

SINK OR SWIM?

(Main) Ski Bromont's outdoor waterpark has attracted summer visitors since 1984
 (Inset) Camelbeach at Camelback Mountain Resort welcomed some 400,000 guests last summer
 (Below) Camelbeach now includes 37 rides, slides and attractions

How a multimillion-dollar investment in a waterpark can help winter resorts keep their heads above water

Lauren Ansell

Long gone are the days when a ski resort holiday was all about skiing. As innovations and trends in all areas of the recreation industry have raised the bar and created greater competition, guests have come to expect more for their money, and traditional ski areas have struggled as a result of seasonal revenue generation and Mother Nature's fickle whim.

"They can no longer afford to be open only three months of the year," says Jeff Coy, president of Arizona-based JLC Hospitality Consulting and a waterpark

industry expert. "To maximise revenue and profit – and spread the risk over 12 months – they must be four-seasons destinations."

In 1998, Camelback Ski Area in Pennsylvania became the first in the USA to install an outdoor waterpark. As a ski hill with no lodging, the owners decided to build Camelbeach Mountain Waterpark to attract visitors during the summer. An initial US\$4.2 million funded a lazy river and pool in 1998, and this was followed by a series of investments over the next seven years totalling an additional US\$20 million.

Then, in May 2005, Michigan's Boyne Mountain became the first US ski area to open an indoor waterpark. At 88,000ft², Avalanche Bay is attached to a 220-suite hotel. "While Avalanche Bay was under construction in 2004, several ski areas were installing outdoor waterslides, but there's more to the waterpark experience than just a few slides," Coy continues. "Killington Ski Resort in Vermont added two waterslides and a giant body flume; Attitash at Mt Washington in New Hampshire, meanwhile, added four

waterslides, a raft ride and tube slide, but these were all outdoor facilities. It was the indoor waterpark attached to lodging that really blew the lid off the industry."

A resort waterpark has great four-season revenue potential, but it is a huge investment, particularly in an era of economic instability. "Dozens of ski areas were considering indoor waterparks, outdoor waterparks and adventure facilities before the recession hit," Coy reveals. "But the financial crisis caused development to virtually stop. Now, many ski areas are looking into inexpensive investments such as zip lines to attract year-round revenue. During the 2008/2012 recovery period, there was one ski resort waterpark project that really stood out: Hotel Jay and Pump House indoor waterpark in Vermont."



Photo courtesy of Camelback Mountain Resort

Against the odds

Jay Peak opened its Pump House indoor waterpark in December 2011, followed by an adjoining 176-suite hotel in February 2012. "The Pump House [along with most other upgrades at Jay Peak] was financed through a federal scheme called the EB-5 Foreign Investor programme," explains JJ Toland from the resort. "EB-5 enables

foreign capital to flow into the USA, provided that the money creates jobs here." Jay Peak has raised some US\$300 million from 600 investors in 58 countries through EB-5. "We wouldn't have been able to accomplish what we have without this programme," Toland adds.

As well as state-of-the-art hotel facilities, the resort's US\$300 million investment has equipped the indoor waterpark with a host of superlatives. In addition to owning the USA's longest lazy river, the Pump House features the country's first indoor, looping, free-fall body slide. "La Chute is one of the most popular rides," Toland reveals. "The enclosed waterslide drops you into a 60ft free-fall before shooting you into an upside-down loop and then spitting you out. You travel 300ft in about three seconds."



Asking price

The 50,000ft² waterpark is also the largest retractable enclosure in North America. The curved roof structure is a huge skylight and – when weather permits – retractable glass panels enable portions of the roof to slide open. Further innovations include an advanced mechanical system under the floor that includes defender filters, an ultraviolet system to kill bacteria, a bromine system, and a heat-recovery loop that saves energy.

The weather wasn't kind to ski areas over the 2011/2012 winter season, with many resorts experiencing record lows.

"Christmas break is typically one of the busiest (and most critical) times for any winter resort," says Toland. "But if the snow conditions aren't ideal, guests leave in droves, taking the revenue they represent with them. That did happen during the 2011 Christmas break, but not at Jay Peak. People stayed – because of the Pump House. They would ski or ride in the morning for two or three hours, and then spend the rest of the day in the waterpark. And because they stayed, all of our restaurants remained busy. And even though guests skied on a limited basis, they still skied and we didn't have to refund their lift tickets.

(Above) **The 50,000ft² indoor waterpark at Jay Peak Resort sits slopeside, encased in a transparent cocoon**

"The Pump House has played an integral part in the financial health of the resort," Toland believes. "Last year, in the midst of the worst winter in some 30 years, Jay Peak experienced its best year ever in terms of revenue. And year-round visitorship has grown by around 70% since we added the Pump House. It's getting to the point where we have almost as many visitors in the summer as we do in the winter."

Back to the future

Prior to the installation of its outdoor waterpark, Camelback Ski Area (now Camelback Mountain Resort) recorded about 340,000 winter visitors and 50,000 summer visitors every year. But, in 1998, the year that Camelbeach opened, summer visitors rose to some 100,000. And, as a result of further investments, guest numbers have continued to grow. In 2012, Camelbeach welcomed about 400,000 people over the summer period.

Following on from this success, the owners of Camelback Mountain Resort are

preparing to build an indoor waterpark complex and hotel.

"It's the ideal location," explains co-owner Ken Ellis, who acquired Camelback Ski Area in partnership with his college roommate Arthur B. Berry III in 2006. "We actually bought the ski area because we wanted to build a hotel and waterpark complex here," he adds.

"Design and entitlement for the project began in 2006 and approval was granted in 2009, but we had to put it on hold for a while because of the economic climate at that time," Ellis says. The partners were able to reignite the project earlier this year.

The development – which will be open all year round – will incorporate a 450-suite hotel with 125,000ft² indoor waterpark, as well as a 30,000ft² family entertainment centre and 25,000ft² of conference space. "The hotel is also designed to be in a 'ski-in, ski-out' venue and will be attached to one of the resort's high-speed quads," Ellis reveals.

The waterpark will boast wavepools, adventure rivers, a Flowrider surf simulator and 15 waterslides, all underneath a transparent Teflon roof. "It's been designed so that guests won't feel like they're indoors," adds Ellis.

In 2005, Massanutten Resort in Virginia opened a 44,500ft² indoor waterpark and later an 88,000ft² outdoor waterpark for an estimated US\$23 million and US\$3 million respectively. In May 2008, the 45,000ft² Silver Rapids indoor waterpark and 268-room hotel opened at Silver Mountain Resort in Idaho, estimated to have cost US\$34-35 million in total (US\$13-15 million for the waterpark). And in

October 2009, Greek Peak Resort in New York opened a 106-suite lodge and 21,000ft² indoor waterpark for approximately US\$33 million.

"It all depends on sizing and cost per ft²," says Jeff Coy. "An indoor waterpark can cost anywhere between US\$300-400 per ft², depending on the number of rides, quality, theming, retractable roof, etc. That means

US\$18-24 million for the entire facility. Also, an indoor waterpark should be attached to a hotel, and an upscale hotel may cost around US\$133,000 per room to construct – that's nearly US\$40 million for a 600-suite hotel.

"Meanwhile, outdoor waterparks cost about US\$1 - 1.5 million per acre," Coy reveals. "So a five-acre outdoor waterpark would cost approximately US\$5 - 7 million."

The US\$150 million investment is scheduled to break ground in March 2013, with opening planned for November 2014. "The new complex will have a positive effect on our midweek ski business," believes the co-owner. "It will also bring more people to the resort in the shoulder seasons. In March and April, for example, spring break makes for very busy waterparks, but in the ski business, that time of year is typically very slow.

"In addition, while only 12% of the USA skis, at least 80% use waterparks, so it has a much broader base," suggests Ellis. "We're also in a strong position here, a 1.5-hour drive from New York City and 1 hour 40 minutes from Philadelphia; we have a robust market at our fingertips."

Camelback is located in the Pocono Mountains, an area well known for recreation. "As we are a relatively small mountain close to populated areas, we get a lot of people coming here to learn to ski and snowboard," Ellis explains. "But not everyone in the family might want to do that, so the more we can offer that guest, the better their experience will be. Our goal is to be an interactive, four-season resort for everybody."

Camelback currently welcomes some 900,000 visitors a year. And with an adventure park, zip lines and adventure trails, as well as the ski area and outdoor waterpark already in place, the hotel and indoor waterpark will complete a truly four-season resort.

European perspective

Across the pond, a €13 million (US\$16.7 million) investment has brought a tropical aquatic paradise to the snow-capped mountains of the French Alps. The 3,000m² Aquariaz indoor waterpark has recently been built as part of an extensive €200 million (US\$261 million) expansion taking place at the Avoriaz ski resort.

"Primarily we wanted to provide an attractive alternative to skiing," says Stéphane Lerendu, director of Avoriaz – an eco-friendly resort that sits at the heart of Portes du Soleil. "Particularly between December and April, when the days are very short, family-friendly après-ski activities are essential. We also wanted the attraction to be indoors so it would appeal

Wet and wild

Indoor waterpark at Massanutten Resort, Virginia

The 44,500ft² indoor waterpark at Massanutten Resort opened in 2005 at an estimated cost of US\$23 million. Housed within a pyramid-shaped structure, the

attraction features a Triple Jet Flowrider, children's pools, an adventure river, hot springs and eight slides. The 29°C indoor waterpark is open all year round.

Silver Rapids at Silver Mountain, Idaho

Attached to the Morning Star Lodge, the Silver Rapids waterpark at Silver Mountain Resort features a 315ft lazy river, twin tube slides and a US\$1 million surfing

simulator. Above the action, a Texlon transparent roof covers one-third of the facility, creating a sunlight-filled 'outside-in' environment.

Avalanche Bay at Boyne Mountain, Michigan

Themed as a European snowy village, Boyne Mountain's indoor waterpark operates all year round in a controlled 29°C environment. Featuring a surf

simulator, a lazy river, a children's pool, hot springs and a variety of slides, Boyne's investment for the 88,000ft² feature was approximately US\$22 million.

Cascades at Greek Peak Mountain Resort, New York

Cascades waterpark opened in 2009. Attached to the Hope Lake Lodge, the combined price tag was about US\$33 million. The 21,000ft² indoor waterpark operates in all

four seasons and is continuously heated to 29°C. Features include a wave pool, a waterfall, a three-story tube waterslide, two pools and indoor-outdoor hot tubs.

Outdoor waterpark at Ski Bromont, Quebec

Ski Bromont outdoor waterpark opened in 1984 and has 25 attractions. These include a 24,000ft² heated wave pool, rafting rivers and several slides,

including five new slides, which opened last summer at a cost of C\$2.5 million. Open from June to August, the waterpark attracts 60,000 visitors every summer.

to guests during spells of bad weather, both in the winter and the summer."

At an altitude of 1,800m, Aquariaz is one of the highest waterparks in the world. To create a stark contrast with its dry, mountainous surroundings, the attraction has been designed around an indoor jungle of lush vegetation. "We imported 1,500 trees and plants from Cambodia," Lerendu reveals. "But before we could do this, the plants had to undergo an extensive acclimatisation process to ensure they would survive the aggressive change in conditions and adapt to their new environment." As the days are shorter in the Alps and there is less daylight, "it is difficult to imagine that lush vegetation could live up here", Lerendu says. "But it does! And from a climate-controlled 29°C, Aquariaz offers panoramic views of the Alps through floor-to-ceiling windows."

Although transportation and care of the tropical plants was challenging, Lerendu

reveals that the safe and sustainable nature of the resort created further obstacles.

"Construction had to be put on hold during the winter because Avoriaz is an entirely pedestrianised resort that doesn't permit vehicles on site," he explains. Despite this, Aquariaz was completed within two years and opened in July 2012.

Based on the Center Parcs leisure dome, Avoriaz's new water world has been designed to appeal to guests of all ages. It features a lazy river, children's attractions, two pools, climbing walls, an open-air heated spa, and – for the more adventurous – the Slidewinder halfpipe. "That's our most popular attraction," Lerendu says. "Starting 10m high, thrill-seeking guests ride single or *à deux* in rubber tubes. It really is spectacular."

Aquariaz will be open for five months over the winter and two months in the summer. "With this schedule, we expect to achieve a return on investment in our third



Photograph courtesy of ashbrown.com

year of operation," says Lerendu. And prospects look good. With some 80,000 people visiting Aquariaz this summer, the number of resort guests increased by 25%. "We hope that it will continue to attract holidaymakers at the end of the winter season," the Frenchman adds. "This is the time of year when people start to make a choice between water and snow; now we'll be able to provide both!"

Going forward

"To survive and prosper, ski resorts need to reinvent themselves as different products in different seasons," believes Jeff Coy. "The most successful resorts are those that adopt a strategy to capture year-round revenues."

However, there are a number of factors that must be considered before any investment is made. Demographics, demand, competition and funding all determine the viability of an investment plan, especially one as huge as a waterpark. But if the conditions are right, an indoor waterpark attached to lodging can be a lifeline for struggling resorts. "Indoor waterparks have a dramatically positive effect on hotel occupancy, room rates and resort revenues," Coy concludes. "And a resort that suffers from seasonality or weather issues is an ideal candidate." <<

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