



HOTEL & LEISURE ADVISORS

Indoor and Outdoor Waterparks Show Growth in 2014

By David J. Sangree, MAI, CPA, ISHC

The amount of indoor and outdoor waterpark square footage will grow at a faster rate in 2014 than in any year since the Great Recession. Twelve indoor waterpark resorts or standalone indoor waterparks will be opened or expanded in 2014 compared to 9 in 2013. The projected 370,000 new indoor square feet in 2014 dwarfs the 68,000 indoor square feet added in 2013. Eight private outdoor waterparks are projected to open in 2014 compared to 5 in 2013.

The World Waterpark Association estimated approximately 82.5 million attendees at North American waterparks during 2013, which compared to 85 million in 2012 and 82 million in 2011. The decline in 2013 is attributed to consistently poor weather through much of the United States in the first six weeks of the season. This estimate includes attendance at all municipal and private indoor and outdoor waterpark facilities in North America.

HL&A defines various waterparks the following ways:

An indoor waterpark resort is a lodging establishment containing an aquatic facility with a minimum of 10,000 square feet of indoor waterpark space inclusive of amenities such as slides, tubes, and a variety of indoor water play features.

A resort with an outdoor waterpark is a lodging establishment with an outdoor aquatic facility with three or more waterpark elements requiring lifeguards such as slides, lazy rivers, or wave pools.

A standalone indoor waterpark is an aquatic facility that is not attached to a lodging establishment with a minimum of 10,000 square feet of indoor waterpark space inclusive of amenities such as slides, tubes, and a variety of indoor water play features.

An outdoor waterpark is an outdoor aquatic facility with three or more water slides. It often also includes other water elements requiring lifeguards such as lazy rivers, surf simulators, or wave pools. These parks will often offer additional splash features for younger children.

2013 Waterpark Standings

The number of U.S. waterparks reached 834 by March 2014, with the majority being outdoor waterparks (most of which are municipal). This is an increase from our April 2013 industry overview of waterparks, which indicated there were 796 waterparks in the United States.

2014 U.S. Open Waterpark Supply by Region			
U.S. Outdoor Waterparks			
Region	Municipal	Private	Total
Northeast	6	60	66
Midwest	166	45	211
South	117	109	226
West	45	51	96
Total	334	265	599
Note: Outdoor waterpark defined as an aquatic facility without attached hotel having 3 or more slides			
U.S. Indoor Waterpark Resorts			
Region	Franchise	Independent	Total
Northeast	8	6	14
Midwest	36	64	100
South	0	11	11
West	5	4	9
Total	49	85	134
Note: Indoor waterpark resort defined as a hotel with a minimum of 10,000 square feet of indoor waterpark space			
U.S. Standalone Indoor Waterparks			
Region	Municipal	Private	Total
Northeast	0	2	2
Midwest	24	0	24
South	8	3	11
West	16	2	18
Total	48	7	55
Note: Standalone indoor waterpark defined as having a minimum of 10,000 square feet of aquatic area and featuring multiple water features			
U.S. Resorts with Outdoor Waterparks Only			
Region	Franchise	Independent	Total
Northeast	2	2	4
Midwest	0	2	2
South	11	13	24
West	9	7	16
Total	22	24	46
Note: Resort with outdoor waterpark defined as a resort hotel having an outdoor waterpark with at least 3 features (e.g. slide, lazy river, wave pool, etc.). This count excludes those that also have indoor waterparks.			
Combined Total Number of U.S. Waterparks			834
Source: Hotel & Leisure Advisors, LLC, March 2014			

The Midwest is home to 337 waterparks, which is the greatest number of any U.S. region. The Midwest leads in the number of indoor waterpark resorts and standalone indoor waterparks and is a close second to the South for outdoor waterparks. The Midwest will continue its stronghold in 2014. Of the new indoor waterpark resorts and expansions scheduled, eight are in the Midwest, two in the Northeast, one in the West, and one in Canada.

Indoor Waterpark Resorts and Standalone Indoor Waterparks: Although indoor waterparks continued to grow and expand, square footage increases haven't truly soared since 2008. (The high point was close to a 900,000 square foot increase in 2006). This year marks a great stride in the increase in overall square footage.

Indoor Waterpark Additions, Expansions & Openings Projected in 2014				
Indoor Waterparks and Resorts	City	State / Prov	New Rooms	Indoor Waterpark Sq. Ft.
Fox River Resort Waterpark Addition	Sheridan	IL	0	19,000
Great Wolf Lodge (former Holiday Inn CoCo Key)	Fitchburg	MA	407	68,000
Clarion Hotel conversion of Holidome to waterpark	West Springfield	MA	0	10,000
Zehnder's Splash Village Expansion	Frankenmuth	MI	32	29,000
Maui Sands Indoor Waterpark Resort Reopen Rest of Hotel	Sandusky	OH	172	0
Rippin' Rapids Resort & Adventure Sports	Rapid City	SD	100	77,000
WaTiki Indoor Waterpark Resort Arcade Addition	Rapid City	SD	0	0
Mt. Olympus Resort Indoor Waterpark Expansion	Wisconsin Dells	WI	0	55,000
Wilderness Resort Indoor Go Kart Track addition and Two-Story Black Light Laser Tag Arena Expansion	Wisconsin Dells	WI	0	0
Standalone Indoor Waterparks				
Snohomish Aquatic Center	Snohomish	WA	0	52,000
Adventure Bay Family Water Park	Windsor	ON	0	45,000
Williston Recreation Center	Williston	ND	0	15,000
Total		12	711	370,000
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space				
Source: Hotel & Leisure Advisors, LLC				

With 77,000 square feet of waterpark, Rippin' Rapids Resort & Adventure Sports is the largest indoor waterpark projected to open in 2014. The South Dakota facility will feature waterslides, tubes, surf simulator, rock wall, zip lines, rope courses, and a 100-room hotel.

Following a closure and extensive renovation, the Great Wolf Lodge in Fitchburg, Massachusetts, will increase the number of hotel rooms at the former Holiday Inn from 245 to 407 and double the former CoCo Key waterpark in size to 68,000 square feet. The facility will also feature several dining options and more than 12,000 square feet of conference space.

Other significant projects include the Mt. Olympus Resort indoor waterpark expansion with 55,000 additional square feet and the new Snohomish Aquatic Center with 52,000 square feet. These larger projects are significant for 2014 growth as their sizes are larger than anything developed or expanded in 2013.

Indoor Waterpark Additions, Expansions, and Openings in 2013				
Indoor Waterparks and Resorts	City	State / Prov	New Rooms	Indoor Waterpark Sq. Ft.
Clarion Hotel Aqua Lagoon Waterpark Addition	Springfield	MA	0	10,000
Avalanche Bay Super Loop Slide Addition	Boyne Falls	MI	0	0
Great Wolf Lodge Slide and Bowling Addition	Traverse City	MI	0	0
Maui Sands Indoor Waterpark Resort Reopen	Sandusky	OH	224	35,000
Wilderness at the Smokies Outdoor Water Slide Addition	Sevierville	TN	0	0
Jay Peak Condos Addition	Jay	VT	50	0
Kalahari Resort Hot Tubs and Steak Restaurant Addition	Wisconsin Dells	WI	0	0
Standalone Indoor Waterparks				
Surf's Up	Nashua	NH	0	15,000
Sahara Sam's Indoor and Outdoor Waterpark Expansion	Berlin Township	NJ	0	8,000
Total		9	274	68,000
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space				
Source: Hotel & Leisure Advisors, LLC				

The largest indoor waterpark project last year was the reopening of Maui Sands in Sandusky, Ohio. It opened 224 rooms and 35,000 square feet of waterpark space in 2013. This year it is due to open the remaining 172 hotel rooms. In 2015, two major indoor waterpark destination resorts are due to open in the Poconos: the 453-room Camelback Resort and the 457-room Kalahari Resort, adding 220,000 square feet collectively.

Outdoor Waterparks: The U.S. supply of waterparks is dominated by outdoor waterparks. In 2014, another 15 are projected to open.

Projected 2014 Outdoor Waterpark Openings				
	Park	Location		Large Slides
Private				
	Hurricane Harbor at Six Flags Over Georgia	Austell	GA	22
	Buccaneer Cove Waterpark at Malibu Grand Prix	Norcross	GA	7
	Hurricane Bay @ Kentucky Kingdom	Louisville	KY	7
	Cowabunga! Bay Las Vegas	Henderson	NV	9
	Schlitterbahn Beach Waterpark	Corpus Christi	TX	7
	Splash Kingdom	Greenville	TX	4
	Hawaiian Falls Waterpark	Pflugerville	TX	10
	Hawaiian Falls Waterpark and Adventure Park	White Settlement	TX	8
	Total			74
Municipal				
	The Pocahontas City Pool	Pocahontas	AR	2
	Drop Zone Waterpark	Perris	CA	3
	Pooler Waterpark	Pooler	GA	5
	Aquatic Zoo	Mt. Vernon	IL	2
	Owensville Waterpark *	Owensville	MO	1
	Lyons City Pool	Lyons	NE	3
	Corsicana Water and Adventure Park	Corsicana	TX	8
	Total			24
* in addition to a lazy river and three small slides				
Source: Hotel & Leisure Advisors				

Seven municipal and 8 private waterparks are slated to open in 2014. We expect to learn of more municipal park openings throughout the year since sometimes they are only announced shortly before opening. As is typical, the private parks are significantly larger, with an average of 9 large slides planned compared an average of 3 large slides at the municipal parks.

Four of the 8 private outdoor waterparks will open in Texas. Two of the private parks will open in the Southeast, one in the Midwest, and one in the West.

In all, 98 new large slides at outdoor waterparks are slated to open in 2014. Smaller slides are often not announced prior to opening but contribute to a larger number of total slides reported by year-end.

2013 Outdoor Waterpark Openings				
	Park	Location		Total Slides
Private				
	Holiday Springs Waterpark	Texarkana	AR	8
	SoakYa (Lake Winnepesaukah waterpark)	Rossville	GA	8
	Seven Peaks Waterpark	Porter	IN	13
	Wet 'n' Wild	Las Vegas	NV	17
	Splash Kingdom Wild West	Hudson Oaks	TX	15
	Total			61
Municipal				
	Clarksville Aquatic Center	Clarksville	AR	5
	Rogers Aquatics Center	Rogers	AR	7
	Chilli Bay	Chillicothe	MO	4
	Schifferdecker Aquatic Center	Joplin	MO	6
	Lions Water Adventure	Kinston	NC	6
	Donald W Reynolds Recreation and Aquatic Center	Pauls Valley	OK	4
	The Eules Family Life Center Aquatic Park	Eules	TX	6
	Heights Family Aquatic Center	Richardson	TX	4
	Nessler Pool Aquatic Center	Texas City	TX	5
	City Parks of Clarksburg Splash Zone	Clarksburg	WV	6
	Splash Central Waterpark	Huron	SD	4
	Total			57

Source: Hotel & Leisure Advisors

The majority of private waterparks that opened in 2013 were larger than the municipal ones that opened, averaging 12 slides each versus 5 slides at municipal parks. The outdoor waterparks opened with 118 total slides in 2013. The largest of these by number of slides was the Wet 'n' Wild Las Vegas waterpark. Other significant outdoor waterpark openings in 2013 include the 15 total slides at the Splash Kingdom Wild West in Hudson Oaks, Texas, and the 13 total slides at Seven Peaks in Porter, Indiana.

Resorts with Outdoor Waterparks: Outdoor waterparks can enhance a hotel's amenities and attract additional guests. They may be the deciding factor when it comes to family lodging options. Three resorts with outdoor waterparks are slated to open or expand in 2014.

Resorts with Outdoor Waterparks to Open in 2014			
Resort	Location		Features
Legoland California Resort Legend of Chima Waterpark Addition	Carlsbad	CA	Wave pool, slides, interactive splash features
Doubletree addition of 129 rooms and waterpark	Gilbert	AZ	Waterslide, lazy river, wave pool
Four Seasons Resort at Walt Disney World	Orlando	FL	Waterslides, lazy river, splash zone

Source: Hotel & Leisure Advisors, LLC

Legoland California opened as an amusement park in 1999, added a waterpark in 2010, and added a hotel in 2013. In 2014 it will expand its waterpark with a theme from its latest product line, Legends of Chima, where animal tribes battle in a fictional land for control of the energy source. The park will center on an interactive wave pool. There will also be a hands-on water play area with slides, cannons and water jets, and a build-a-boat area.

Resorts with Outdoor Waterparks that Opened in 2013			
Resort	Location		Features
Legoland California	Carlsbad	CA	The park added a 250 room hotel
Marriott Orlando World Center	Kissimmee	FL	3 large slides and a splash pad
Santa's Splash Down at Lake Rudolph Campground and RV Resort	Santa Claus	IN	22 cabins, five new waterslides
Hyatt Hill Country Resort Waterpark Expansion	San Antonio	TX	Slide, FlowRider, wave machine
Schlitterbahn Beach Resort	South Padre Island	TX	5 large slides, 4 water coasters, surf simulator, lazy river, splash structure, splash pad, and sea trek

Source: Hotel & Leisure Advisors, LLC

Marriott and Hyatt hotels and Lake Rudolph campground added outdoor waterparks to their properties in 2013. Lake Rudolph Campground and RV Resort in Indiana also added 22 cabins along. Legoland California and Schlitterbahn Beach Resort added hotels to existing waterparks.

Conclusion: The waterpark industry is showing real growth not only in the number of openings but also in the sizes, number of slides, and types of amenities. In 2014, we are finally beginning to see new project numbers that reflect those prior to 2009. The continued desire for fun, safe, family activities with a bit of adventure is reflected in the increasing demand for waterparks. More families are planning weekend getaways with their children's desires in mind. Indoor waterpark destination resorts provide fun weekend and vacation getaways for families while outdoor waterparks typically attract more day guests from the surrounding area.

Although outdoor waterparks are less expensive to build, they are weather dependent and poor weather during the summer season can negatively impact financial results. Successful indoor waterpark resorts can yield much higher profits. However, not all ventures are successful, and funding is still challenging to obtain. Lack of funding is the main reason many proposed projects never see the light of day. Many factors contribute to a project's success, and proper feasibility and economic impact studies, and planning are a must for any waterpark development. The development of an indoor or outdoor waterpark requires extensive research of supply and demand factors, demographics, income and expense levels, potential per capita spending, potential attendance, and profitability levels.

Author

David J. Sangree, MAI, CPA, ISHC, is President of Hotel & Leisure Advisors, a national hospitality consulting firm. Mr. Sangree's expertise is in the appraisal and analysis of hotels, resorts, indoor waterpark resorts, outdoor waterparks, amusement parks, conference centers, ski resorts, and golf courses. He has performed studies on more than 2,000 existing and proposed hotels in more than 46 states and internationally in all price ranges, including economy, full-service, extended-stay, and luxury hotels and resorts including indoor waterpark resorts. He has been an active appraiser/consultant since 1987 and also has 10 years of work experience in the hotel/restaurant industry, including management positions with four Westin Hotels properties.

Mr. Sangree is a nationally recognized expert on waterpark resorts and has visited most of the open waterpark resort properties in the United States and Canada. He has completed more than 400 studies of waterparks resorts since 1999. Mr. Sangree was named one of *Aquatics International Magazine's* "Power 25". In its profile, *Aquatics International* named Mr. Sangree as one of the first consultants serving the waterpark resort industry and credited him with shaping some of the latest industry trends through his expertise and experience in the waterpark resort market. Mr. Sangree has appeared on Good Morning America and CNBC on special reports concerning resorts and waterparks. He can be reached via telephone at 216-228-7000 ext. 20 or via e-mail at dsangree@hladvisors.com. The author wishes to acknowledge Hollie Gibbs for her assistance with the article.