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The Economic Impact of Paradise Cove Aquatic Center in Richmond, Kentucky

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Abstract: *One of the most effective ways for rural communities to improve the local economy is by exploring opportunities related to tourism. When communities focus their resources on expanding and improving the tourism industry, it leads to additional opportunities for these communities to increase their revenue, provide jobs and revitalize the local economy. Like many other agencies, the Richmond Parks and Recreation Department has gradually expanded the tourism industry within the City of Richmond in Madison County, Kentucky. To help continue the expansion of this industry, Paradise Cove Aquatic Center opened in 2008. This decision was made because waterparks were becoming a more desired aspect within the tourism industry because they “offer the promise of serious tax dollars as well as a mix of temporary, seasonal and permanent jobs” (Rice, 2013). Since the opening of this waterpark, there has been a positive impact on the surrounding economy as well as improving tourism for the City of Richmond and Madison County, Kentucky. The Paradise Cove Aquatic Center has an approximate 1 million dollar impact on the local community (Sims, et al., 2016) annually. As recreation professionals, it is important to understand the economic impact of the facilities within our communities. By understanding this, community leadership may see which aspects of the tourism industry are the most beneficial to the community. The goal of improving the tourism industry within local communities is to meet the needs of the people and increase the capital flowing into our local economies.*

Keywords: *Economic impact, waterparks, rural communities, rural economies, tourism, community revitalization*

Many rural Eastern Kentucky communities struggle economically for a variety of reasons, including county unemployment and poverty rates being higher than the national average. Some of the poorest counties in the nation are located within Eastern Kentucky (McGreal, 2015). Many of the towns within these counties tucked away in the hills of Eastern Kentucky were once reliant on the coal industry as a sole economic engine. “Coal-industry jobs in the region have declined from almost 125,000 since the mid-1980s to less than half that number today” (Cates, 2015), resulting in many rural communities becoming more isolated and increased economic struggles. As time goes on, many of these counties across the Appalachia harbor towns with declining population, business, and function. Perhaps this declination is a result of prolonged

reliance on any one industry or employer. For many of these towns, community leaders need to make tough decisions related to the future of their community and residents.

Many of these rural communities are searching for ways to increase their community revenue to help revitalize their local economies. Specifically, community leaders are seeking out avenues to take advantage of rural tourism. Depending on what natural resources or rich history the community has to offer will determine what type of tourism is best to promote for that area. Tourism opportunities for rural communities include things like adventure tourism, cultural tourism, ecotourism, wildlife tourism, natural resource tourism, and so forth. Overall, rural tourism is experience-oriented and focuses on preserving local traditions, heritage, and culture. Many rural Kentucky towns

have an incredible potential to develop a rural tourism industry, as tourists want to see and experience new places away from and outside of their routine.

Madison County History

Madison County, Kentucky, where Daniel Boone explored the area in the 1770s, is one of the oldest counties in the Commonwealth of Kentucky. Boone established Fort Boonesborough in 1775, and shortly after Kentucky County was divided into three counties known as Lincoln, Jefferson, and Fayette. Madison County was formed out of what was previously Lincoln County in 1787. Originally, the village that held the county seat was called Milford but was moved to the new community known as Richmond, named after Richmond, Virginia.

At the turn of the 19th century, Kentucky, as well as Madison County, began to grow. It was during the American Civil War that Richmond was the site of the second largest battle fought in Kentucky. Madison County is also the birthplace of Kentucky governors such as James B. McCreary and Keen Johnson, the well-known emancipationist, the “Lion of White Hall”, Cassius Clay, U.S. Supreme Court Justice Samuel Freeman Miller, and frontiersman Christopher “Kit” Carson. Madison County is rich in history with many historical markers strewn throughout the area.

Rural Tourism

Finding a sustainable form of rural tourism is important to help the economic growth of many local communities. Tourism that focuses on the art, culture, and heritage of rural locations which results in the economic and social development of communities is known as rural tourism. Tourists are constantly searching for experiences that are “predominantly in a natural environment, mesh with seasonality and local events and are based on preservation of culture, heritage and traditions” (Lal & Sharma, 2013). Many people are eager to leave the bustling cities for even a weekend getaway in a rural hotspot. The Ann L. Durham Lake Reba Recreational Complex in Madison County, Kentucky is a perfect example of a rural tourist destination. It is a great location for families to get away from their busy lives and enjoy some quality time together.

Waterpark Industry

A waterpark has many things to offer to a rural community, such as a mix of jobs and a step in the right direction to increase the local economy. Although the tourism sector is booming, the one thing that might hold communities back from installing a waterpark is financing. Many industry consultants state that “the lending situation has become especially challenging of late, with even major brands turning to alternative sources of construction financing for new projects” (Rice 2013). For Recreation and Park Professionals, these alternative sources may include obtaining grants, infrastructure assistance, free land, tax credits and other financial resources.

Paradise Cove Aquatic Center History

Like many other communities, Richmond leadership have embraced the tourism industry to diversify the local economy and provide residents with additional quality of life opportunities. During the 1990’s, the City of Richmond developed what is now the Ann L. Durham Lake Reba Recreational Complex. This is a regional park which includes a 75-acre lake, the 225 acre Gibson Bay Golf Course, Paradise Cove Aquatic Center, Adventure Falls Miniature Golf Course and Batting Cage Complex, walking trails, athletic facilities, a dog park, shelters, and an all-inclusive playground. The Paradise Cove Aquatic Center was opened in 2008 and has many different attractions for the entire family. This facility features a well pool with diving boards, an ADA lift, an Aqua Climb rock climbing wall, and a zip’n rope swing. The feature pool has a zero-depth entry making it ADA accessible and has a young swimmers play structure with water sprays, a net climb, and a dumping bucket. There is an 18-inch shallow pool for younger children and a whirlpool for older kids. There are three slides within this facility, a 40-foot straight chute slide, a 40-foot spiral slide and a kids slide. In addition to these amazing features, there are restrooms, lockers, concessions, shade structures, and lounge chairs to help accommodate guests.

Method

The purpose of this analysis was to examine the economic impact that the Paradise Cove Aquatic Center has on the local economy in Madison County, Kentucky (Sims, 2016) and use this as a case study to determine if waterparks might provide an economic opportunity for other rural communities in Kentucky. The researchers conducted a literature review analysis using scholarly research articles to investigate the economic impact of waterparks in rural Kentucky. Each scholarly article was analyzed to discover the benefits that waterparks had on rural tourism in Eastern Kentucky.

The researcher examined the study conducted by Sims et al. (2016) and discovered that they used on-site surveys to collect the data needed for the study. The survey they used was adapted from an Economic Impact Questionnaire previously used by Crompton (1999). The data was collected during the 2016 waterpark season ranging from May to September. The final sample included data from five Kentucky waterparks: Somersplash Waterpark, Venture River Waterpark, Juniper Hill Aquatic Center, Paradise Cove Aquatic Park, and Tie Breaker Family Aquatic Center. They administered surveys randomly to participants throughout the entire season and once all data was collected, it was imported into the IMPLAN Input-Output Model Software and SPSS software. This was completed to analyze the direct impact, indirect impact, and induced impact of waterparks in Kentucky. The direct impacts are all direct effects the organization has on the region due to the organization's operations. The indirect impacts are not a direct result of the project, often produced away from or because of a complex impact pathway. The induced impacts are the results of increased personal income caused by the direct and indirect effects.

Total Impact	Employment	Labor Income	Value Added	Output
Direct Effect	16.74	\$315,113	\$385,889	\$763,819
Indirect Effect	1.23	\$35,499	\$63,888	\$127,726
Induced Effect	1.71	\$51,679	\$97,118	\$178,959
Total Effect	19.68	\$402,290	\$546,895	\$1,070,505

Table 1. Economic impact summary for Madison County, KY (Sims, Bradley & Maples, 2016)

Analysis

According to the 2016 study conducted by researchers Dr. Sims, Dr. Bradley and Dr. Maples, the Madison County, Kentucky population consisted of 87, 824 residents. It was found that based on the 2016 attendance of 56,699 visitors to Paradise Cove Aquatic Center, it was estimated that this facility contributed approximately \$1,070,505 to Madison County’s economy. The researcher found that the most recent approximate population in Madison County, Kentucky was 92,987 found in 2019, which increased since 2016. In comparison to attendance at Paradise Cove Aquatic Center in 2016, the admissions in 2019 was down by 1,819 admissions for a total of 52,880 total admissions for the season. Although the admissions rates were lower, the profit for the Paradise Cove Aquatic Center was up \$94,568.57. Table 1 shows the details of the economic impact summary.

Discussion

The importance of this study is to determine whether the addition of Paradise Cove Aquatic Center in Madison County, Kentucky has positively impacted the local economy. It was found that in 2016, this facility contributed approximately \$1,070,505 to Madison County’s economy. Since the profits for this facility in 2019 were higher in comparison to those in 2016, it can be inferred that Paradise Cove Aquatic Center continues to positively impact the economy. The economic impact categories that are positively affected by Paradise Cove Aquatic Center include: lodging, concessions, restaurants, gas stations, grocery, gas, entry, parking, park rental, retail, entertainment, and services. Just by having this facility, all these other industries were impacted which results in more jobs and an increase in the local economy. The Paradise Cove Aquatic Center impacts the local job market directly by producing an estimated 16 jobs and another 2 jobs either indirectly or induced (Sims, Bradley & Maples, 2016).

The more tourists enjoy a facility or location, the longer they tend to stay, and, as a result, spend more money in the surrounding area. This is the outcome that all agencies hope to see when evaluating the impact that their facilities have on the surrounding economy. By seeing how the economy is affected, this can lead agency leaders to decide whether to continue with the facility or to expand to other facilities. This also can tell these leaders if they are meeting the needs and wants of not only their residents, but the tourists that are coming to visit. Only by expanding or improving the tourist attractions will cities continue to flourish and not be left behind by.

As the data shows, the addition of the Paradise Cove Aquatic Center to Madison County, Kentucky has helped improve the local economy in this area. The next step for the city is to evaluate where they want to improve on next within the tourism industry and maybe an additional waterpark or splash pad area is the right move for them to make. By adding similar leisure activities and facilities to the area, it will assist with increasing the local economy along with improving the tourism to the area.

Recommendations

Madison County has a rich history of famous Kentucky leaders, historic sites and museums, beautiful county and city park systems and so much more. There is always room to improve within the tourism industry to find more ways to increase the local economy. There is a method that many recreation professionals use is to analyze the six components which comprise a destination. The destination is often referred to as an amalgam of six A’s. These include available packages, accessibility, attractions, amenities, activities and ancillary services. Agencies are constantly reviewing the success of their attractions and finding ways to expand the areas of success to different destinations throughout their communities.

The available packages for Paradise Cove Aquatic Center include concessions pricing, daily admission fees, season pass

admission packages, party and facility rental packages and swimming lesson packages. The Richmond Parks and Recreation Department has put a lot of thought into the pricing of above packages. Their goal is for all residents to be able to use the facility and not be excluded due to high prices. The current daily admission prices for children (3 & under) FREE, children (4-13) \$5, Youth (14-17) \$6, Adults (18-59) \$9 and Seniors (60 & over) \$5. These prices have remained the same for the past few years so residents are able to continue to enjoy the facility without worrying about an increase in prices. A recommendation would be for families with more than two children to get a reduced cost per child. This can help lower income families with multiple children enjoy a day or evening at the park without focusing on how much money they are going to be spending.

The next concern is accessibility. This aquatic center is ADA compliant which includes zero depth entry to their feature pool along with an ADA lift into the well pool. The restrooms have accessible stalls and sinks. The reception and concessions counters are at an appropriate height for employees to interact with patrons that are wheelchair users. The recommendation for accessibility would be somehow giving patrons who are wheelchair users access to the two 40-foot slides that are featured. For safety reasons, the best option would be to install an elevator to carefully take these patrons to the top platform. There would need to be restrictions on who could use the elevator to make sure that children without disabilities are not using the elevator to quickly get to the top and skip to the front of the line.

Regarding the Paradise Cove Aquatic Center being easily accessible to low income families this has been a concern for many families. Although, through carpooling and other methods, many of these families can make it work, it is not nearly as accessible to this demographic as it could be. The recommendation for this aspect of accessibility would be to install a splash pad area in a downtown centralized location. The location that seems to check all the boxes for accessibility, highly trafficked, and lower income families is the Irvine McDowell Park located in Downtown Richmond, Kentucky. By installing a splash pad in this area, the amount of people who can easily access this has increased significantly. Many families could save gas money and admission money if a splash pad were added to this park. By doing so, this is creating a safe and fun environment for everyone to relax and cool off in the summer heat. This can also help improve the local economy by bringing in more tourists to this area.

For many waterpark goers, one of the most looked for attractions are the slides. This aquatic center has 3 total slides. The first slide is a smaller sloped slide located within the feature pool. The second slide is a 40-foot straight chute slide and the final slide is a 40-foot spiral slide. To ensure the residents of the community and tourists continue to use the facility, it is important to evaluate the attractions located within. This was recently done at this facility by installing the Aqua Climb rock climbing wall which is frequently used by patrons. As a recommendation in this area, to help find out what the residents

of Madison County want to see in their aquatic centers, there should be a survey that pool patrols can fill out at the beginning of each season. This can help ensure that the needs and wants of the residents are being met.

The amenities of the current aquatic center in Richmond, Kentucky are phenomenal compared with similar aquatic facilities in the area. It is important for agencies to continue to improve their amenities to help appeal to the needs and desires of the patrons. A recommendation for this would be at the beginning of the season and throughout the season to make sure all necessary maintenance is done on the current features. Patrons will be frustrated if their favorite feature is out of order or undergoing maintenance for long periods of time. Another recommendation would be to add a smaller “kiddie” pool separate from the current feature pool. The current area for smaller kids is great, but it is often overrun by older kids and tends to be overstimulating for toddler aged children. By putting this pool separate from the larger pool, it can help deter older kids from running through it to get to other parts of the pool. It will also free up space in the current area as a lot of the parents who use this section are sitting or helping their children walk/swim.

Although the concept of just having a waterpark might seem like it is appealing to everyone, this might not necessarily be the case. It is important for recreation professionals to remember that not everyone enjoys the same type of recreation and there should be programming that can appeal to all sorts of people. One current activity that is offered at this facility is a dive-in movie, which is a great experience for a lot of people. Not all children want to spend countless hours swimming, some need different types of entertainment and what better way to do this than show a movie. A recommendation for this area would be to expand the programming related to the aquatic center. One way would be to offer more dive-in movies instead of just one a season. Another way could be to host events in the park near the aquatic center, this could be a chalk art festival, music festival, nature walk, etc. By doing this, there will be a bigger appeal to more people than those who are just going to the aquatic center. Now, people who are attending these other events are already in the location and can swing by the aquatic center and enjoy a few hours cooling off in the pool.

The final area to be evaluated is ancillary services which are medical services not provided by acute care hospitals or healthcare professionals. Madison County offers many of these services already. A recommendation for this would be to have a direct line to the ambulance service in case of an emergency. This could increase the speed of services by reducing the time being spent on making a call to 911 dispatch. These recommendations were made to help Richmond move forward and continue to expand within the tourism industry.

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