

Business North Exclusives

Duluth hotelier studying feasibility of major indoor water park

ZMC Inc. looking at 30,000-s.f. add-on to Best Western Edgewater

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Indoor water parks are a quickly growing phenomenon in the hotel and tourism industry, especially in the Upper Midwest where the vast majority of them are located. Now you can add Duluth to the list of cities where planning is underway to construct a large-scale water park.

John Goldfine, president of hotelier ZMC Inc., said his firm is performing a feasibility study on a plan to add a 30,000-square-foot indoor water park onto the south section of the Best Western Edgewater hotel, one of four hospitality properties ZMC owns and operates in the Twin Ports.

The size of the project would place it in the ranks of the top 20 largest water parks in the United States.

The Edgewater, a 282-room hotel at 2400 E. London Road in Duluth, would be a good choice for a such a park, Goldfine said.

"It's an obvious place for one," he said. "We have an existing 7,000-square-foot 'box' in the south building now and the water park could be connected up to that."

The "box" Goldfine referred to is a four-story open atrium with a pool and cabana rooms. ZMC, which also owns the Best Western Downtown and the Inn On Lake Superior in Duluth as well as the Bridgeview Motor Inn in Superior, is still in the early stages of its plans. So far, Goldfine said, the company sees both potential and peril in the water park concept.

"We're still working on the numbers and financial projections," he said, "but we're moving ahead. There is some failure rate with these facilities. For instance, the new Great Wolf water park in Kansas City isn't doing anywhere near its projections. So there is some trepidation. But I would like to think the water park market isn't saturated yet."

The indoor water park concept garnered local attention when Duluth Mayor Herb Bergson said one of his development goals was to get such a facility built in the city. That came during his inaugural State of the City address on Jan. 5.

Goldfine said he has not discussed his water park plans with anyone at City Hall, adding he believes it could be built within existing zoning laws and without having to obtain any variances.

Bergson could not be reached immediately for comment. City Hall Communications Director Jeff Pappas said the new mayor hadn't yet discussed any details of his water park ideas with staffers.

The Edgewater isn't ZMC's only water park project. The company is performing a \$3.5 million expansion at its AmericInn Ashland that includes a conference center and a small-scale water park.

The Duluth plans also come at a time of a quickly expanding boom in the water park industry, highlighted by the emergence of competing water park proposals for the area around the Mall of America in suburban Minneapolis. Meanwhile, the Grand Rios Waterpark and Resort is under construction in another Minneapolis suburb. It boasts a 45,000-square-foot water park attached to a 225-room hotel.

Yet another water park has been proposed for Hudson, Wis., just across the state line from suburban St. Paul. A children's water park is also in the plans for a new 82-room Country Inn & Suites being built in Hermantown by a group of area investors.

In fact, the total square footage of indoor water parks in the United States jumped 73 percent in 2003 from 751,000 s.f. the previous year to nearly 1.3 million s.f., according to figures cited by Jeff Coy, a Rochester, Minn.-based hotel industry consultant who tracks the water park trend.

"It's a growing phenomenon that is coming out of the Upper Midwest and is expanding nationally," Coy said. "It solves certain problems that hotels have like low weekend occupancy. The indoor water park focuses very well on the leisure guests -- specifically, families with children up to 14 years old."

Coy said water parks "provide a tremendous boost for weekend occupancy all year long, all through every month and even into the dead of winter. It's the kind of attraction that people will drive 200 miles to go to," which capitalizes on another travel trend that has seen vacationers less willing to fly to expensive far-off locales.

In a recent report Coy said that 14 new water parks were built in 2003, bringing the total number in the United States to 62. Some 28 were in Wisconsin, with many in and around the Wisconsin Dells, where the water park resort concept was born. Fourteen were listed in Minnesota. Nationally, nine more were under construction and a whopping 46 more were in the planning stages by the end of 2003.

The 30,000-square-foot size of ZMC's proposal would put it in the major leagues in that respect, but it wouldn't come close to some of the industry's behemoths in the Dells. There, the Wilderness Hotel and Golf Resort leads the way with 161,000 square feet of water park while the Kalahari Resort boasts 125,000 square feet. But the ZMC project would be among the top 20 largest facilities in the country.