

## Tybee's campground costs a concern

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Created 2009-04-24 23:30

One Tybee Island City Council member sees a sea of red ink flowing out of River's End Campground.

It's a budget drain that needs to end, Dick Smith believes. He wants the council to consider its options - even if that means closing the campground.

"I'm not pointing my finger back at anybody but us," he said. "I'm pointing at the seven of us who have been up there since January 2008 and have done nothing. We've got to do something, or we're going to continue going down this hole."

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The city purchased the campground three years ago for \$7 million through a 20-year bond with the Chatham County Recreation Authority. This year, including principal and interest, the city faces more than \$500,000 in loan payments. The debt obligation will run another 17 years.

The city also has spent more than \$350,000 in improvements, including building six rental cottages - available for the first time this year - to attract more than campers and RV owners.

Smith wasn't a member of the council when the city bought the park.

Mayor Jason Buelterman was. He and other council members supported the purchase because the land had been lined up to be sold for residential development to Bobby Chu.

However, the city wanted to keep the green space and maintain an affordable place for tourists to stay. The campground offers 135 camp sites, with rates ranging from \$34 a night for a basic site to \$55 for RV travelers who want water and electric.

The council knew then, Buelterman said, that it would take several years for operations to break even. He's looking at the long-range goal.

"Once you pay the note off, then everything's gravy," he said.

But Smith points to the continuing operational expenses and the capital improvement outlays. He wondered aloud at Thursday night's Tybee City Council meeting whether closing the campground, at least temporarily, should be considered.

That would leave only the expense of the debt service.

Other comments

Councilman Charlie Brewer joined Smith in deliberating over taking that step, pointing out that some large manufacturers such as General Motors are taking similar steps.

Council members Wanda Doyle and Paul Wolff were cautious about acting prematurely.

"I don't think we need to get into a panic until we get through April, May and June," Doyle said. "I mean, those are big months."

Campground Manager Woody Hemphill said River's End is showing steady revenue gains. In March 2007, the camp took in \$79,700. Last month, he said, revenue was \$93,000. That's an increase over year of \$13,300 - or almost 16.7 percent.

May, June and July, Hemphill said, are the site's biggest months.

City Finance Director Bonnie Kline told council the campground operations are contributing about \$300,000 a year, which reduces the overall debt to about \$200,000.

"I think we need to be patient," Wolff said. "I think we need to improve operations, but let's not throw out the baby with the bath water."

Wolff suggested the city consider refinancing the loan through the Georgia Environmental Facilities Authority, which would lower the city's interest rate from 4.85 percent to as low as 3.5 percent, Wolff said.

The city would have to explore whether that would trigger the early payment penalty that is part of its current agreement. That penalty, coupled with the city paying almost double what the property was worth, Smith said, ends any consideration of the city selling the property.

No conflict

Wolff also addressed speculation that he, as a commercial real estate developer, might have some private motivation for closing the campground. Given the current market, he said, such a thought was "silly" and he has no interest.

"At my age and my stage of my profession, I have all the eggs in my basket I intend to put there," Smith said.

City Council will schedule a workshop to go over the campground finances in detail and consider options, Buelterman said.

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