

Appropriations and Revenue Committee
February 22, 2023

TEAM 
KENTUCKY®
KENTUCKY STATE PARKS

TOURISM, ARTS AND HERITAGE CABINET SECRETARY
LINDY CASEBIER

THE DEPARTMENT OF PARKS COMMISSIONER
RUSS MEYER

DEPARTMENT OF PARKS DEPUTY COMMISSIONER
RON VANOVER

“Mere words can never adequately describe the many points of natural beauty in Kentucky...The striking contrasts in nature cannot be forced within the covers of a book. The vastness of the great outdoors; the infinite detail of each physical component; the myriad forms of life...and a thousand other wonderful experiences await the lover of nature in the wilderness...Here are the natural parks awaiting State custodianship. Their acquisition and preservation by the Commonwealth constitute a service in which we may all unite with pride and enthusiasm.”

-Willard Rouse Jilison, May 1924

(1st State Park Director)

2024 = Kentucky State Park's 100th Anniversary



OUR MISSION

Provide a sustainable system of parks that delivers quality programs, amenities, and services, which create memorable experiences and a sense of place, contributes to the economic growth of the commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.



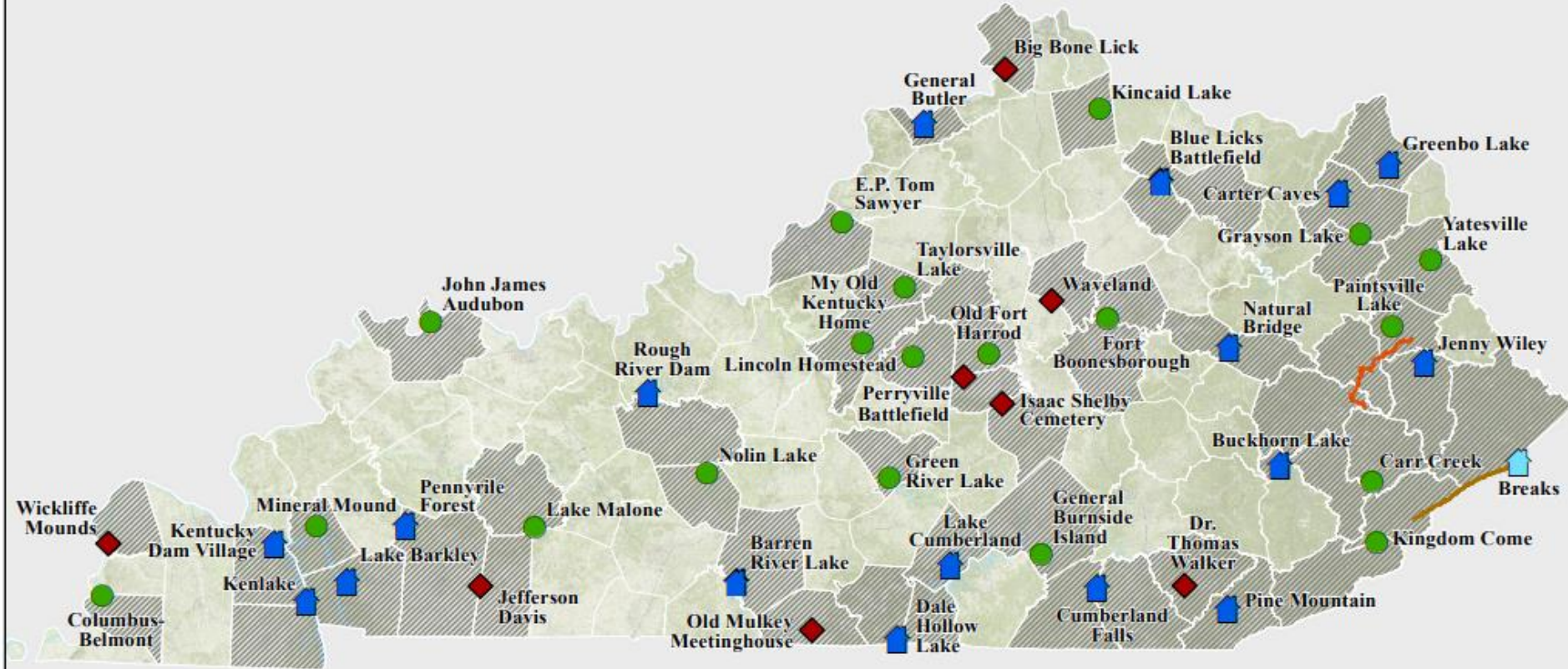
VISION FOR KENTUCKY'S PARK SYSTEM

- Promote Kentucky as an inclusive travel experience that welcomes visitors of diverse backgrounds and interests.
- Focus advertising efforts on encouraging travelers to take advantage of Kentucky's outdoor assets.
- Build public and private partnerships to ensure that Kentucky State Parks bring both recreational and economic value to the communities that rely on our parks as the primary tourist attraction.
- Pursue funding opportunities that will allow Kentucky State Parks to continue to address the continuous maintenance needs at each of state park.
- Protect and conserve Kentucky's natural resources and to be responsible stewards of the "Nation's Finest" state park system while promoting these opportunities to tourists, sportsmen and sportswomen.

PARKS OPERATIONS



Kentucky State Park System



-  Resort (17)
-  Recreation (19)
-  Historic (8)
-  Interstate (1)
-  Pine Mountain State Scenic Trail
-  Dawkins Line Rail Trail
-  County With Park Location





PLAN FOR \$150 MILLION INVESTMENT

- **\$40 Million:** Campground upgrades
- **\$6 Million:** Broadband (high-speed internet) and Wi-Fi upgrades
- **\$22 Million:** Accommodations upgrades
- **\$22 Million:** Recreational Amenities (pools, playgrounds and golf)
- **\$40 Million:** Building systems improvements
- **\$20 Million:** Utility improvements (electric, wastewater and pumps)

* Improvements to Customer Experiences = \$90,000,000
Physical Plant Needed Improvements = \$60,000,000

CAMPING TRENDS

- Camping increased 12% or 11.5 million households between 2019 and 2021 from 82.3 million to 93.8 million.
- 7 out of 10 households now say they participate in camping or glamping as a leisure activity.
- Today's camper is 22% African American, 54% Millennials, and 25% with an annual income of \$100,000+.
- 50% of new campers want to glamp in camper cabins or yurts.
- 57% of campers want to try RV camping.
- Campers are becoming more adventurous but still prefer Wi-Fi accessibility.



CAMPING UPGRADES

\$40 MILLION ALLOTMENT

- Upgrade approximately 750 campsites or 37% of the improved inventory
 - Renovate bathhouses
- Add 100 primitive camper cabins in various campgrounds
- Infrastructure upgrades
 - Upgrade 50 amp electric
 - Add sewer connections
 - Add frost-proof hydrants in various campgrounds
 - Site grading and leveling
- Projection will vary on completion dates.

RETURN ON INVESTMENT (ROI) AFTER IMPROVEMENTS

- Increase per Night After Improvements = \$6 per night or 18% (Sewer sites will average \$50 per night.)
- Increase in Rate = 5% every two years
- Campground revenue is expected to exceed \$9 million annually.
- Additional amenities such as camper cabins and yurts will increase parks' ROI that will exceed \$60 per night, increasing our average rate per night.



BROADBAND (HIGH-SPEED INTERNET) AND WI-FI UPGRADES

INFRASTRUCTURE AND MAINTENANCE - \$6 MILLION

- Lodge connectivity and guest Wi-Fi: \$4.2 million from 2019 Refreshing the Finest.
- Campgrounds connectivity and guest Wi-Fi: \$6 million from 2023 \$150 million in parks funding.
- Recreation historic parks, outdoor spaces and cabin connectivity.

INFRASTRUCTURE AND MAINTENANCE IMPROVEMENTS

- High-speed internet at every lodge.
- High-speed internet at every campground.
- Wi-Fi connectivity in all lodge rooms, common areas (front desk, gift shops, dining areas) and conference areas.
- Wi-Fi connectivity at our campsites.



\$3.2 MILLION

Construction cost to bring service to park/campgrounds



\$2.8 MILLION

Labor, material cost to build wireless infrastructure

ACCOMMODATIONS AT A GLANCE

- Number of Lodge Rooms = 890
- Number of Cottages = 316

- FY22 Annual Budget = \$19.3 MILLION

- AVG Daily Rate = \$106.39

- FY 2022 Lodge Room Occupancy = 42.8%.
- FY 2022 Cottage Occupancy = 47.6%.

- Est. Cost to Upgrade:
- Lodge room = \$44,000
- Cottage = \$67,600



ACCOMMODATION UPGRADES

\$22 MILLION ALLOTMENT

- New doors and door lock mechanism systems for lodge & cottages
- Target (340) lodge rooms and (104) cottages to update furniture, floors, soft goods (beddings, linens, curtains), and renovate bathrooms
- Add refrigerators & microwaves
- Replace televisions



RETURN ON INVESTMENT (ROI) AFTER IMPROVEMENTS

- 20% increase in Rate = \$127.66
- 12% increase in Occupancy = 43.0%
- Result – \$2.3 million in the first year and maintain going forward
- 9.5 years for full ROI

*Not figured in is “other” revenue (food, golf, marina, recreation, etc.)

- Average amount spent in the dining room per room sold is \$40.16.
 - Increase in occupancy would result in 35,216 more room nights sold.
 - That would increase dining room revenue by \$1,414,242.

RECREATIONAL AMENITIES

\$22 MILLION ALLOTMENT

- **POOLS = \$11 MILLION**
 - Replace or convert (5) pools to a splash pad
 - Major renovations or minor updates to (10) pools
- **PLAYGROUNDS/RECREATIONAL COURTS = \$3 MILLION**
 - Resurface recreational courts & add pickleball courts
 - Upgrade outdated playgrounds
- **GOLF = \$8 MILLION**
 - Upgrade drainage for bunker system (Better Billy Bunker)
 - Repair/replace existing water infrastructure/irrigation system

FY22 ANNUAL GOLF REVENUE = \$6 MILLION
FY22 ANNUAL PAID GOLF ROUNDS = 156,600

RETURN ON INVESTMENT (ROI) AFTER GOLF (BETTER BILLY BUNKER) IMPROVEMENTS

- Invest = \$2.6 million
- ROI
 - Additional Round Revenue by increasing rate = \$375,000
 - Additional Stay & Play Packages by renovating bunkers = \$113,000
 - Total estimated increased revenue = \$488,000
- Return On Investment – Years = 5.3 years



BUILDING SYSTEMS IMPROVEMENTS

\$40 MILLION ALLOTMENT

- Address findings from Structural Integrity Reports (21 facilities)
- Foundation repair
- Improve/replace siding on aging and historical structures
- Further update fire suppression systems
- Address elevators equipment
- Make ADA improvements around exteriors
- Replace doors and windows on various buildings
- Improve marina electrical issues
- Mechanical, electrical, and plumbing (MEP) needs
- Dam repairs



\$17.4 MILLION
Structural Estimates



\$22 MILLION
Mechanical, Electric and
Plumbing (MEP), Fire
Suppression, ADA Estimates





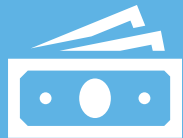
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Wastewater Treatment Plants to be addressed



190

Estimated lift stations to be addressed



\$7.6 Million

Estimate to complete existing wastewater projects

UTILITY IMPROVEMENTS

\$20 MILLION ALLOTMENT

- Clear Right-of-Ways in all Parks that have existing right-of way issues.
- Utilize relationships with local RECC's to upgrade power lines into parks.
- Replace or rebuild pumps in lift stations.
- Provide funding to continue upgrades to wastewater treatment plants designed from \$50 million pool.

GUEST EXPERIENCES AND CUSTOMER SERVICE - MEDALLIA

- Partnership with Medallia to enhance customer engagement.
- Medallia partners with Hilton, Marriott, Apple, Walt Disney, IBM, VISA, Toyota, amongst others.
- Kentucky State Parks will be the first state park in the nation that has partnered with this customer service initiative through Medallia

RETURN ON INVESTMENT (ROI)

Return on Investment will grow over 400% in the first year producing an additional \$1.3 million dollars in revenue.





Questions?