

21 Hotel Waterpark Resorts Opened in 2012 in USA

By Jeff Coy, ISHC

March 5, 2013 --- For the parents of young children and hotel-resort owners, 2012 was a good year, not a great year, but a good one for hotel waterpark resorts.

Twenty-one (21) waterparks opened in the USA during 2012 compared to 27 in 2011, 20 in 2010 and the record high of 40 in 2007. While money is just beginning to loosen up for families and hotel developers, new hotel construction is still rather flat, but resort acquisitions and expansions are rising.

Of 21 projects opening, only two were all-new construction: Soaring Eagle Inn & Waterpark in Mount Pleasant MI and Holiday Inn Express WaterZoo in Clinton OK. Nineteen (19) projects were acquisition and/or expansion projects. For example.....

- Great Wolf Resorts of Madison WI is no long a public company. The leading brand with 11 hotel waterpark resorts was acquired by Apollo Global Management, the private equity firm that owns Caesar's, Harrah's and wants to acquire SeaWorld.
- Kalahari Waterpark Resort in Sandusky OH, already among the largest in the country, doubled the size of its huge convention center to 215,000 sf and added family villas. And the Kalahari resort in Wisconsin Dells WI expanded its indoor theme park to increase the adventure.
- Wilderness Resort in the Smoky Mountains TN, another giant waterpark resort, added a 25,000 sf Indoor Adventure Forest --- leading the trend of resorts adding adventure sport facilities such as ziplines and rope challenge courses.



Construction Project Growth Hotel Waterpark Resorts USA											
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Open at beginning of year	293	266	246	216	187	147	109	84	67	52	43
Openings during year	21	27	20	30	29	40	38	25	17	15	9
Total Open at end of year	314	293	266	246	216	187	147	109	84	67	52
Percent Change	7.2%	10.2%	8.1%	13.9%	15.5%	27.2%	34.9%	29.8%	25.4%	28.8%	20.9%
Under Construction	41	18	30	32	50	67	60	58	35	18	9
In Development	301	301	269	244	199	166	108	121	69	46	19

Source: Jeff Coy, JLC Hospitality Consulting. 480-488-3382

Hotel Waterparks Opened In 2012

Many hotels, resorts and outdoor waterparks have ups and downs. They are seasonal properties with high periods and low periods from month to month and from weekday to weekends. Hotel waterparks are popular with families and hotel owners because they fill empty rooms 24/7/365 at higher room rates than hotels without indoor waterparks.

Hotels with indoor waterparks have outgrown the general hotel industry every year for over a decade, reaching peak growth of 34% in 2006 but slowing to admirable growth of 10.2% in 2011 and 7.2% in 2012 ---compared to the overall hotel industry supply growth of 2% to the current growth of 0.7%. But acquisitions and expansions are accelerating --- because they are less expensive and easier to finance. Here's what opened in 2012:

USA				OWP	IWP	Open
Hotel Waterpark Resorts Opening in 2012	Location		Rooms	SqFt	Sq. Ft.	Date
Kalahari Resort's Doubles Convention Center, Adds Family Villas	Sandusky	OH	30			201203
Jay Peak Hotel Adds Conference Center	Jay	VT				201203
Gaylord Palms Resort Adds Slides/Splash Structure to OWP	Kissimmee	FL				201205
Soaring Eagle Inn & Waterpark	Mount Pleasant	MI	244		45,000	201205
Darien Lake Theme Park Resort Adds 15 Cabins	Buffalo-Batavia	NY	57			201205
Maui Sands 300-room Hotel & Indoor Waterpark - Renovation	Sandusky	OH	136		55,000	201205
SeaWorld San Antonio Adds Aquatica Waterpark, Hotel UD	San Antonio	TX		871,200		201205
Kingsmill Resort Adds CC & Pool & Lazy River; 210 Rms UD	Williamsburg	VA	425			201205
Waylon's Water World OWP at Z Fun Factory	Yuma	AZ		1,045,440		201206
Lost Island Waterpark Adds Bamboo Ridge Campsites & Cabins	Waterloo	IA	174			201206
Fort Hall Casino Adds Hotel, IWP UD & Golf UD	Pocatello	ID	156			201206
Bolivar Indoor Waterpark with OpenAire Retractable Roof	Bolivar	MO			27,000	201206
Mt Olympus Adds 3-Acre Giant RainFortress	Wisconsin Dells	WI		130,680		201206
Courtyard Hotel + Sailfish Splash Waterpark	Stuart	FL	116			201207
Holiday Inn Express Adds Water-Zoo IWP with OpenAire Roof	Clinton	OK			28,000	201209
Wilderness Smokies Adds 25,000 sf Indoor Adventure Forest	Sevierville	TN			25,000	201209
Kalahari Resort Adds Long Necks Bar & Grill	Sandusky	OH				201210
Bavarian Inn Lodge Phase VI Adds Two 4-story slides, golf	Frankenmuth	MI				201211
Sahara Sam's Indoor WP Adds Body Slide & 8,000 sf	West Berlin	NJ			8,000	201212
Homestead Resort Adds 3 Slides, Lazy River	Hot Springs	VA				201212
Kalahari Adds Swim Up Bar, Whirlpool & Indoor Theme Park	Wisconsin Dells	WI				201212
Total Opened in 2012			21	1,338	2,047,320	188,000
Grand Rios Waterpark Resort Closed	Brooklyn Park MN		-1	-224	-46,000	200409
Cumulative Total Open Year End 2012 – USA			313	72,523	11,167,362	6,281,247

Source: Jeff Coy, JLC Hospitality Consulting, 480-488-3382

Kalahari Resort in Sandusky OH doubled its convention space to 215,000 square feet, increasing its capacity for conferences from 2,200 to 5,200 people. The expansion cost \$22

million and makes the Kalahari Waterpark Resort the largest convention center of its kind in the Midwest. For details, talk to owner Todd Nelson at 877-525-2427 or go to www.kalahariresorts.com.

In March 2012, **Jay Peak Ski Resort in Jay VT** added a 36,000 sf conference center which offers 7 breakout rooms and state of the art audio-visual. The new conference center combines with a 176-room hotel and 60,000 sf Pump House indoor waterpark --- making the resort a full-fledged, 4-season destination for both Americans and Canadians as well as international travelers. Bill Stenger, president and co-owner of Jay Peak, has adopted the 4-season strategy for success in the ski business --- create revenue-producing activities for winter, spring, summer and fall. Jay Peak opened its 40,000 sf indoor waterpark in the final days of 2011. It features a double Flowrider for surfers and an open-air retractable roof. Major players involved in the resort's development include: Ramaker & Associates, Aquatic Development Group and OpenAire. If you are interested in developing a resort like Bill Stenger's, talk to him about EB5 as a method of financing. Dial 802-988-2611 or go to www.jaypeakresort.com.

Gaylord Palms Resort in Kissimmee FL added water slides and a splash structure in May 2012 to its outdoor waterpark called Cypress Springs Water Park. The waterpark features a zero-entry pool with 4 waterslides, a multi-level treehouse structure, an active lagoon, a plunge pool, deck sprays, water-basketball and a tipping bucket. The resort features Splash & Screen movies and special events that include Dreamworks characters like Shrek and Kung Fu Panda. Gaylord ownership recently converted to Ryman Hospitality with Marriott providing the management. Johan Krieger is vp and general manager. For more, call 407-586-2000 or go to www.gaylordpalms.com.

Soaring Eagle Inn & Waterpark opened in May 2012 with 244 rooms and a 45,000 sf indoor waterpark in Mount Pleasant MI. The waterpark features a body slide, tube slide, a FlowRider surf simulator and a climbing structure with tipping bucket. A room for 4 persons with waterpark passes typically costs \$157. When the hotel is not filled, the waterpark is opened to the public for a \$35 day pass, according to general manager Bonnie Sprague. Soaring Eagle Inn & Waterpark is owned by the Saginaw Chippewa Indian Tribe, which also owns a nearby casino. For more, contact Jennifer Turner, ceo of Migizi Economic Development Company, a division of the tribe. Dial 989-775-4000 or go to www.migiziedc.com or www.soaringeaglewaterpark.com.

Darien Lake Theme Park Resort is an outdoor park located between Buffalo and Rochester NY, owned by CNL Lifestyle Properties and managed by Herschend Family Entertainment. The resort has a waterpark, 1200 campsites and a 160-room lodge hotel on site. In 2011, it added 18 cabins in a village setting. In May 2012, the resort added another 15 Brown Bear Cabins --- bring the number of rustic-looking cabins to 57. Bob Montgomery is general manager. For more, go to www.darienlake.com.

Maui Sands Hotel & Waterpark in Sandusky OH has had a series of owners since 2008 that couldn't get it opened or keep it opened. New owners and professional management are finally in place. In early 2012, Sun Development purchased the waterpark hotel and

renovated 136 of its total 300 rooms. The 55,000 sf indoor waterpark and an additional 100 rooms were slated to open in early 2013. American Resort Management LLC, which specializes in waterpark hotels, was hired on a long term basis to manage the resort. Earlier, we reported that during the final days of 2011, Kirit Parmar, president of Maryland-based MKSP LLC shelled out \$2 million in an online auction to secure the winning bid for the Maui Sands. He said his company had tied up all the loose ends on the purchase. Nevertheless, Sun Development ended up with the property in early 2012. For more, dial the hotel at 419-626-6671 or contact Rick Coleman, senior vp of American Resort Management at 814-833-2631.

SeaWorld in San Antonio TX opened Aquatica, a \$24 million, 20-acre outdoor waterpark in May 2012. Stingray Falls is the signature attraction which takes 4-seat rafts down twists and turns to an underwater grotto, where you come face to fin with stingrays and tropical fish. It is the only ride of its kind in the world. Next, there's Walhalla Wave, where four people get into a raft and go through some chutes including a 360, dropping down, going up a zero-G vertical wall, where you actually feel weightless for a while before you splashdown. Overall, there are 18 waterslides, family rafting, a water coaster, lazy river, wave pool, family pool, kiddie pool and sandy beaches. Aquatica's goal is to become a year-round park --- that's going to require some indoor facilities and lodging. The company is considering the development of an add-on resort hotel that could be physically connected to the waterpark. For more, talk to Dan Decker, general manager. Dial 210-523-3600 or go to www.seaworldparks.com.

The 425-room **Kingsmill Resort in Williamsburg VA** added a swimming pool complex, a lazy river and a conference center in May 2012 to become more family-friendly --- a trend that is spurring upgrades among many older resorts. Kingsmill launched a \$6 million expansion and upgrade after Xanterra Resorts purchased the property in 2010, according to Kingsmill general manager Robin Carson. The swimming pool upgrade includes a waterslide, an activity pool, lazy river, poolside grill and cabanas. In addition, Kingsmill has a new 210-room hotel under development. The new hotel will feature a golf pro shop, meeting rooms, restaurant, lounge and wedding venue. With new owners on board, the time was right to refurbish the 28-year old resort, said Carson. For more, call 757-253-3927 or go to www.kingsmill.com.

Waylon's Water World in Yuma AZ opened at Z Fun Factory in June 2012. With 15 waterslides and tube attractions on 24 acres, Waylon's Water World is the second largest outdoor waterpark in the state, according to Jay Walker of Z Fun Factory. The waterpark features the Constrictor Slide, a family raft ride, lazy river, 4 toddler slides, 2 toddler pools and a 350-gallon tipping bucket that dumps every three minutes. Bryce and Becky Zeller, who own the waterpark, also acquired an additional 40 acres of adjoining property. The additional acreage will allow the Zellers to attract a hotel developer, but nobody is talking about that right now. Phase 2 construction is underway with four additional waterslides. Phase 3 construction, when completed will make it the largest waterpark in Arizona --- that means bigger than Wet 'n Wild in northwest Phoenix. For more, call 928-344-9426 or go to www.waylonswaterworld.com.

Lost Island Waterpark in Waterloo IA added the 174-unit Bamboo Ridge Campground (KOA) in August 2012 to provide accommodations for visitors to the outdoor waterpark, according to Lost Island owner Gary Bertch. Bamboo Ridge offers 154 RV sites, 10 tent sites and 10 cabins. The front 6 cabins and 9 campsites will be open year round. A convenience store opened in October. In addition to the Lost Island Waterpark, location attractions include an 11-acre lake, adventure golf, go-karts, golf course and the Isle Hotel Casino Waterloo. For more, talk to Gary at 319-233-8414 or go to www.thelostisland.com.

Fort Hall Casino, 12 miles north of Pocatello ID, opened its new 156-room hotel and has an indoor waterpark and golf course in the planning stage. The Shoshone-Bannock Hotel & Event Center opened in June 2012 with 15,000 sf of space for meetings and conferences. The hotel cost \$47 million to build. It is owned by the Shoshone-Bannock Tribes and managed by Ovations Hotel Group. Director of Hospitality is James Metzger, who has worked in tribal gaming for over 10 years. To reach Jim, call 800-497-4231 or go to www.shobanhotel.com.

City of Bolivar MO and YMCA opened a 27,000 sf indoor waterpark with an OpenAire retractable roof. Indoor waterparks without attached hotels are rarely financially feasible without subsidy. However, the new state of the art Aquatic Center is a combined City-YMCA multi-purpose facility that includes a Wellness Center, Public Library, Senior Center, Senior Health Center, 2 indoor pools, a lap pool and leisure pool --- provided added public benefit. Plus the city is no longer faced with the growing expenses of an out-of-date aquatic center. The indoor waterpark, or aquatic center as the public sector calls them, has a retractable roof designed, manufactured and installed by OpenAire Inc of Toronto ON. The YMCA manages the facility. For more, contact Chad Jansen at 417-326-3100.

Mt Olympus Water & Theme Park in Wisconsin Dells WI added a 3-acre Giant RainFortress in June 2012. The project focused on the ruins of the Lost City of Atlantis, an outdoor waterpark that rises 6 stories in the air. Owners Nick and Eva Laskaris bought the property following the purchase of 1000 hotel rooms for \$20 million. The couple acquired 7 hotels to support their goal of being the world's largest waterpark. To talk with them, call 608-254-2490 or go to www.mtolympuspark.com.

Courtyard Hotel in Stuart FL started selling room & waterpark packages in July 2012 for the nearby Sailfish Splash Waterpark. Hotel customers can buy a night's stay bundled with two waterpark tickets. Hotel general manager Jacque Lewis says this is the stepping stone to selling more packages about things to do in Martin County. Waterpark marketing director Craig Anderson says he's drawing on his private sector background to draw in the crowds. He says, "We are going to run it like a business, a for-profit business, and the taxpayers get the benefit." You can reach the hotel by dialing 772-781-3344.

Holiday Inn Express Clinton OK opened its Water Zoo Indoor Waterpark in September 2012. The 28,000 sf indoor waterpark features a movable roof, by OpenAire of Toronto, that opens to the warm air of summer and closes when it's cold or raining. Retractable roofs are the ideal for year round indoor-outdoor waterparks. Revenues are never dependent upon the weather, which eliminates cancellations and greatly increases profitability. Water

Zoo will be open to both hotel guests and locals. Owner is Walter Schumacher. You can reach Walter at Schumacher Investments South LLC by dialing 580-323-3555. Email is water-zoo@clintonamerica.com or go to www.water-zoo.com.

Wilderness Hotel & Waterpark Resort in Sevierville TN added a 25,000 sf Indoor Adventure Forest, which opened in September with a Sky Ropes course that features 42 challenges. It is perched 30 feet above ground. The Sky Ropes course gives guests a chance to dry-off from all of the wet activities in its three waterparks. In addition, there is a multi-level laser tag arena inside Adventure Forest along with a mega arcade, black-light mini-golf, cub climbing den, mini-bowling and a mountain climbing experience. Plus there is a new addition outside --- the Wild Vortex. It's a trap door with a 39-foot vertical free fall drop that achieves speeds up to 40 mph. Wilderness at the Smokies is the second major hotel waterpark resort built by the Helland brothers of Wisconsin Dells WI. Tim and Tom Lucke are also co-owners. Steve Cruz is general manager. For more, call 877-325-9453 or go to www.WildernessAtTheSmokies.com.

Kalahari Waterpark Resort & Convention Center in Sandusky OH added Long Necks Bar & Grill in October. Guests can watch sports on HD television, recharge their laps at power stations located at their tables and taste one-of-a-kind appetizers created by the chef, according to owner Todd Nelson. For more, call 877-525-2427 or go to www.kalahari.com.

Bavarian Inn Lodge in Frankenmuth MI completed its \$3 million Phase VI expansion in December 2012. After 84 working days, 220-cubic yards of concrete and more than 12,000 gallons of water, the waterpark resort completed the installation of two 4-story water slides and the upgrade of its popular 18-hole indoor miniature golf course. The resort now offers 4 indoor pools and a 35,000-sf family entertainment center with more than 100 arcade games. This latest phase was really a thank you to our guests over 26 years, according to Judy Zehnder Keller, president and founder of Bavarian Inn Lodge --- a well-known tourist destination in mid-Michigan. For more, call 989-652-7238 or go to www.bavarianinn.com.

Sahara Sam's in West Berlin NJ added a body slide in August and added 8,000 sf to its indoor waterpark in December 2012. The attraction added a ropes course in 2011 and plans a \$4.5 million expansion in 2013 that includes a 2-acre outdoor waterpark, recreation center, wave pool, 25-meter pool, kiddie pools, tiki bar and volleyball court. For more, contact president and ceo Ilya Girlya at www.saharasams.com.

The Homestead Resort, which dates back to 1766, is famous for its warm, natural spring-fed waters. Located in Hot Springs VA, the resort's magnificent indoor pool was built in 1904. In the summer of 2012, the Homestead opened a 2-acre waterpark, called Allegheny Springs, the nation's first spring-fed outdoor waterpark --- along with 3 waterslides, a 400-foot lazy river, sandy beach, family pool, whirlpool, kid's water play zone and cabanas. The outdoor pool is open year round. Imagine combining outdoor swimming and ice skating! Just slip on a pair of skates and glide across the ice, then drop into the adjacent spring-fed, heated pool for a relaxing dip in the mineral-rich waters. The Homestead is a KSL Resort. Peter Faraone is vp and general manager. For more, dial 540-839-1766 or visit www.thehomestead.com.

Kalahari Waterpark Resort & Convention Center in Wisconsin Dells WI added a 1050-sf indoor-outdoor swim-up bar and a 920-sf indoor-outdoor family whirlpool that can accommodate up to 100 people. Late in 2012, Kalahari added numerous attractions to its Indoor Theme Park including laser tag, a dark ride in its virtual reality 5-D Theater, NASCAR simulator, Sky Tykes mini ropes course, kiddie bumper boats, a vortex tunnel and a lights & sound show called Atomic Rush. For more, call 608-254-5466 or go to www.kalahari.com.

Expansions & Renovations in 2012

In November 2011, the Argent Group paid \$7.7 million for the former **Sheraton Chicago Northwest & Coco Key Indoor Waterpark in Arlington Heights IL**, which had closed suddenly in 2009. The indoor waterpark alone cost \$25 million to build in 2006. What a deal! Argent partner Carl Groesbeck said the plan was to convert the tower hotel to apartments by 2013 and build two new limited service hotels totaling 300 rooms with underground parking and a connection to the indoor waterpark. Retail is also planned for the 25-acre property.

Hotel Waterparks Bought & Sold in 2012

In May, **Apollo Global Management** announced the completion of its acquisition of Great Wolf Resorts, North America's largest chain of hotel indoor waterpark resorts consisting of 11 properties. The acquisition occurred through an equity tender offer of \$7.85 a share followed by merging Great Wolf into an affiliate of Apollo. Apollo tried to buy the company for \$5 a share in March, but shareholders objected to the low price, followed by alternating bids from KSL Capital Partners LLC. Apollo's access to capital should help facilitate the continued expansion of Great Wolf as family destination resorts. Great Wolf is no longer a public company; its shares ceased trading May 4th and will no longer be listed. New owner Apollo Global Management had \$75 billion in assets at the end of 2001. It owns Caesar's Entertainment, Harrah's Entertainment and is considering a bid to take over SeaWorld Parks & Entertainment. For more, email gstein@apolloip.com or go to www.agm.com.

Name Changes in 2012

Entertainment Properties Trust, a real estate investment firm headed by David Brain, changed its name to **EPR Properties** to better describe its broadening \$3.1 billion portfolio, which includes ski parks, waterparks, golf centers, recreational properties and charter schools. Over the last decade, shareholders earned over 275% return on their investment, according to the Kansas City firm.

Gaylord Entertainment --- owner of the Gaylord Texan in Grapevine, Gaylord Opryland in Nashville, Gaylord National in Maryland and the Gaylord Palms in Orlando --- has converted to a real estate investment trust (REIT) and changed its name to **Ryman Hospitality Properties Inc.** Gaylord Entertainment still owns the four hotels, but sold its hotel brand name and rights to manage to Marriott International for \$210 million in cash. Marriott will

grow the Gaylord brand. The Gaylord hotels in Grapevine and Orlando have major waterpark facilities.

Troubled Hotel Waterparks of 2012

Grand Rios Hotel & Waterpark in Brooklyn Park MN closed and the property will be converted to another use. Former owner and Twin Cities developer Jeffrey Wirth was sentenced to 4 and ½ years in federal prison and ordered to pay \$6.45 million in restitution for what prosecutors say was one of the largest tax-fraud conspiracies ever in Minnesota.

Equipment malfunctions resulting in chemical imbalances causing coughing, problems breathing and temporary illness occurred in several waterpark locations: Cincinnati OH, Duluth MN and Queensbury NY. Nothing damages the reputation of a waterpark more than a Crypto outbreak --- leaving the facility with a tarnished image and fewer customers. While managers check chlorination pH levels constantly, the real causes of crypto are sick children, peeing in the pool and diapers. Solution: educate the customer.

Kerzner International Holdings Ltd, the company that built the Atlantis Resorts in Nassau and Dubai, handed over ownership of its two flagship properties to creditor Brookfield Asset Management and partner Dubai World in a debt restructuring.

Hotel Waterpark Awards in 2012

Key Lime Cove's aquatics director, Anthony Pollack, was named Division Head of the Year at the 2012 Stars of the Industry Awards hosted by the Illinois Hotel & Lodging Association.

Key Lime Cove was also named America's #1 Family Hotel by Trip Advisor, the world's largest travel website. Key Lime Cove is a hotel waterpark resort located in Gurnee IL, north of Chicago. Dale McFarland is general manager. Go to www.keylimecove.com.

Sahara Sam's Oasis Indoor Waterpark in West Berlin NJ was awarded the Silver International Aquatics Safety Award by Jeff Ellis & Associates, international aquatic safety & risk management consultants based in Ocoee FL. For more, contact Richard A. Carroll, svp and coo of Ellis & Associates. Visit www.jellis.com.

Timber Ridge Lodge & Waterpark in Lake Geneva WI received the Environmental Stewardship Award from Orion Energy Systems, power technology company. Timber Ridge is managed by Marcus Hotels & Resorts of Milwaukee WI. www.timberridgeresort.com.

Zehnder's Splash Village Hotel & Waterpark was voted the best destination for a family getaway by the readers of Metro Parent magazine which is circulated in southeastern Michigan. Zehnder's of Frankenmuth ceo Al Zehnder said 130,000 guests visit his hotel waterpark resort annually.

Canada Hotel Waterparks in 2012

Casino Niagara and Fallsview Indoor Waterpark added a \$75 million, 30-story, 300-room all-suites Residence Inn by Marriott in the Falls Avenue-Clifton Hills Area. The new property will be physically-connected to the casino, the indoor waterpark and three other hotels --- the Sheraton, Skyline Inn and the Crowne Plaza.

Mexico & Caribbean Hotel Waterparks in 2012

In April 2011, **El Sueno Waterpark** in Tezontepec de Aldama, Hidalgo, reportedly opened its proposed hotel and wave pool.

That's what happened in North America during 2012. If we missed something, please let us know.

Stay positive, work smart and do the right thing!



Jeff Coy, ISHC, is president of JLC Hospitality Consulting based in Phoenix-Cave Creek AZ. He is certified by the International Society of Hospitality Consultants. For more about market research, economic feasibility and design-development services for all kinds of resorts, waterparks, adventure parks and sports facilities, call 480-488-3382 or email jeffcoy@jeffcoy.com or go to www.jeffcoy.com.