

2016's waterpark forecast: Bigger is better

08 MARCH 2016 9:32 AM

The number of U.S. waterparks grew to 996 as of February, which exceeded 858 facilities included during Hotel & Leisure Advisors'* analysis a year ago.

By David Sangree

CLEVELAND—The waterpark industry continues to expand in North America, with more than \$500 million of new investment in indoor and outdoor waterparks and their related resorts in 2015.

Total waterpark related development spending is expected to grow in 2016 with a number of new facilities opening and many expansions of the existing waterparks occurring. Two major new indoor waterpark resorts opened in the Poconos in Pennsylvania in 2015 and three large indoor waterpark resorts are

projected to open in California, Colorado and Quebec in 2016 (including two Great Wolf Lodge properties).

In 2015, 17 municipal waterparks and one private outdoor waterpark opened, while in 2016 we project 14 outdoor waterparks to open with equal numbers of private and municipal facilities. The largest privately owned outdoor waterpark will open in Texas with 27 slides. We attribute the waterpark industry's continued growth to properties offering a variety of amenities and attractions that attract existing and new guests to the waterpark experience.

Hotel & Leisure Advisors defines various waterparks in 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 at least three 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.

Waterpark standings

There are 996 waterparks in the U.S. as of February 2016. Although a number of waterparks were built last year, this number has grown significantly from our 2014 annual report of 858 due to H&LA's ongoing examination of markets across the country. We are constantly discovering waterparks (primarily municipal) that have not previously been listed on various databases. We also re-examine our waterpark definitions as the country's waterpark landscape changes.

2016 U.S. Open Waterpark Supply by Region			
Outdoor Waterparks			
Region	Municipal	Private	Total
Northeast	8	63	71
Midwest	223	48	271
South	144	123	267
West	68	53	121
Total	443	287	730
Note: Outdoor waterpark defined as an aquatic facility having 3 or more slides without attached hotel			
Indoor Waterpark Resorts			
Region	Franchise	Independent	Total
Northeast	7	9	16
Midwest	35	65	100
South	0	13	13
West	4	6	10
Total	46	93	139
Note: Indoor waterpark resort defined as a hotel with a minimum of 10,000 square feet of indoor waterpark space			
Standalone Indoor Waterparks			
Region	Municipal	Private	Total
Northeast	2	1	3
Midwest	22	1	23
South	9	0	9
West	34	2	36
Total	67	4	71
Note: Standalone indoor waterpark defined as having a minimum of 10,000 square feet of aquatic area and featuring multiple water features			
Resorts with Outdoor Waterparks			
Region	Franchise	Independent	Total
Northeast	0	2	2
Midwest	0	2	2
South	15	19	34
West	12	6	18
Total	27	29	56
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			996
Source: Hotel & Leisure Advisors, LLC, February 2016			

The Midwest and South are home to the majority of waterparks, 396 and 323, respectively. The Midwest

slightly lands ahead of the South for number of outdoor waterparks (271 versus 267), while the Northeast has the fewest at 71. The Midwest leads the nation in indoor waterpark resorts by a large margin with 100; the closest is the Northeast with 16. The West leads the country in standalone indoor waterparks with 36 primarily due to the existence of 18 municipal indoor aquatic facilities with waterparks within the state of Utah. The South leads in resorts with outdoor waterparks with 34 due to the warmer climate, which allows resorts to keep their outdoor waterparks open for longer seasons.

Indoor Waterpark Resorts and Standalone Indoor Waterparks

In 2015, indoor waterpark resorts added 243,000 square feet of indoor waterpark space in North America. Although larger than 2014, square footage increases have been low since 2008. (The high point was a 900,000-square-foot increase in 2006.) In 2016, we project additional indoor waterpark square footage of 389,000. The following table indicates the indoor waterpark resorts and standalone properties that are opening or expanding in the U.S. and Canada in 2016.

Indoor Waterpark Additions & Indoor Waterpark Resorts Open or Projected to Open in 2016				
Indoor Waterparks and Resorts	City	State / New Prov	Rooms	Indoor Waterpark Sq. Ft.
Great Wolf Lodge Southern California	Garden Grove	CA	603	105,000
Great Wolf Lodge	Colorado Springs	CO	311	65,000
Four Points by Sheraton Hotel with an Expanded Former CoCo Key Waterpark at Arlington Downs *	Arlington Heights	IL	161	10,000
Ascend Hotel and Parrot Cove Indoor Waterpark	Garden City	KS	96	20,000
Expansion of Cape Codder Resort	Hyannis	MA	0	20,000
Holiday Inn Express Expansion	Baxter	MN	25	3,000
Treasure Island Resort Waterpark Addition	Welch	MN	0	30,000
Sahara Sams Expansion	West Berlin	NJ	0	10,000
Valcartier Vacation Village Indoor Waterpark Resort	Valcartier	QC	153	102,000
McKinney Indoor Waterpark & Fitness Center	McKinney	TX	0	24,000
Total			1,349	389,000
* In addition to existing 47,000 sf of indoor waterpark space				
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space				
Source: Hotel & Leisure Advisors, LLC				

This year expects to see three large indoor waterpark resort openings: the 105,000-square-foot Great Wolf Lodge Southern California; the 102,000-square-foot Valcartier Vacation Village Indoor Waterpark Resort; and the 65,000-square-foot Great Wolf Lodge Colorado Springs.

The two Great Wolf Lodge properties will add to the 13-resort portfolio of Wisconsin-based Great Wolf Resorts. The company purchased a partially completed Renaissance Hotel in Colorado Springs, Colorado, that stood idle for nearly six years, and will spend approximately \$90 million to renovate it to brand standards by late fall 2016. The all-suites property will include 311 rooms, a 65,000-square-foot indoor waterpark, arcade, miniature golf, mini-bowling, rope-climbing attraction, spa, kids' amenities, four to five restaurants, and more than 20,000 square feet of meeting space. It will not sell day passes to the public. Rooms will start at about \$250

a night with waterpark admission included.

Great Wolf Lodge Southern California opened in February 2016 as a 603-suite hotel and 105,000-square-foot waterpark. The \$250-million Garden Grove resort is Southern California's first indoor waterpark resort and is the Great Wolf Lodge brand's largest indoor waterpark. Room rates will range from \$260 to \$600, and the waterpark will be exclusively for hotel guests. It will offer a state-of-the-art recycling system with mechanized pumps, filters and tanks to purify the water before recirculating it into the park's common water areas to reduce water waste.

Quebec's Valcartier Vacation Village will add a four-star hotel with 153 suites and a 102,000-square-foot Polynesian-themed indoor waterpark with 14 slides, a family pool, a multi-activity adventure river, a wave pool and a wave simulator. The \$65-million complex will make the campground resort into a four-season entertainment complex when it opens in December 2016.

The \$34-million McKinney Aquatic & Fitness Center will be a standalone indoor waterpark and is listed in both the indoor waterpark and the outdoor waterpark openings for 2016. It will boast competition and leisure pools, sports courts, an indoor track and a gym. McKinney will pay for the aquatic center with park bond money and community development funds, which are generated by sales tax revenue. The 24,000-square-foot indoor waterpark will feature a competitive pool, a leisure pool, a play feature, a current channel and a water slide. An outdoor waterpark will feature a leisure pool with two larger slides, a kiddie pool, two smaller slides, an interactive play feature and a tumble bucket.

The following table indicates indoor waterpark resorts and standalone indoor waterparks that opened or expanded in 2015.

Indoor Waterpark Additions & Indoor Waterpark Resorts Opened in 2015				
Indoor Waterparks and Resorts	City	State /Prov	New Rooms	Indoor Waterpark Sq. Ft.
Holiday Inn Express/Raptor Reef/Triple Play Laser Tag Arena and Ropes Course Addition	Hayden	ID	0	0
Camelback Lodge and Aquatopia Indoor Waterpark	Tannersville	PA	453	125,000
Kalahari Resort	Pocono Manor	PA	457	106,000
New Residence Inn at WaTiki Indoor Waterpark Resort	Rapid City	SD	144	0
Brookings Days Inn Waterpark Addition	Brookings	SD	0	12,000
Wilderness at the Smokies Boomerango Addition to OWP	Sevierville	TN	0	0
Total			1,054	243,000
Note: Resorts have a minimum of 10,000 square feet of indoor waterpark space				
Source: Hotel & Leisure Advisors, LLC				

Two large indoor waterpark resorts opened in the Poconos in 2015: the 125,000-square-foot Camelback Lodge and Aquatopia Indoor Waterpark and the 106,000-square-foot Kalahari Resort. Each resort boasts more than 450 new guestrooms.

Outdoor waterparks

The U.S. supply of waterparks is dominated by outdoor waterparks. Another 14 outdoor waterparks are slated to open in 2016.

Typically, the privately owned parks are significantly larger than municipally owned parks, and they charge higher prices for admission and park amenities. However, the average number of slides being added at municipal parks is growing. Last year, most included three slides; in 2016, many will include five or six slides.

2016 Outdoor Waterpark Proposed Openings				
Park	Location		Major Attractions	
Private				
Water World	Warner Robins	GA	11 slides, lazy river, wave pool	
Lake Wylie Aquatic Center	Clover	SC	Olympic-size pool, children's pool with slides	
Sandy Harbor Family Fun Center @Ocean Lakes Family Campground	Myrtle Beach	SC	Adventure river, 4-lane mat racer, slide	
Scuttle's Island	North Augusta	SC	11 slides, lazy river, wave pool	
NLand Surf Park	Austin	TX	Surfing wave pool	
Splash Kingdom Air Patrol	Greenville	TX	12 slides, wave pool, lazy river	
Typhoon Texas	Katy	TX	27 slides, wave pool, lazy river	
Municipal				
The Pocahontas City Pool	Pocahontas	AR	5 slides, multiple pools, splash structure	
Longbranch Lagoon	Dodge City	KS	6 slides, wave pool, lazy river	
Southwest Aquatic Facility	Shawnee County	KS	Zip line (into pool), 5 slides, bow tie pool with wave feature	
American Legion Park Aquatic Center	Elizabethtown	KY	6 slides, lazy river, climbing wall	
Greenview Park Waterpark	Columbia	SC	5 slides, children's pool, and lap pool	
Laredo Waterpark	Laredo	TX	3 slides, lazy river, children's area	
McKinney Aquatic & Fitness Center	McKinney	TX	4 slides, current channel, leisure and tot pools	
Victoria Municipal Pool and Waterpark	Victoria	TX	4 smaller slides, spray ground, lap lanes	

Source: Hotel and Leisure Advisors

Seven private and eight municipal waterparks are slated to open in 2016. We expect to learn of more municipal park openings closer to summer.

All of the private parks are opening in the South with the majority in Texas and South Carolina. Three municipal waterparks are opening in Texas this year, two in Kansas, and one each in South Carolina, Kentucky and Arkansas. The three largest parks are opening in Texas.

Built on 25 acres adjacent to Katy Mills Mall, the \$45-million Typhoon Texas will open in May 2016. Project partners are advertising powerful slide pumps to reduce ride lines and provide the cleanest water in Texas. In addition to body slides, tube slides and raft slides, main attractions will include a 25,000-square-foot wave pool, a 1,345-foot lazy river, and a 48-foot-tall children's play structure. The park has about 20 acres to expand for more rides and eventually build its own lodging and other amenities.

The sixth Splash Kingdom will open in 2016 in Greenville, Texas. The airplane-themed Splash Kingdom Air

Patrol's main entrance will be designed to resemble an airport runway. The wave pool will be partly in a hangar with a lazy river flowing through it, and children will be able to climb into an airport control tower and slide down the wing of an airplane or the cargo area of a helicopter. The park is expected to anchor the Greenville Towne Center mixed-use development.

Water World will sit on 25 acres behind the go-kart track of Rigby's Entertainment Complex in Warner Robins, Georgia. The first phase of the park will have a wave pool, a 1,250-foot lazy river, a kid's zone and 11 water slides. The property will add 30,000 square feet of dry entertainment space, including 12 bowling lanes, three party rooms and 40 new games.

The pirate-themed Scuttle's Island in North Augusta, South Carolina, will span approximately 40 acres, with 24 attractions, including slides, a wave pool, a lazy river and a kids' interactive area.

The projected 2016 openings include far more privately owned outdoor waterparks than opened in 2015, as shown in the following table.

Outdoor Waterpark 2015 Openings				
	Park	Location		Total Slides
Private				
	Splash Kingdom	Nacogdoches	TX	8
	Total			8
Municipal				
	Parrot Island Waterpark	Fort Smith	AR	7
	Del Mar Family Aquatic Center	Aurora	CO	3
	Paradise Island	Commerce City	CO	5
	Surf Lagoon	Pooler	GA	4
	Freedom Springs	Greenwood	IN	4
	River Run Family Waterpark	New Albany	IN	5
	West River Community Center	Dickinson	NC	3
	Hillside Aquatics Center	Bismarck	ND	3
	Lyons City Pool	Lyons	NE	3
	Avon Municipal Aquatic Facility	Avon	OH	5
	Alameda Waterpark	Butler	PA	3
	Splash Island (at D.W. Wilson Community Center)	Tullahoma	TN	3
	Doug Russell Pool	Midland	TX	7
	Strawberry Park Pool	Pasadena	TX	5
	Kaiser Pool Renovation	Wausau	WI	5
	Surf 'n Fun Waterpark	San German	PR	14
	Total			79

Source: Hotel & Leisure Advisors

Of the 17 outdoor waterparks that opened in the United States and Puerto Rico in 2015, all but one were municipal. The only private opening in the U.S. was Splash Kingdom in Nacogdoches, Texas, with eight slides. The largest municipal opening was Surf 'n Fun Waterpark in San German, Puerto Rico, with 12 large slides, two surf simulators, a wave pool, a lazy river and a children's splash structure with two small slides.

Resorts with outdoor waterparks

Many traveling families opt for a hotel with a waterpark over a hotel with fewer kid-friendly amenities. It is becoming more of a deciding factor as a greater number of resorts add waterparks. Two resorts in Texas will add or expand outdoor waterparks in 2016.

Resorts with Outdoor Waterparks to Open in 2016

Resort	Location	Features
JW Marriott Hill Country Resort	San Antonio TX	\$16 million expansion to include new pool, slides, and cabanas
Hilton Anatole	Dallas TX	\$15 million project that will add a resort-style pool complex with lazy river and two slides

Source: Hotel & Leisure Advisors, LLC

JW Marriott Hill Country Resort in San Antonio, Texas, currently boasts a 36-hole golf course, an adults-only infinity pool, a six-acre waterpark with a lazy river, seven restaurants, a spa and 265,000 square feet of event space. The \$16-million waterpark expansion will include additional water slides, a new pool and cabanas.

Just north of downtown Dallas, Hilton Anatole offers 1,606 guestrooms; 349,000 square feet of meeting space; a spa; a fitness facility; more than 1,000 pieces of fine art (including a sculpture garden) and four restaurants. Built in 1978 and expanded in 1983, the hotel will add an outdoor waterpark in 2016. It is advertising its latest addition as an upscale resort-style pool complex that will include a lazy river and two slides.

In 2015, six properties were developed, added waterparks to their facilities or added hotels to adjacent waterparks.

Resorts with Outdoor Waterparks Opened or Expanded in 2015

Resort	Location	Features
Courtyard by Marriott Anaheim	Anaheim CA	Added six slides, pool, tipping bucket
Margaritaville	Hollywood Beach FL	349 room resort with surf simulator, beachside pools
Westgate Vacation Villas Resort	Kissimmee FL	Added Shipwreck Island, a two-level pirate themed waterpark
Legoland Hotel	Winter Haven FL	152-room resort adjacent to existing Legoland Park and Waterpark
Dollywood DreamMore Resort	Pigeon Forge TN	307-room resort adjacent to Dollywood's Splash Country
Wilderness at the Smokies Boomerango Addition	Sevierville TN	Added \$1.5 million waterslide attraction to outdoor waterpark

Source: Hotel & Leisure Advisors, LLC

Three of the 2015 openings included hotels while the remaining three were waterpark additions to existing hotels.

The Nickelodeon Suites Resort will be rebranded in April 2016 as Holiday Inn Resort Orlando Suites. It will continue to operate as a resort with an outdoor waterpark. The Nickelodeon hotel launched in 2005 in partnership with Holiday Inn; it sold in 2014 for \$78.8 million. The rebranding is part of a \$30-million renovation, including renovated suites and upgrades to The Lagoon Pool and café. The Holiday Inn will feature a renovated waterpark, laser maze, 4-D theater and live entertainment.

Conclusion

The waterpark industry continues to grow bigger and better. Slides, rides and attractions become more impressive, and both municipal and private parks seek to attract more people with large numbers of rides, attractions and amenities. Properly located and well-managed indoor and outdoor waterparks achieve strong revenues and net income.

Texas is leading the trend with eight new waterparks opening in 2016, including both of the resorts with outdoor waterparks, five of the 14 outdoor waterparks and one of the nine U.S. indoor waterparks. In terms of the total number of openings, proportionately, Texas is dominating 2016 openings.

The waterpark industry continues to face challenges in getting larger projects financed as investors and lenders perceive the industry to be more risky than more traditional real estate investments such as apartments. The industry has more risk due to a shorter operating season for outdoor waterparks, which are typically open during the summer season only. High levels of seasonality exist at many indoor waterpark resorts and standalone indoor waterparks that are typically busy on weekends and during school vacations but slow during the week when school is in session. In 2015, two hotel properties closed their indoor waterparks after deciding that the costs associated with the indoor waterpark were not justified by their profits.

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Correction, 8 March 2016: An earlier version of this story mislabeled the company's name in the article summary.