

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 Jillson, 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









# 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







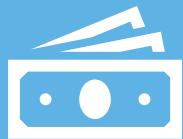
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Wastewater Treatment Plants to be addressed



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?