Iowa Dept. of Transportation
- U.S. Army Corps of Engineers
- Rathbun Lake Resort, Inc.
- Appanoose County
- Monroe County
- ADLM
- City of Centerville
- Iowa Telecom
- Rathbun Regional Water
- Chariton Valley Electric
- Iowa State University

RESORT AMENITIES

- Beautiful great lodge
- 105 guest rooms and suites
- 28 Resort Cottages
- 50-boat slips, launch and fishing pier
- Indoor water park
- Full-service restaurant and lounge
- 6,500 sq. ft. conference center with state-of-the-art technology
- 18-hole links style golf course
- RV park with 20 full-service hook-ups
- Playground
- Educational programs by on-site naturalist staff
- Water sports and bike rental
- Miles of multi-purpose trails through woods and natural prairie

COMPETITIVE PERFORMANCE

Honey Creek Resort operates within 1-2% points of the established competitive set of similar mid-Western resorts. The facility has served more than 157,000 visitors in its first 10 months. The resort has generated \$3.1 million in revenues, despite a flood-delayed opening and the worst economic times since the Great Depression.

THIRD PARTY VERIFICATION

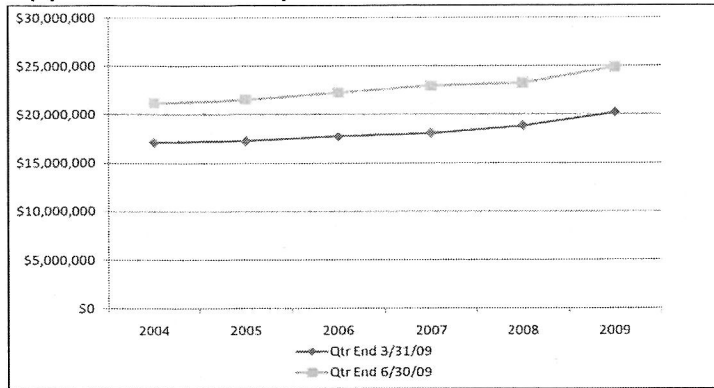
The auditor's report confirms accurate accounting of Honey Creek's financial status and that the company lost \$884,000 in the first year of operation.

A private hospitality consulting firm, WKC Group, reported that the resort has been well-managed and recommended the following improvements:

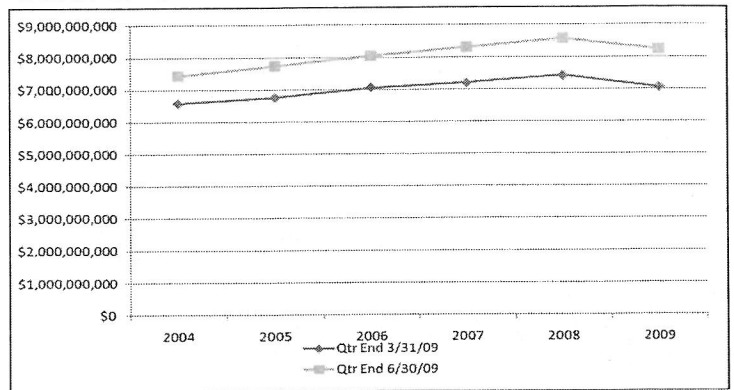
RECOMMENDATION	STATUS
A revised 5-year pro forma, beginning with FY09/10 with all the external factors that affected the start-up year of 08/09 and the projected economic downturn through 2010.	Completed
Reduce projections on golf revenue to bring in-line with downturn in the golf industry.	Completed
Change "Cabins" to "Cottages"	Completed
Partner w/IDOT to develop signage to the resort from all major market areas.	In Progress
Work with the major purveyors of GPS units, Tom-Tom, Garmin, I-Phone, and others to establish GPS locations on their base maps.	In Progress
Contract with "outside sales" contractors, on a commission basis, in Des Moines, Kansas City, and possibly Chicago markets to promote/sell meetings, conferences, golf outings/vacations, and destination weddings.	In Progress
Produce and market specialty meeting and wedding packages that create the feeling of "all inclusive" to the meeting planner or wedding party.	In Progress
Review and re-build the current website as necessary to assure ease of navigation, especially in on-line bookings of rooms.	In Progress
Develop a spa facility in the lodge to attract and serve the meeting and leisure market.	In Progress
Construct a shelter at the playground/day-use site.	TBD
Design shoulder season (April/May and Sept./Oct.) golf packages that include cottage occupancy, golf, and food service.	In Progress
Construct a covered and heated practice tee area located at the driving range.	TBD
Create innovative menus and food events to support lodging and golf divisions and represent in packaging for events and conferences.	In Progress

POSITIVE LOCAL ECONOMIC IMPACT

Appanoose County Sales Tax



State of Iowa Taxable Sales

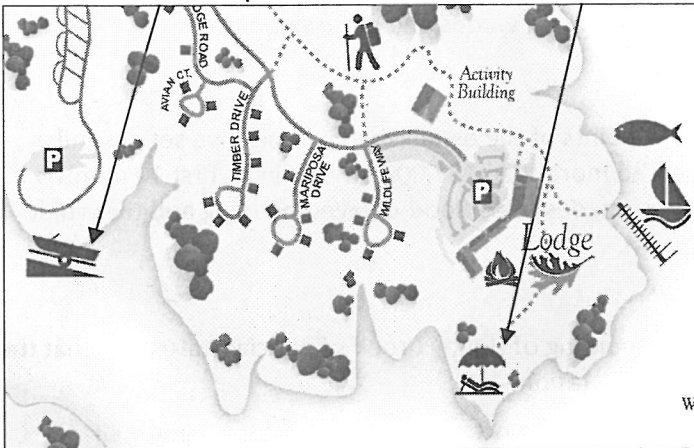


* 6/30/09 is the most recent sales tax data available. Honey Creek opened in late September 2008.

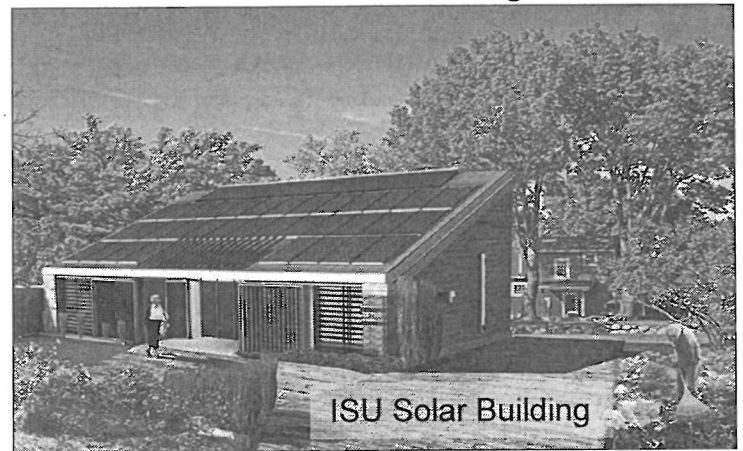
FUTURE AMENITIES

Coming in Spring 2010:

- Boat Ramp
- Beach



- Activites Building



Coming in Autumn 2010:

- Expanded trail system (Army Corps of Engineers)

