

PROPOSAL

To:

The Interim Joint Committee
on
Appropriations and Revenue

December 1, 2022

Submitted by:

Russell Meyer, Commissioner
Kentucky Department of Parks

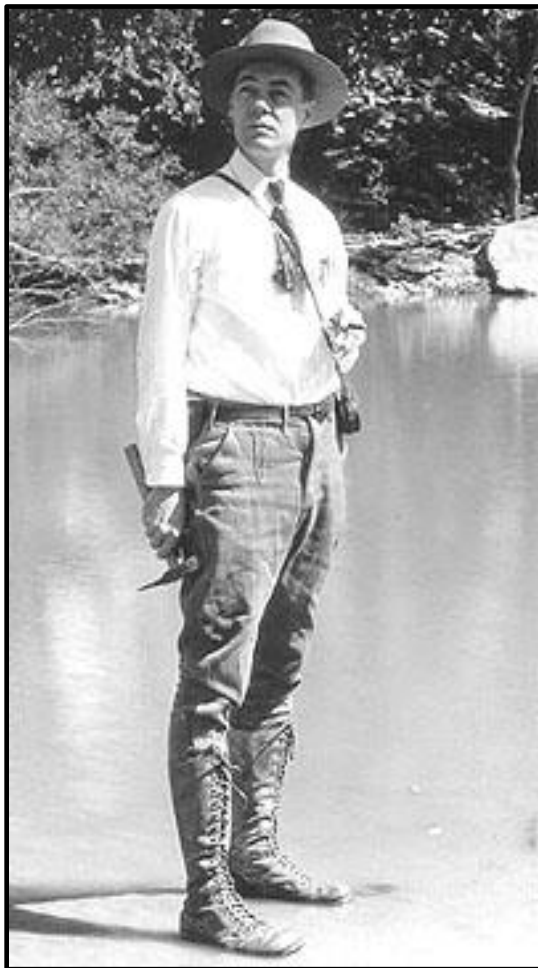
PROPOSAL

On behalf of the Tourism, Arts and Heritage Cabinet (TAH) and the Kentucky Department of Parks, thank you for the opportunity to respectfully present this proposal as outlined in 22 RS HB1, page 138, document ID: 7763 of the Bill.

HISTORY OF KENTUCKY STATE PARKS

In cooperation and direction of the General Legislature, the Kentucky Department of Parks was formed under the leadership and guidance of the late Dr. Willard Rouse Jillson. Known as the first director of the Kentucky State Parks system, Jillson was tasked to identify properties across this Commonwealth that were worthy of state custodianship. He traveled the entire Commonwealth in search of special places, whether that be geological, cultural, and historical in nature.

On July 1, 1924, at the old Kentucky State Capitol, Dr. Jillson delivered these remarks:



“Mere words can never adequately describe the many points of natural beauty in Kentucky. The best of photographs, while better than prose, falls far short of doing justice to the inimitable sculpturing of wind and wave and frost. Nothing – even the inspired hand of genius spotting in the rainbow colors of the landscape – approaches the realistic. 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; exquisiteness and adaption of each organism; the soul uplifting silence of the primeval forest; the fleeting liquid note of a songster – these and a thousand other wonderful experiences await the love of nature in the wilderness. To know these things, to appreciate their sublime importance in life, one must leave brick and mortar and steel behind, and seek the quiet refreshment of the undespoiled “back country.” 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 – assured in advance of an appreciative posterity.”

The original four Kentucky State Parks are: Pine Mountain State Resort Park in Pineville; Natural Bridge State Resort Park in Slade; Old Fort Harrod State Park in Harrodsburg; and the Blue and Gray State Park in Elkton (closed in 1936).

In 2024, Kentucky will celebrate the 100th Anniversary of the Kentucky State Parks system.

The Mission of Kentucky State Parks is to 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.*

The Vision of Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic, cultural, and financial resources, and with a professional staff committed to excellent service for our guests.

Kentucky State Parks Core Values:

- **Hospitality** - We are committed to guest satisfaction by providing customer service that exceeds expectations through courteous, friendly, dedicated employees who always put the guests first.
- **Professionalism** - We are committed to being the industry leader through well-trained, flexible, innovative employees who are prepared to meet the demands of tomorrow.
- **Stewardship** - We are committed to responsible management of our natural and cultural resources.

KENTUCKY STATE PARKS TODAY

The Kentucky State Parks system is comprised of 44 State Parks: 17 Resort Parks; 19 Recreational Parks; 8 Historic Sites; 1 Rail Trail; 1 State Scenic Trail; and Breaks Interstate Park, which is shared with the Commonwealth of Virginia through a Kentucky Regulatory Statute and an Interstate Compact. It is often said that every Kentucky citizen lives within a 60-minute drive of a Kentucky State Park.

There are 30 campgrounds with 2,585 campsites; 17 resort parks with 890 lodge rooms and 316 cottages; 13 golf courses; 34 pools and beaches; 15 marinas; 109 playgrounds; 98 recreation courts; and over 300 miles of multi-use trails, including bicycling, hiking, and equestrian usage, etc. The Kentucky State Parks system consists of over 49,000 acres of managed property through fee simple and/or lease agreements.

State Resort Parks

- These are designed to accommodate extended getaways. They offer modern lodges and cottages with all the amenities, as well as opportunities for a wide variety of outdoor recreation activities including swimming, hiking, fishing, boating, water sports, and golf.

Dale Hollow Lake State Resort Park



17 Resort Parks

- Barren River
- Blue Licks Battlefield
- Buckhorn Lake
- Carter Caves
- Cumberland Falls
- Dale Hollow Lake
- General Butler
- Greenbo Lake
- Jenny Wiley
- Kenlake
- Kentucky Dam Village
- Lake Barkley
- Lake Cumberland
- Natural Bridge
- Pennyrile Forest
- Pine Mountain
- Rough River Dam

Historic Sites

- These parks preserve or commemorate an historically significant place, event, or person that played a vital role in state history. They are primarily day use sites only with limited support facilities.

8 State Historic Sites

- **Big Bone Lick State Historic Site** (*Boone County*)
- **Dr. Thomas Walker** (*Knox County*)
- **Isaac Shelby** (*Lincoln County*)
- **Jefferson Davis** (*Todd County*)
- **Old Mulkey** (*Monroe County*)
- **Perryville Battlefield** (*Boyle County*)
- **Waveland** (*Fayette County*)
- **Wickliffe Mounds** (*Ballard County*)



Recreational Parks

- Recreational parks provide recreational facilities without the lodge accommodations. Most have full service campgrounds, picnic areas, water recreation, playgrounds, and other facilities.

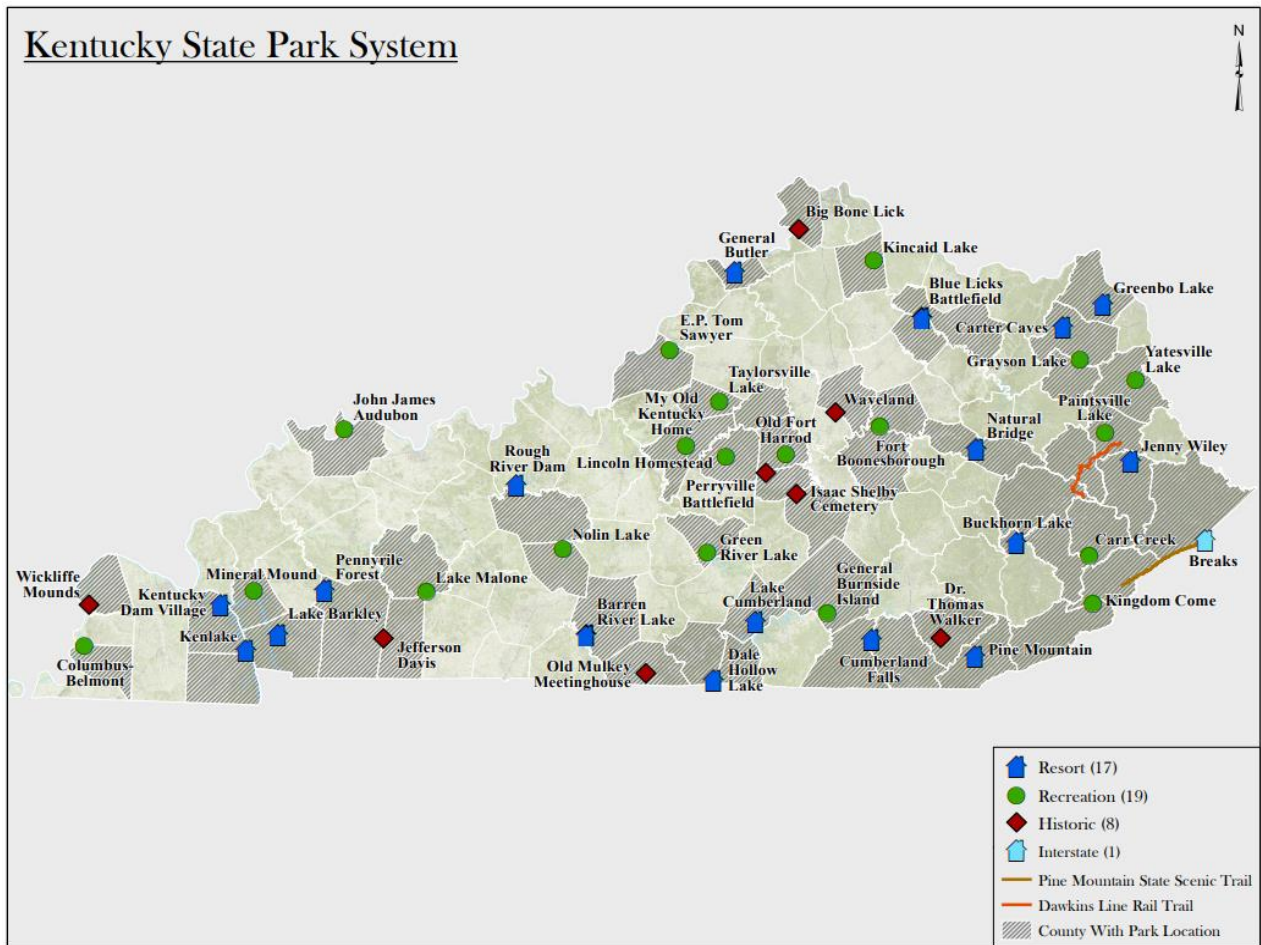
Paintsville Lake State Park



19 Recreational Parks

- Carr Creek
- Columbus – Belmont
- E.P. Tom Sawyer
- Ft. Boonesborough
- General Burnside
- Grayson Lake
- Green River Lake
- John James Audubon
- Kincaid Lake
- Kingdom Come
- Lake Malone
- Lincoln Homestead
- Mineral Mound
- My Old Kentucky Home
- Nolin Lake
- Old Fort Harrod
- Paintsville Lake
- Taylorsville Lake
- Yatesville Lake

Kentucky State Park System



Kentucky State Parks have been economic drivers for eons. They complement approximately 55 counties and multiple cities throughout the Commonwealth providing many jobs and offering opportunities for many guests. With over 600 full-time employees, Kentucky State Parks are often referred to as “The Nation’s Finest” based upon several aspects over the years. Rankings within the top 10 according to the National Association of State Park Directors (NASPD) are:

- #1 in number of lodge rooms with 890
- #1 in the number of nights rented
- #7 in number of cottages/cabins with 316
- #2 in number of restaurants with 17
- #1 in restaurant revenue
- #2 in number of golf courses at 13
- #2 in number of swimming pools at 27
- #4 in number of marinas at 16
- #5 in overall revenue net of entrance fees. Note: Data supports that other state’s parks have higher revenue figures because of admission fees. However, Kentucky is one of only seven states that does not charge an entrance fee.

Other noteworthy items comparing Kentucky to other states:

- National average is 33% self-funding from receipts within the operating budget; Kentucky State Parks self-funds 44%
- National average shows 58% funded from general funds or a dedicated funding source; Kentucky General Fund equals 56% provided to Kentucky State Parks
- 42 of the 50 states had capital investments in their parks for a total of \$1.3 billion.
- Tennessee spent \$417 million in 2020 – Two new lodges and upgrades are most likely the main contributor to this.

While Kentucky State Parks may be in the Top 10 in several categories, this does not correlate positively as much work is needed for upgrades. Therefore, in contrast the numbers above show the largeness of the Kentucky State Park System. The bipartisan investment in Kentucky State Parks is not only critical but timely for ensuring our parks can remain competitive in the tourism and hospitality industries.

Your commitment to Kentucky State Parks will allow us to continue modernization efforts by funding essential projects, maintenance, repair, and new projects that will continue to position our state parks to attract new visitors. And, as the Mission Statement states, “create memorable experiences” for our guests.

HOUSE BILL 1

Section (6) 22 RS HB1 State Parks Improvement reads, “The General Assembly recognizes the need to secure the future of Kentucky State Parks for generations to come. To address this need, the project authorization set out in Part II, Capital Projects Budget, of this Act is contingent on the Department of Parks’ submission and approval by the General Assembly of a comprehensive statewide proposal. The proposal shall include the following:”

- Recommendations for private and/or local government partnerships;
- Detailed financial information regarding return on investment resulting from partnerships;
- A 50 percent match of the state contribution from private and/or local government partners, and;
- Detailed plans for broadband deployment/connectivity.
- The proposal may also include a plan of action regarding disposal of property to local governments. The Department shall develop the proposal and present it to the Interim Joint Committee on Appropriations and Revenue by December 1, 2022.

REQUEST FOR PROPOSALS OVER THE YEARS

For the past 30 years, there have been many Requests for Proposals (RFP) that have been advertised by the Kentucky Department of Parks with assistance from the Department of Finance Real Properties. Most were unsuccessful.

A list of 35 RFP's developed for 20 Parks with the opening bid dates are below:

- | | |
|--|------------------------------------|
| ➤ Carter Caves 9-Hole Golf Course | 02/01/17 |
| ➤ Cumberland Falls, Golf Course Development | 12/21/06 |
| ➤ Dale Hollow Lake Marina | 09/22/06 (successful) |
| ➤ E.P. "Tom" Amateur Sports Complex | 10/25/19 |
| ➤ General Burnside Lodge | 02/09/90 |
| | 10/22/91 |
| | 11/12/98 |
| | 03/02/07 |
| | 07/30/08 |
| | 02/03/15 |
| | 09/15/15 |
| ➤ Green River Lodge (an MOU with the Taylor County Recreational Authority) | 12/17/10 |
| ➤ Green River Marina | 11/22/19 (RFP cancelled) |
| ➤ Herrington Lake Lodge | 12/03/07 |
| | 03/28/08 |
| ➤ Jenny Wiley Boat Dock Expansion | 2015 |
| ➤ Kenlake State Resort Park Marina | 06/11/15 (successful) |
| ➤ Kentucky Dam (KDV) Gobblers Knob (hotel/lodge, cottages, campground and 18-hole golf course) | 02/17/89 |
| ➤ Kincaid Lake Lodge | 07/13/07 |
| | 10/31/08 |
| ➤ Kincaid Lake 9-Hole Golf Course (entered into an MOU with Pendleton County) | 02/01/17 (successful via sublease) |
| ➤ Lake Barkley Campground | 08/31/18 |
| ➤ Lake Barkley Marina | 12/01/04 (successful) |
| ➤ Lincoln Homestead Golf Course P3 (posted based on unsolicited proposal) | 01/2017 |
| ➤ Mineral Mound Lodge (Commonwealth of Kentucky later entered into an MOU w/Cities of Kuttawa and Eddyville and Lyon Co. to issue an RFP for a lodge) | 2003 |

- My Old KY Home Golf Course/hotel P3 01/2017
(posted based on unsolicited proposal)
- Old Ft. Harrod Conference Center/Room 2018
- Paintsville Marina 11/06/15
04/09/21
11/21/22
- Pine Mountain Hotel 09/15/16
(this was bid twice; once by Real Properties, the second by DECA)
- Taylorsville Lake/Possum Ridge Campground 1988
- Yatesville Lake Resort 2017
(posted based on unsolicited proposal; received for construction of lodge and operation of the marina)
- Yatesville Lake Marina 06/22/20
(based on unsolicited proposal)
- Yatesville Lake Marina 09/16/94

In addition, below is a small list of Request for Information (RFI's) seeking interest.

- ❖ E.P. "Tom" Amateur Sports Complex 11/14/18
- ❖ General Butler Bike Trail 02/20/17
- ❖ KDV Gobblers Knob Campground 05/23/17
- ❖ Multiple Parks, Golf Operations 08/16/10
9-Hole: Carter Caves, General Butler, John James Audubon, Rough River, and 18-Hole: Barren River, Dale Hollow, General Burnside, Grayson Lake, KDV, Lk. Barkley, Lincoln Homestead, Mineral Mound, My Old KY Home, Pennyrile Forest, Pine Mountain, Yatesville Lake
- ❖ Multiple Parks Circa 2006
Lodging/Golf Villas: Golf Villas: Dale Hollow, Yatesville, Grayson Lake, Mineral Mounds
Overnight Accommodations: Paintsville, Greenbo Lake, Kincaid Lake, Lake Malone
- ❖ Mineral Mound Golf Course 2017
(posted based on unsolicited proposal)

PARTNERSHIPS

Our State Park leaders have created wonderful relationships within communities, Friends Groups, non-profit organizations, federal and state grant entities. By doing so, Kentucky State Parks is provided alternative funding opportunities. On November 1, 2022, a letter was written, signed by Commissioner Russ Meyer, and mailed to 65 County Judge Executives and Mayors in hopes of securing additional support from local governments.

REQUESTS FOR PARTNERSHIPS

47 COUNTY JUDGES
+
18 MAYORS
=
65 LETTERS



Dale Hollow State Resort Park



Andy Beshear
Governor

KENTUCKY DEPARTMENT OF PARKS

500 Mero Street, Fifth Floor
Frankfort, KY 40601
(502) 564-2172

Mike Berry
Secretary

November 1, 2022

The Honorable «Title» «County_Judge»
«Judge_Address_1»
«Judge_Address_2»
«Judge_City»

«Title» «Salutation»:

I sincerely hope this message finds you well, especially during this picturesque, late fall season.

The Kentucky General Assembly set aside \$150 million in capital project funds for State Park Improvement in the recently enacted budget, "to secure the future of Kentucky State Parks for generations to come." To access these funds, the Department of Parks will submit a comprehensive statewide proposal to the legislature's Interim Joint Committee on Appropriations and Revenue. One required element of the proposal is to include a 50 percent match of the state contribution from private and/or local government partners.

Kentucky State Parks are precious entities that possess diverse and unique biological, historical, and cultural resources. In 2024, Kentucky State Parks will celebrate its 100th anniversary. The first director of Kentucky State Parks, Dr. Willard Jillson, spent many years traversing this great Commonwealth, finding properties worthy of state custodianship. Since then, we now have 44 state parks, one linear trail, a rail trail, and Breaks Interstate Park, a state park we share with the Commonwealth of Virginia.

Together we share a commonality in your county, «Park».

To meet the requirements the legislature has set forth, the Department of Parks is seeking interest from local governments on capital projects at Kentucky State Parks in which a local government would provide a 50% financial match in those areas where we have a state park. The Department is reaching out to all local governments in state park areas to solicit your interest in partnering on state park improvements. Is this something that you can assist Kentucky State Parks with as it relates to «Park»?

I truly appreciate all considerations as we upgrade and improve the amenities within our Kentucky State Parks. Please feel free to reach out to me for a discussion on partnering with Kentucky State Parks on any projects.

Best regards,

Russ Meyer, Commissioner
Kentucky Department of Parks

PARKS.KY.GOV

TEAM
KENTUCKY
DEPARTMENT OF PARKS

An Equal Opportunity Employer M/F/D

Listed below are recent projects and/or funding sources that have benefited the Kentucky Department of Parks at no cost to the agency.

- The Dawkins Line Rail Trail (AML Grant = \$2.0 million Phase 2 with Royalton Trail Town Committee)
- The Dawkins Line Rail Trail (Kentucky Transportation involvement = \$4.1 million, Phase 1)
- Jenny Wiley State Resort Park (Lease Agreement with City; already have some agreements in place)
- Friends of John James Audubon State Park
 - \$42,500 playground equipment for campground; \$200,000 for Boardwalk (ADA) (in process); \$200,000 for archive space (in process)
- Buckhorn Lake State Resort Park Playground = \$40,000 via Appalachia Foundation Group
- Kingdom Come State Park= Camper Cabins; \$400,000 (Land, Water, and Conservation Funds LWCF, The Frazier Foundation, and Harlan County Fiscal Court)
- Lake Malone State Park = \$45,000 Felix Martin Foundation for new Big Twigs installation
- Green River Lake State Park = \$15,000 Kentucky Fish & Wildlife and Friends of Green River fishing pier
- Rough River Dam State Resort Park = \$75,000 Friends Group donation/gift in kind for the boat launching slips
- Paintsville Lake State Park = \$700,000 gift from Johnson County and “Casting with Kids” for the Kayak Launching Ramp and ADA Fishing Pier
- Old Mulkey Meetinghouse State Historic Site = \$181,000 Federal Grant for roof repairs
- Big Bone Lick State Historic Site = FILO Project in discussion. = \$2 million guesstimate
- Pennyrile Forest State Resort Park = Stihl Grant for \$20,000 “Hearts of STIHL” Grants Program for America’s State Parks
- Columbus Belmont State Park = Kohlenberger and Peeler Tracts via gift from the American Battlefield Trust (ABT)
- Federal Grant, Dept of Energy = Grid Resilient Grant, 5 year program, \$5.5 million Total To be awarded in Spring 2023 = Parks in Kentucky. Kentucky State Parks is the first recipient = EEC and Federal Government Grant; needs a 20% match.

DISPOSAL OF PROPERTY

Over the past 12 years, there have been working relationships that led to five property transfers to several city, county governments, and one University. Properties include: 1. Ben Hawes to the City of Owensboro, Kentucky; 2. Constitution Square Historic Site to Boyle County, Kentucky; 3. Levi Jackson Wilderness Road State Park to the City of London, Kentucky; 4. White Hall State Historic Site to Eastern Kentucky University; and 5. William Whitley State Historic Site to Lincoln County, Kentucky.

Presently, there are no properties being discussed for disposal to other county, city, and governmental agencies.

PARKS \$150 MILLION PROPOSED PLAN

| AREA | ALLOTMENT | BRIEF DESCRIPTION |
|---|----------------------|--|
| Campground Upgrades* | \$40,000,000 | Upgrade electrical power, renovate bathhouses, add sewer connections, add camper cabins, site leveling |
| Building Systems Improvements | \$40,000,000 | Addresses findings from a Parks-wide structural integrity study: mechanical/electrical/plumbing, foundation repair, exterior improvements, fire suppression systems, elevators, ADA improvements, doors/windows, marina electrical |
| Accommodation Upgrades* | \$22,000,000 | Update 340 lodge rooms and 96 cottages: furniture, floors, beddings, curtains, renovate bathrooms, add refrigerators & microwaves, replace TVs, new doors and door lock mechanism system |
| Recreational Amenities* | \$22,000,000 | Replace/convert 5 pools to a splash pad, renovate or update 10 pools, resurface recreational courts, add pickleball courts, upgrade outdated playgrounds, upgrade golf course bunker system, repair/replace golf course irrigation systems |
| Utility Improvements | \$20,000,000 | Continue upgrades to wastewater treatment plants under design, replace/rebuild pumps in lift stations, clear rights-of-way for overhead utility lines, upgrade power lines into parks |
| Broadband (High-Speed Internet)/Wi-Fi Upgrades* | \$6,000,000 | Improve high-speed internet and Wi-Fi capability at 22 campgrounds and 2 lodges |
| TOTAL | \$150,000,000 | |

*** Improvements to Customer Experiences = \$90,000,000**

Physical Plant Needed Improvements = \$60,000,000

CAMPGROUND UPGRADES

Camping is a popular leisure time activity that many families have enjoyed for years but has boomed in interest since the Covid pandemic in 2020. Camping allows families to break away from stress created by jobs and family responsibilities, brings those families closer together, and helps with mental health and well-being. As the popularity of camping increases, the options available to campers is also increasing.



Kentucky State Parks consists of 30 campgrounds. In those 30 campgrounds, we have 2,049 improved sites and 536 primitive (tent only) sites for a total of 2,585 campsites. Improved sites have electric and water hook-ups. Of the 2,049 improved sites, 317 sites or 15% are considered full-service due to having individual sewer hook-ups. 1,335 sites of the 2,049 sites have 50-amp electric, which is necessary for larger recreational vehicle (RV) units.

Campground revenue has grown from \$6,069,800 in fiscal year 2018 to \$7,183,600 in fiscal year 2022, which is an 18% increase over 5 years. 2022 occupancy for Kentucky State Park campgrounds during peak season was 35%. (For comparison, the national average is 54% occupancy.) The average rate per night for improved campsites is \$32.

According to the “KOA 2022 North American Camping Report”, camping nationally increased 12% or 11.5 million households between 2019 and 2021 from 82.3 million to 93.8 million. 56.9 million households camped at least once in 2021 with an additional 5 million more households expected to have camped in 2022. 7 out of 10 households have stated they will most likely participate in camping or “glamping” as a leisure activity when determining their travel plans. In 2021, 40% of leisure travelers included a portion of camping as part of their trip.



“Glamping” is a form of camping with more luxurious or glamorous accommodations than traditional camping normally provides. This can include camper cabins, canvas safari tents, or yurts with lighting, furniture, and sometimes climate controlled. The desire to glamp has increased most recently due to the new user groups that have now discovered camping as a leisure activity.

Today’s camper is 22% African American, 54% Millennials, and 25% with an annual income of \$100,000+ according to the KOA 2022 report. 50% of new campers want to glamp in camper cabins or yurts. Campers are becoming more adventurous but still prefer Wi-Fi accessibility. Accommodating these groups is increasingly important to stay relevant in today’s market.

Over time, the size of RV units being manufactured has grown, but Kentucky State Parks campground footprint and infrastructure did not. For example, the need for 50-amp electric or higher is necessary for today's RV unit due to the growing size and number of amenities now included. Kentucky State Parks has accomplished very few upgrades in our campgrounds over the past few years due mainly to limited funding, but some were completed due to natural disasters.

The pandemic truly changed the way people planned their vacations and in some cases their work locations. When you could not gather indoors with others, and your own home was the only place you were encouraged to be, people began to explore camping to get outdoors but still be in their own space. Jobs became more commutable, and families looked for new ways to enjoy each other outside of the walls of their homes.

The need to add or improve 50-amp electric, to provide the infrastructure necessary for more sewer hook-ups, to lengthen our camping pads, and provide more camping options is now in order to capitalize on this growing trend.

Camping is the most profitable revenue generator in the Kentucky State Parks system, and the lack of upgraded amenities is holding State Parks back on rates and occupancy that could be achieved.



Kentucky State Parks has identified campgrounds that will need extensive infrastructure upgrades to improve the amperage availability to at least 50-amp electric and allow sewer hook-ups where feasible.

Adding frost proof hydrants will allow our campgrounds to extend their season and thus, generating more revenue. By improving campsites with these amenities, campers will be more likely to stay longer in our campgrounds and the occupancy will increase.

Over the past three years, improvements or upgrades have only been made at three campgrounds to include 50-amp service, pull-through sites, individual sewer hook-ups and renovation of bathhouses.

Kentucky State Parks estimate an investment of \$40 million will upgrade approximately 750 campsites or 37% of the improved inventory, renovate/add bathhouses, and add camper cabins. The estimated cost to upgrade one campsite based on the most recent improvements is approximately \$20,000. Kentucky State Parks anticipates adding 100 primitive camper cabins in various campgrounds at a cost of \$35,000 each. The infrastructure upgrades (i.e. electric, sewer, water lines) and bathhouse renovation costs will vary from park to park but is estimated at \$21 million.

The benefit to our guests will allow for longer stays, opportunities to enjoy the various recreational and naturalist offerings within our state parks, and to provide an overall better guest experience.

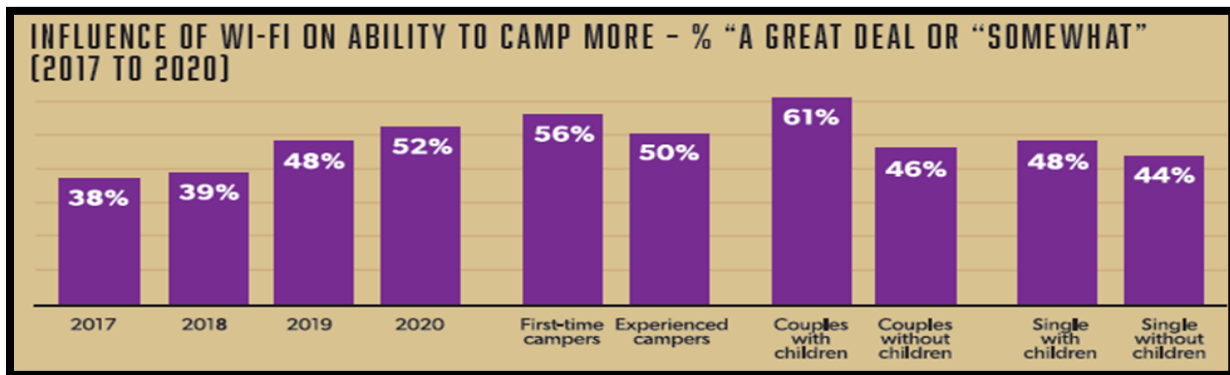
UPGRADE Wi-Fi ACCESSIBILITY FOR BROADBAND (HIGH-SPEED INTERNET)

The Kentucky Department of Parks has been working with internet service providers for several years to provide broadband to State Parks. Broadband is defined as high-speed internet. There is no set standard for high-speed internet; however, 100 Megabits per second (Mbps) is the minimum goal at the State Parks.

As an update, all State Resort Parks except for Blue Licks Battlefield State Resort Park and Buckhorn Lake State Resort Park have high-speed internet service. Parks and the Commonwealth Office of Technology (COT) have been working with local and regional service providers to replace the aging infrastructure at the State Resort Parks, which started in 2019 with the “Refreshing the Finest” funds. Six Resorts have been completed with the goal to complete every Resort Park. The two remaining Resorts are being assessed for upgrades. Resorts were prioritized due to the availability of broadband and standard indoor installation.

Broadband service is only half of the solution to provide internet connectivity to our guests. Once high-speed internet is established at the park, new campus cabling and equipment are required to support Wi-Fi connectivity.

Wi-Fi allows guests to connect devices such as phones, tablets, and laptops wirelessly to the internet. Guests at the Resort Parks, limited campgrounds and limited Recreational Parks currently connect their devices wirelessly through infrastructure that was installed over 10 years ago. The new Wi-Fi options contribute to customer service initiatives. From the KOA 2022 camping report, the chart below shows 61% of couples with children are looking for camping experiences with high-speed internet. This desire has increased substantially over the past 5 years.



Obtaining high-speed internet for campgrounds has been challenging. Currently, only 7 of the 30 campgrounds have broadband. Six campgrounds are in the process of implementing new broadband service. Potential service providers have been identified for the remaining 17 campgrounds.

The second challenge for campgrounds is installing the infrastructure to support Wi-Fi for the guests. The varying terrain and natural obstructions make it difficult to provide service at each campsite. Parks and COT have worked on a solution that will be rolled out initially to Carr Creek and Jenny Wiley campgrounds.

The \$6 million funding in the \$150 million will be used to bring high-speed internet to the remaining campgrounds and build out wireless infrastructure at all campgrounds. However, funding may be required to complete the final two Resorts, Buckhorn Lake and Blue Licks.

Current Status:

- 15 of the 17 Resort Parks have broadband to the lodge:
 - Blue Licks – no broadband, working with Windstream & Spectrum
 - Buckhorn Lake – no broadband, working with AT&T and Spectrum

- Parks and COT working to replace the Wi-Fi technology at each lodge. Currently, the following have new wireless equipment:
 - Natural Bridge Lodge
 - Carter Caves Lodge
 - Rough River Lodge
 - Dale Hollow Lodge
 - Barren River Lodge
 - Lake Barkley Lodge

- Locations in progress for upgraded Wi-Fi equipment:
 - Jenny Wiley Lodge and Campground
 - Carr Creek Campground
 - Kenlake Lodge
 - Kentucky Dam Village Lodge
 - Green River Campground
 - Cumberland Falls Lodge

- 7 of 30 campgrounds have broadband:
 - Barren River Campground
 - Dale Hollow Campground
 - Kentucky Dam Village Campground
 - Lake Cumberland Campground
 - Natural Bridge Campground
 - Big Bone Lick Campground
 - Paintsville Lake Campground

- 6 Campgrounds are in progress for obtaining broadband:
 - Carr Creek Campground
 - Jenny Wiley Campground
 - Green River Campground
 - John James Audubon Campground
 - Nolin Lake Campground
 - General Burnside Campground



- Potential providers at the remaining campgrounds have been identified.
- In summary, the need of \$6 million to bring broadband to the remaining campgrounds and build out campus Wi-Fi is imperative.

ACCOMMODATION UPGRADES

Kentucky's 17 State Resort Parks, with their combined 890 lodge rooms and 316 cottages, provide Kentuckians and guests from across the country unique venues and recreational activities for family vacations, reunions, weddings, business conferences, and work retreats. Kentucky State Resort Parks served 425,220 overnight guests with 168,937 room nights in 2022.

Revenue generated by lodge room and cottage rentals has fallen 11% over the last 5 years, from \$21,743,400 in fiscal year (FY) 2018 to \$19,319,700 in fiscal year 2022. FY2022 lodge room occupancy percentages at Kentucky State Resort Parks was 42.8% while occupancy rates for cottages stood at 47.6%. In calendar year 2021, state-wide occupancy rate among all hotels and motels was 54.1%.



2022 occupancy rates for Kentucky State Resort Parks reflect accommodations provided at Kentucky Dam Village, Lake Barkley, Pennyryle, and Kenlake for survivors of the December 2021 western Kentucky tornado. As a result, 2022 occupancy rates are higher than the 5-year average occupancy rates of 33.5% for lodge rooms and 43.8% for cottages.

Guests expect accommodations comparable to branded hotels. Currently, lodge rooms and cottages are not meeting those expectations. In the last 5 years, 24% (211) of lodge rooms and 22% (69) of cottages have been fully renovated. Limited resources have hindered the ability to keep pace with industry standards.

The standard time between soft good renovations in the hotel industry is 5 to 7 years with full renovations taking place every 15 to 20 years. Most Kentucky State Resort Park rooms and cottages have **not** undergone a complete renovation, which includes replacing soft goods, case goods (furniture, fixtures, etc.), and bathrooms, in 20+ years.

For these reasons, \$22 million will be used to renovate 38% (340) of the lodge rooms and 33% (104) of the cottages in our State Resort Parks system. Based on current prices, the average estimated cost of each lodge room renovation is \$44,000 while each cottage renovation is estimated to cost \$67,600.



The renovation of 340 lodge rooms and 104 cottages will include replacing soft goods (drapery, bedding, pillows, etc.), case goods (furniture, fixtures, lighting, mattresses, etc.), replacing televisions with appropriately sized smart TV's, renovating bathrooms (replacing tile, tubs, toilets, and vanities), repairing walls, replace flooring, and replacing HVAC when necessary. To meet guests' expectations, Kentucky State Parks plan on installing miniature refrigerators and microwaves in lodge rooms where feasible. Kitchens in

cottages will receive new appliances, cabinets, and countertops as need dictates.

For longevity, this means 120 lodge rooms and 30 cottages will need to be renovated each year after the initial \$22 million allocated in this proposal. Based on current costs, we anticipate this renovation rotation will require an additional investment of \$7.2 million annually moving forward to complete all accommodations with refresh renovations.

\$1 million will be allocated to replace electronic door locks and entry doors. The current lock system is outdated and obsolete. Parts are no longer being produced for our current system, and the system support is being phased out. The proposal for the new system will include capabilities expected by today's guest such as the ability to access rooms or cottages from smart phones. New doors will be necessary on each accommodation to make this happen.

RECREATIONAL AMENITIES

The cornerstone to the mission and service of Kentucky State Parks is providing recreational opportunities. Stretching across the Commonwealth, the State Park system provides access to some of our most treasured locations and encourages active participation of our guests.

The various landscapes, lodging facilities and recreational amenities truly provide "something for everyone" as they seek out experiences rather than basic overnight stays. Whether it be the nightscape views of the "Moonbow" created by the Cumberland Falls, the geological formations along the Pottsville Escarpment, or the picturesque lakes of the west, "we have a park for that."

To provide the best possible customer service, it is imperative that our recreational amenities be kept in good condition. This requires not only a financial commitment, but also a serious commitment of staff time and resources.

As mentioned earlier, the current slate of recreational amenities in Kentucky State Parks is extensive and includes:

- 27 Aquatic/Swimming Facilities
- 13 Golf Courses ((12) 18-hole and (1) 9-hole)
- 109 Playgrounds; 98 Recreational Courts
- Over 300 miles of multi-use trails

Each recreational amenity listed above needs maintenance and upgrades. A proposed investment of \$22 million will upgrade and improve a portion of these facilities. It is important to note that planned investment will be completed with sustainability in mind to better safeguard against future maintenance backlogs.

It is also important to understand the everchanging landscape of parks and recreation. What may have been successful 20, 10 or even 5 years ago may now sit idle as different activities cycle in and out of popularity.

It is important for State Parks to be responsive to customer demands while staying true to our current mission. Appropriately evaluating each activity on its own merit as opposed to merely chasing fads will result in good stewardship of both our financial and natural resources.

Swimming facilities are one of the most expensive recreational amenities to operate and upkeep but are undoubtedly one of the most important in terms of guest satisfaction. Facilities continue to age and delaying these investments will result in larger future costs. **This past summer, 8 out of 27 pools were non-operational.** A proposed \$11 million investment will help convert 5 pools to splash pads. An additional 10 renovations will be completed at other pool facilities.

Golf courses are another expensive amenity to operate and maintain. Rising costs of inputs such as fuel, fertilizer, seed, and chemicals have increased these operating costs dramatically in recent years.

Currently, Kentucky State Park golf courses generate \$6 million in revenue annually, accounting for over 150,000 rounds of golf enjoyed by Kentuckians and visitors. In this proposal, \$8 million is planned to improve courses across the State Park system. Highlights of this investment include “Billy Bunker” upgrades and improving drainage and irrigation systems. Like pool and aquatic facilities, golf courses are often one of the highest priorities of guests when selecting a Kentucky State Park.

Many of our State Park courses have enjoyed national recognition over the years and were consistently featured in lists of top public courses in America. These investments will ensure we are able to maintain and improve our standing in the golf community, lower operational costs, and will result in more rounds played and increased revenue.



Playgrounds and the various recreation courts located across Kentucky State Parks are enjoyed by guests daily, particularly children. It is of the highest priority that these facilities be kept safe and clean. \$3 million will be used to enhance current playgrounds, playground areas and help resurface current recreational courts.



Part of this money will be utilized to install or repurpose some of the recreational courts as pickleball courts. Pickleball is one of the fastest growing sports in the country. It is attractive primarily for its low barrier to entry, and it has wide appeal among all age groups and skill levels. The desire to add pickleball courts is a result of good communication between State Parks staff and our community partners. This will provide rental opportunities for Parks, ensuring all guests can participate, and the possibility to host events and tournaments to create significant revenue in terms of facility rentals, overnights, and meals.

BUILDING SYSTEMS IMPROVEMENTS

The Kentucky Department of Parks operates and maintains a wide variety of parks from Historic Sites, Recreational Parks to Resort Parks across the Commonwealth of Kentucky.

As mentioned, the four original parks date back to 1924. Over the nearly one hundred years since our inception, the number of buildings, site improvements, and mechanical, electrical, plumbing (MEP) systems have been added to our inventory. **Today, the number of buildings in the Kentucky State Parks system totals 1,517, which includes recreational buildings, public lodging, maintenance/mechanical spaces, service and support locations, and employee residences.**

60 years ago this year, 6 of the 17 State Park lodges were built.

- Kentucky Dam Village
- Carter Caves
- Lake Cumberland
- Jenny Wiley
- General Butler
- Rough River

Inevitably, change in the physical, functional, and economic impairments are observed as buildings age. These changes begin to impact building systems the moment they are completed.

With the commitment to the Kentucky State Parks Mission Statement, it is evident that the need for a sustainable system of parks is relevant. Over the years, through the identification and evaluations of buildings and systems, it is obvious the physical deterioration is showing from age.

Structural integrity studies have been performed on 23 of our parks in the last few years. These reports identify structural and safety concerns covering a wide range of severity.

The first step to preserving our beloved lodges and other buildings as well as improving the customer service experience is to invest in capital projects that will extend the useful and economic lives of our parks. As we continue this monumental task, we will address structural, exterior, mechanical and interior deficiencies. Recent investments in roofs, wastewater treatment, life safety, and accommodations are ongoing and will continue. The Kentucky Department of Parks plans to utilize an additional \$40 million to address our aging structures by updating the following:

- Structural Repairs
- Mechanical/electrical/plumbing (MEP)
- Building Exterior Improvements
- Fire Suppression Systems
- Elevators
- ADA improvements
- Doors/windows
- Dam Safety



STRUCTURAL REPAIRS - \$17.4 MILLION

Jenny Wiley State Resort Park \$5,500,000 (in a separate study; not listed below)
 Lake Barkley State Resort Park \$7,500,000 (in a separate study; not listed below)
 *21 Parks from statewide study \$4,355,000 (level 1 and 2 below)

| | LEVEL 1 | LEVEL 2 | LEVEL 3 | CONTINGENCY | TOTAL |
|--|---------------------|---------------------|-------------------|---------------------|---------------------|
| BARREN RIVER LAKE STATE RESORT PARK | \$ 4,000 | \$ 86,800 | \$ 10,200 | \$ 43,000 | \$ 144,000 |
| BLUE LICKS BATTLEFIELD STATE RESORT PARK | \$ 83,900 | \$ 5,000 | \$ 28,000 | \$ 57,000 | \$ 173,900 |
| BUCKHORN LAKE RESORT PARK | \$ - | \$ 7,200 | \$ 36,200 | \$ 19,000 | \$ 62,400 |
| CARTER CAVES STATE RESORT PARK | \$ 12,800 | \$ 18,200 | \$ 18,900 | \$ 21,000 | \$ 70,900 |
| COLUMBUS-BELMONT STATE PARK | \$ - | \$ 7,000 | \$ 3,500 | \$ 5,000 | \$ 15,500 |
| CUMBERLAND FALLS STATE RESORT PARK | \$ 2,000 | \$ 61,600 | \$ 14,900 | \$ 33,000 | \$ 111,500 |
| DALE HOLLOW LAKE STATE RESORT PARK | \$ 195,500 | \$ 3,500 | \$ 18,300 | \$ 92,000 | \$ 309,300 |
| E.P. "TOM" SAWYER STATE PARK | \$ 9,600 | \$ 10,000 | \$ 5,500 | \$ 11,000 | \$ 36,100 |
| FORT BOONESBOROUGH STATE PARK | \$ - | \$ 14,000 | \$ 72,400 | \$ 37,000 | \$ 123,400 |
| GENERAL BUTLER STATE RESORT PARK | \$ - | \$ 366,800 | \$ 144,500 | \$ 217,000 | \$ 728,300 |
| GREENBO LAKE STATE RESORT PARK | \$ - | \$ 53,000 | \$ 101,500 | \$ 65,000 | \$ 219,500 |
| JOHN JAMES AUDUBON STATE PARK | \$ 149,900 | \$ 107,100 | \$ 19,800 | \$ 84,000 | \$ 360,800 |
| KENLAKE STATE RESORT PARK | \$ 41,400 | \$ 36,300 | \$ 2,800 | \$ 34,000 | \$ 114,500 |
| KENTUCKY DAM VILLAGE STATE RESORT PARK | \$ 8,000 | \$ 22,400 | \$ 2,200 | \$ 10,000 | \$ 42,600 |
| LAKE CUMBERLAND STATE RESORT PARK | \$ 549,000 | \$ 38,700 | \$ 25,400 | \$ 258,000 | \$ 871,100 |
| NATURAL BRIDGE STATE RESORT PARK | \$ - | \$ 32,200 | \$ 21,300 | \$ 23,000 | \$ 76,500 |
| OLD FORT HARROD STATE PARK | \$ - | \$ 1,117,900 | \$ 130,100 | \$ 266,000 | \$ 1,514,000 |
| PENNYRILE FOREST STATE RESORT PARK | \$ 4,900 | \$ 29,000 | \$ 2,200 | \$ 16,000 | \$ 52,100 |
| PERRYVILLE BATTLEFIELD STATE HISTORIC SITE | \$ 520,800 | \$ 38,200 | \$ 8,000 | \$ 239,000 | \$ 806,000 |
| PINE MOUNTAIN STATE RESORT PARK | \$ 16,300 | \$ 28,000 | \$ 65,900 | \$ 41,000 | \$ 151,200 |
| ROUGH RIVER DAM STATE RESORT PARK | \$ - | \$ 674,100 | \$ 67,100 | \$ 287,000 | \$ 1,028,200 |
| TOTAL | \$ 1,598,100 | \$ 2,757,000 | \$ 798,700 | \$ 1,858,000 | \$ 7,011,800 |

Table 2b: Alternate summary of overall budget estimates for structural deficiencies

It is important to reiterate that this is STRUCTURAL SCOPE ONLY. Architectural, Mechanical, Electrical, Plumbing, and other building systems' condition should be factored as well

MECHANICAL, ELECTRICAL, PLUMBING (MEP) - \$13 MILLION

Many of our State Park lodges have not had major mechanical, electrical, or plumbing upgrades in the last 25 years. This means that these systems are currently operating beyond the manufacturers' recommended life expectancy. Changes to environmental and regulatory standards will soon force much of our current HVAC equipment to require replacement. Changes to automated building controls processes and software that control these lodge mechanical systems is outdated and, in at least five lodges, obsolete.

Electrical switchgear is still original equipment in twelve of seventeen Resort Park lodges. It is the plan of Parks Facilities Management to have comprehensive assessments completed for all major MEP systems. From these reports, a scope will be developed for recommended replacements based on current operational condition, life cycle expectancy and regulatory requirements. Once assessments are complete, a timeline will be established by priority of need, to begin upgrades to this critical infrastructure.

- Building Electrical Systems \$4,500,000
- HVAC & Mechanical Systems \$3,500,000
- Plumbing and Piping Systems \$3,000,000
- Automation Controls & Software \$2,000,000

BUILDING EXTERIOR, ADA, DOORS, WINDOWS, AND ELEVATORS ESTIMATED - \$4 MILLION

- Doors and Locking Systems \$1,500,000
- Statewide ADA Improvements \$1,000,000
- Window Replacement \$1,000,000
- Elevators, lifts \$ 500,000

DAM SAFETY - \$5 MILLION

- Dam Mower and Support Equipment \$ 250,000
- CCC Dam at Pennyriple Forest State Park \$3,750,000
- Natural Bridge State Park Interior Dam \$1,000,000

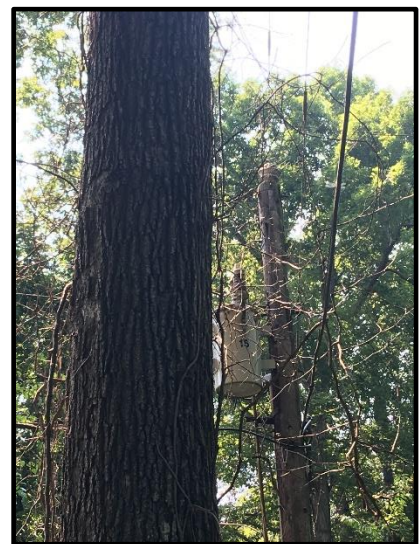
UTILITY IMPROVEMENTS

Electric Utility Right-of-Ways

Right-of-Ways within many of the State Parks are owned by the Kentucky Department of Parks and not the area Rural Electric Cooperative Corporation (RECC) or the local electric company like American Electric Power (AEP). In the western State Parks, there is a great need of work to alleviate the safety and danger concerns of the overgrown Right-of-Ways. For example, at Kentucky Dam Village (KDV) and Kenlake State Resort Parks (KL), there are over 10 miles of utility lines that need clearing.



In November 2021, Kentucky State Parks received a cost estimate from the local Western Kentucky Rural Electric Cooperative Corporation (WKRECC) for Right-of-Way clearing and pole replacements. The estimated cost of Right-of-Way clearing is \$87,245 per mile. Normal rates for clearing are estimated



at \$6,000 per mile; therefore, the monetary figure of \$87,245 per mile shows the severity of this issue with a cost of \$890,000. Moreover, it was determined that there are over 460 electric service poles owned by these two state parks with a replacement need of at least 30% or higher. Estimates for this need (at 30%) would equal about \$690,000. However, these

poles are very old, and Parks could possibly need all 460 poles replaced at a cost of \$2.3 million. Total estimate for clearing and pole replacements at these two parks is \$3,190,000.

In speaking with the local WKRECC officials recently, the executives would be willing to discuss options of a “take-over” of these electric lines if State Parks can complete the service work of Right-of-Way clearing and electric pole replacement.

In addition, Lake Barkley State Resort Park has about 10 miles of Right-of-Way that needs clearing, and Pennyrile Forest State Resort Park has one mile. Based upon the cost estimates given by WKRECC for KDV and KL, this would cost \$959,700 for Right-of-Way only, excluding any pole replacements.

With the severity of these Right-of-Ways mentioned above, it is estimated that an additional \$5 million would be needed at other State Parks in central and eastern Kentucky. While some state parks have relationships with local cooperatives for assistance, the maintenance responsibility lies within Kentucky State Parks for all line repairs and clearance of Right-of-Ways. Important to note is that 13 out of 17 Resort Parks’ electric utility line infrastructure are owned by the Commonwealth.

Wastewater Plant and Lift Station Upgrades

There are 25 wastewater treatment plants across the KY State Parks system and approximately 190 lift stations that transfer wastewater throughout the collection systems to the plants or to municipal systems. **The average age of Parks wastewater treatment plants and collection systems is between 25 - 50 years old.**

It is necessary to provide timely maintenance to those plants and lift stations for the replacement of consumable parts and to repair or replace controls, pumps, blowers, motors, and other hardware used in these processes.

Of the 25 wastewater plants, 20% of them are assessed as critical for being replaced. An additional 20% require extensive repairs to maintain normal operations.

Of the 190 lift stations, currently 36% of them need extensive repairs, 41% require complete replacement. Repairs would consist of replacing failed or failing pumps, motors, and electrical controls, and other hardware.

Replacement would consist of fully replacing the lift station wet well, piping, and complete mechanical and electrical equipment replacement. Historical data as well as recent repair project costs have been used to estimate a \$7.6 million dollar investment necessary to return these lift stations to fully operable condition.

Currently, Parks has major wastewater infrastructure projects in process through Finance-DECA for multiple Park locations. These projects are funded by previous infrastructure capital funding. It is important to note that these projects only address 30% of Parks total wastewater systems.

IN CLOSING

The Kentucky State Parks appreciates the opportunity to submit this proposal for the Committee's perusal for \$150 million in funding. A continued, renewed monetary commitment by the Commonwealth will build positive outcomes that ultimately affect guest services and communities. Please note that all funding is essential for the betterment of State Parks.

What may begin as a fun weekend with family often leads to a lifetime of curiosity, generational "coming back" to State Parks, and an appreciation for our natural world. These things are truly needed as a commitment to make Kentucky State Parks "The Nation's Finest."

By creating lasting experiences and memories for our guests, the Kentucky State Parks strive to transform visitors into stewards. Engaging and using many areas of funding opportunities will also create a more sustainable operation of the Kentucky State Park facilities.

Building an appreciation for Kentucky State Parks and all they have to offer will ensure not only the longevity of our park facilities, but also their conservation.