

THE WATER PARK INDUSTRY

A water park is an amusement park featuring water play areas in various pools of flowing or static water with various slides, tubes, splash pads, spray grounds, lazy rivers, or casual bathing, swimming, and bare-footing environments. Water parks more currently are equipped with surfing flow-riders, wave pools, or funnel bowls which increase thrill rides and skill levels.

Today there are more than 1,000 water parks in the United States. The first outdoor water park credit goes to George Millay who built the Wet N Wild in Orlando in 1977. The first indoor water park is credited to the Polynesian Resort Hotel and Suites at the Wisconsin Dells in 1989. The indoor park was so successful that today the Wisconsin Dells has the highest concentration of indoor water parks in the world, eighteen.

From the beginning of this recreation boom, innovation in water rides has continually changed water park landscapes to maintain and increase their popularity. Every conceivable motion is explored including wave pools, 120 foot tower slides, leisure rivers, raft rides, coaster slides, funnel bowls, and numerous enclosed twistlers and slides.

The phenomenon has caught on worldwide with the fastest growing regions occurring in the Far East and Eastern Europe. But the U.S. continues to build water parks, many being smaller facilities for hotels, motels, and municipal parks, but also for major regional theme parks.

Even campgrounds, ski resorts, and cruise ships are cashing in on this popular family entertainment. The attraction is obvious with attendance at the leading parks such as Typhoon Lagoon and Blizzard Beach in Disney World totaling 3,692,000 visits in one season. At an average per visit gross of \$40, the amount of revenue created quickly translates into a profitable investment. And water parks nested into major theme parks and destination resorts offer greater returns as they can typically create the most stable visitation rate over a twelve month period.

The market that makes these water theme parks feasible totals \$119.8 million amusement park visits in the U.S. This is twice as much as Europe and ten times greater than Latin America and twice as much as Asia and the Pacific Rim. The top fifteen water parks in the US captured 11.8 million visitors in 2006, an increase of 2.5% over the previous year. Increased growth also comes from water park enhancements to increase the quality of a guest experience. This includes more attractive settings and multiple conveniences including quality restaurants, relaxation zones, retail zones, ride education for surfers, and group activities including slide races.

For a resort, water parks also extend the length of an operating day as well as the overall length of stay. And with the subject, nestled among the worlds top theme park attractions, with a family oriented water park, the potential for high occupancy may increase by as much as 20%.

This is at least proven true for indoor water park resorts with a 28% higher occupancy and \$69 ADR higher than non-water park rates. And the age range appeal is especially broad with water parks, when spas and hydrotherapy are included with non-physically demanding rides such as lazy rivers.

Another key to the success of the water park is its safety and security appeal. In a tourist world plagued with fears of terrorism, hostage taking, and kidnapping, a safe and secure place to take a family, readily appears as an appealing prospect for a family vacation. And the water park industry has an excellent safety record. Safe clean water in a well protected environment for children and adults of all ages well supervised by lifeguards and attendants are hallmarks of water park advertising and their track records. And park design has become sophisticated in design flexibility with computer controls, corrosion free materials, and efficient recovery and use of recycled water, geothermal heating, solar heating, secondary recycling, and efficient water valve and filter systems.

Water parks are more than a fad in the entertainment and amusement industry. Water parks are lifestyle properties that come under the influence of the single largest and most dominant demographic group in the United States. According the US Census in 2006 there were more than 68 million Americans over age 55. That number will double with aging baby boomers by 2035. With more discretionary income going to family activity at home and away from home, the entertainment of children and grandchildren are a big ticket item. It is a billion dollar industry that will remain for some time in an economically viable setting.

Indeed, in the year 2006 there were 335 million water park visitors creating total revenue of 11.5 billion dollars, with an average revenue per attendee of \$34.33. (Source IAAPA).

Orlando is a year round tourist destination with no one month being more visited than others. However, January, December, and June have the highest rates of visitation at 11-12%. Occupancy in lodging facilities in and around Orlando have ranged from 63 to 75 percent since 1998 with declines only occurring because of poor weather conditions or major negative events, such a "9/11". In the Orlando market there are approximately 112,156 hotel and motel rooms of which 61 percent are located in the Disney World and Universal Studios area. The major tourist attractions include the Magic Kingdom, Epcot, and Animal Kingdom as well as its world famous Blizzard Beach and Typhoon Lagoon. Universal Studios and Sea World, with its newly built Aquatica, offer additional world class attractions.