

## Nevada Tourism and Travel

# Will a hotel get in the swim of things?

By Richard N. Velotta / Staff Writer / Las Vegas Sun / October 27, 2004.

The Wet 'N Wild water park shut down after 20 years on Sept. 26. An industry report suggests a Nevada hotel is slated for a waterpark.

Could a waterpark like Wet 'N Wild, attached to a hotel, make a splash in Las Vegas?

A couple of experts who track the hotel waterpark resort industry aren't saying, but their research gives a strong indication that something's on the horizon.

**Jeff Coy, head of JLC Hospitality Consulting, Rochester, Minn.**, and **Bill Haralson** of William L. Haralson & Associates, Richardson, Texas, recently completed a report for 2004, giving a state-of-the-industry address on the relatively new phenomenon of waterparks that coexist with hotels.

The **Coy-Haralson** report said 14 new hotel waterparks opened in the first eight months of 2004 and 32 parks are under construction. But the report also said that 80 more projects are on the drawing board -- "in the pipeline," in waterpark-speak.

And one of those planned projects is slated for Nevada.

"The negotiations are going on right now," Coy said of the Nevada project, adding that he was sworn to secrecy on it.

Coy said he expected developers would come forward within a few weeks to announce their plans, but he couldn't say anything more about the deal, or whether it's even planned for Southern Nevada.

Considering that Las Vegas is booming and that the city apparently is losing its premier waterpark, Wet 'N Wild, it makes sense that a hotel waterpark development would be on the horizon.

Wet 'N Wild, a popular Strip attraction for 20 years, closed its floodgates last month after Archon Corp., the landlord that leased acreage to park owner Palace Entertainment, announced that plans are moving forward on new casino resort on the property just south of the Sahara.

For thousands of visitors who packed on the sunscreen and delighted in the flumes, chutes, pools and slides on the Strip, Sept. 26, was a dark day.

When it closed, Wet 'N Wild promised on signs around the park that it would return in 2006. So will a new waterpark, attached to a hotel, be Las Vegas' new summertime oasis?

It's not impossible that Reno could be the home of the new hotel waterpark. After all, the top three hotel waterpark states in the nation are Wisconsin, Minnesota and Michigan -- all cold-weather destinations that put their parks indoors to stretch the summer season or make them year-round destinations.

"Families in the United States continued to vacation close to home and escape for weekends to nearby regional resorts -- some which included indoor waterparks," Coy said in his industry report.

"Consumers and leisure travelers have kept the hotel and travel industries alive for the last three years by continuing to make time for family recreation at regional resorts and taking short vacations, although closer to home," he said. "Business travelers are just starting to come back to hotels in noticeable numbers."

Smith Travel Research says hotel investment is most lucrative in Hawaii, New York, Rhode Island, Nevada and Alaska because of the revenue per available room generated in those states.

Ah, RevPAR. It's a key measure by which casino companies gauge their success.

Coy and Haralson point out that waterparks have increased the popularity of hotels in the same way that casinos have.

"In 1990, before indoor waterparks, Wisconsin Dells ran a 40 percent annually hotel occupancy and had a 100-day peak season," the report said. "Today, it has 18 hotels with indoor waterparks and has 365-day peak season. The largest waterpark resorts are running occupancies in the high 70s and low 80s -- 15 to 20 points above the national hotel average." Of course, Southern Nevada looks at occupancy rates in the 70s and 80s as weak. Las Vegas resorts routinely have rates in the 90s, counting on convention traffic to fill rooms in midweek periods and tourists looking for a getaway on weekends.

So how would a waterpark hotel do in Las Vegas?

Theme parks have had mixed success in the city. While Circus Circus' Adventuredome has been a success and the thrill rides atop the Stratosphere Tower are powerful draws, the MGM Grand theme park was a disaster.

The success of a hotel waterpark resort would depend on a number of factors: Would it be indoor or outdoor or both? Could local residents buy admission to the park or would it be for hotel guests only? Where would it be built?

One thing is certain, Coy said. There will be demand.

"I think there's going to be a void without Wet 'N Wild," he said. "People loved it."

Maybe Las Vegas will become the next Wisconsin Dells.

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