Tourism leader bucks Oconee hotel study findings

CVB's Ken Sloan urges incentives to spur development

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THE JOURNAL

SENECA — Oconee's director of the Mountain Lakes Convention and Visitors Bureau would like to see county officials assist in the development of a hotel/conference center even though it goes against the recommendations of a study he released Thursday.

CVB Director Ken Sloan said he disagrees with the conclusion of a feasibility study by the Strategic Advisory Group that calls on Oconee to put off pursuing development of a hotel/conference center or stand-alone hotel until market conditions improve.

The SAG study found that, while local corporations and businesses support such development, the trend over the past 20 years is that the supply of area lodging is outpacing demand and contributing to low occupancy.

The study points out that a hotel and conference center would cost almost $17 million to develop.

"Typically, a hotel of this magnitude requires approximately $130 in average daily rate, 75 percent occupancy and 25 percent in overall profitability to support debt and a targeted return on investment of 15 percent to 20 percent plus," SAG states.



Sloan

However, the study found that current economic conditions in the Oconee County area full service hotel market indicate hotels are achieving average daily rates in the $90 range and occupancies in the mid-50 percent range. Last year, the occupancy rate was 43 percent.

The study recommends that the county consider "setting aside funding and planning for development at some point in the future when market conditions improve."

However, Sloan said that to wait for the economy to turn around would put Oconee at a greater disadvantage with Anderson and Clemson counties, which continue to build these facilities.

"I think we have a demand," Sloan said.

Sloan said he is encouraging Oconee County Council to assist with incentives for the proposed Keowee River development north of Seneca off Highway 130 and the Sanctuary Pointe project on Lake Hartwell near Interstate 85 and Exit 1.

Both projects include hotel and conference centers.

The SAG study found that the site areas most mentioned by respondents on where to locate a hotel and conference center were I-85/Lake Hartwell, city of Seneca and Keowee River area.

Sloan presented the study to the Oconee Alliance board of directors Thursday. He said copies were circulated to County Council.

The complete 13-page study is posted at www.scmountainlakes.com.

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