

# SOUTHWEST THEME PARK CONSULTING REPORT



4/9/2014

Investigative and Progress Report

PROJECT TEAM MEMBERS

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TO: Professor Daliborka Crnković  
FROM: Southwest Theme Park Consulting (team 7)  
SUBJECT: Investigative/Progress Report  
DATE: April 9, 2014  
CC: [REDACTED]

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Ms. Crnkovic, Southwest Theme Park Consulting has compiled and analyzed the information within this report to help make the decision for TRC Inc. well educated and as easy as possible. We have provided detailed information gathered on the community and how the community feels. Research is included about cost, marketing, pricing, location, theme, seasons, weather, rides, food, entertainment, and contractors. Everything that they will need to know to make their decision and understand the progress we are making towards our final proposal presentation can be found in this report.

Our company team is made up of four highly qualified and trained consultants. [REDACTED] is originally from Washington State and moved to the El Paso area recently to attend UTEP's College of Liberal Arts. [REDACTED]'s area of expertise include cost analysis, theme park marketing, and development locations. [REDACTED] was selected for this team because of his community expertise and historical knowledge of the area. Ignacio is a Junior at UTEP attending the College of Business. His area of expertise has him working hard on research and development of the park's theme, name, rides, and operational seasons. [REDACTED], a computer information student, is also an expert in community relations having lived in El Paso for 10 years. She is our resident entertainment 'guru' and served the team's goals by researching and developing park shows, food and drink categories, and kid oriented entertainment. Rounding off the group is [REDACTED], a native of Texas and Senior at UTEP's College of Liberal Arts. [REDACTED] has served the team by facilitating and editing investigative reports and developing surveys for primary research. Together we have carefully compiled research and crafted recommendations to help serve TRC Inc. in making the right decision for the future theme park in El Paso.

Overall, Southwest Amusement Park Consulting has concluded that El Paso is a ripe market waiting for the local vacation and entertainment opportunities a full service theme park would bring. It is our goal to make TRC Inc. the provider of this service. Our general recommendation is that TRC Inc. should begin construction immediately in this recovering market on a full service family oriented adventure/western themed amusement park. Further information regarding cost, rides, entertainment, limitations, and recommendations will be discussed in further reading throughout this investigative/progress report.

## Theme

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First this report will address the theme of the park. Our initial impression and direction for the park was to use local history and western borderland flavor as the theme. Following a survey encompassing the El Paso and Las Cruces areas of 39 respondents, we learned more about what the local community wanted in a theme park. Our initial assessment of local history and western theme received some interest, but not the overwhelming interest adventure theme did. This promoted us to take a new direction with the theme. We did not want to abandon our own ideas, but instead wanted to incorporate community input to make our ideas better.

### Theme and Name Recommendations

We recommend the theme of the park to include local western cowboys, Indians and mining adventure town themes with Looney Tune's characters, along with local character the University of Texas mascot 'Pay dirt Pete'. We decided to recommend Looney Tunes because they have characters such as Wile E. Coyote and the Roadrunner, Yosemite Sam, the Tasmanian devil along with other characters which make the best fit for our local western adventure town theme. Limitations would exist with using the Looney Tunes characters in regards to trademarks of names and personalities through Warner Brothers. Further research and inquires would need to be undertaken to secure these rights.

Our current recommendation for the theme park name is "Wild West Adventures!" Displayed is a sketching of a possible logo incorporating Looney Tunes and the suggested name (see Figure no. 1). This name incorporates each one of the recommended themes: Local History/Western theme, Adventure theme, and Cartoon Character theme. Each one of these had significant interest according to our survey.

### Ride Recommendations

Based on our results we had in our survey, we suggest having different types of rides in the park



Figure no. 1

including rollercoasters, fair and carnival rides, family rides, water rides, haunted and fun houses, and fireworks on Saturdays and Sundays. These types of rides were the top entertainment rides chosen by the people who took the survey. 89.74% choose rollercoasters, 56.41% choose rollercoasters, 46.15% choose water rides, 38.46% choose fun/haunted houses, and 28.21% for family and fair/carnival rides. Different types of rollercoaster from wooden to steel, and from slow to super high-speed for adrenaline junkies would attract all age groups and enthusiasts. There should be a train, possibly named “The Trans-Continental Rail Road,” that goes around the park that can transport you to different stations or parts of the park. We recommend steel rollercoasters ranging from different speeds, loops, drops and all sorts of crazy thrills. A wooden rollercoaster that will be a medium-fast speed coaster would capture the purest. In the center of the park we suggest there be a drop zone, which will free drop you from 415-feet (Six Flags Fiesta Texas, 2013). Also a sling shot that catapults you to a highflying adventure when the cord is released. There could be a Ferris wheel that will let you see an overview of the park when you reach the top. There should be a splash zone water ride with a boat making a 50,000 cubic foot splash wave that hits an observation bridge (Six Flags Fiesta Texas, 2013). For example, a specialty ride at the park could be named the “Roaring Rio Grande” water ride that will let you experience intense river rafting. Some limitations exist in adding too many water rides with increased water usage. It would have to be a balance of well selected popular water rides that re-use the water with minimal cost due to evaporation. This would be a possible fix to high water cost.

For the Kids, there could be a carousel in the middle of the park that will allow them to choose a horse and enjoy a trip through the “Wild West”. Including an area for the kids with small rollercoasters and rides from twirling teacups to flying balloons, bumper cars and go-carts will satisfy parents and kids alike, according to our research. Different carnival style booth games or rides, such as shooting villains, or “Train Bandits”, while riding a horse or rail car to see who gets the most points and a prize, are a must. Another must, according to our survey, is a haunted house in the amusement park. It could be named the “Haunted Mine Shaft” with characters from the amusement park in haunted costumes, ghost miners, skeletons and other spooky characters. There should also be a fun Rocky Mountain log cabin lodge called “Uncle Crooked’s Place.” This cabin would look normal from the outside, but inside it looks like all the furniture is crooked with characters playing brain games on the visitors. At the end of the day, near closing time on Saturdays and Sundays, the amusement park will have a firework show. These recommended rides, games, and fun will appeal to all sizes, ages, and interest so that everyone coming through the gate each day is ensured to have a blast.

## Service Research and Recommendations

Following research of similar theme parks from around the country we gained an understanding for the importance of seasons, hours, and services. For example, Holiday World in Southern Indiana offers free soft drinks all day with ticket purchase and receives consistent accolades for cleanliness on theme park reviews (DBS Interactive, 2014). We strongly recommend there be a sufficient number of restrooms and resting areas/hydrating stations around different areas of the park. The “Trans Continental Rail Road” will run through all these areas and will have drop off and pick up zones in each section. This will ease visitor fatigue and walking around the amusement park.

Understanding El Paso community trends and through research of other theme parks in the region, we recommend the park open at 11:00am and close at 9:00 pm. It should be opened major holidays, spring and fall breaks, and peak times during the year. We strongly suggest accommodating the Mexican or International holidays since we are on the border with Chihuahua, Mexico. The Borderland culture recognizes these different vacation dates and as a theme park in this region it is important to reach the international customer base. During low peak months we suggest being be opened Saturday and Sunday only. El Paso has a hot climate desert climate; it has hot summers, little humidity and mild and dry winters. The sun shines 300 days in El Paso making it the Sun City, so this allows Wild West Adventures amusement park to be opened most of the year.

## Entertainment, Shows, and Food

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A themes park is not really complete without its amazing shows, games, and especially the food. What families and kids remember the most is how amazing a show was, the colors it had, the characters and the sounds. The image of wonder stays in visitors memories and that’s what makes them come back to relive what they experienced. But exactly what kinds of theme park shows are worth having and watching? Let’s start with the one and only show that amazes all ages; fireworks. An amazing fireworks show wraps up the whole night after visiting a theme park, and a good theme park will have fireworks every weekend as a finale. We recommend having the best in town using different kinds of shapes and colors that form images in the air that can be seen for miles around and across the border. Fireworks are a winner, but that won’t be the ultimate show every night. We recommend inviting and scheduling the greatest performers in concert, and a variety of performances showcasing local southwest artists or famous DJ’s. This would bring in extra revenue and attract a different demographic to the park. Our own research showed some interest in having celebrity

meet and greets as well. These concerts would give that star appeal that gains notoriety for the park across the nation. Since our theme is western oriented, country music should be the main stay, but not the rule. Country singers like Tim McGraw, Alan Jackson, Carrie Underwood, etc., are great performers to aim for, although any country act would appeal to the masses here in El Paso. The local community is also interested in and follows the electronic music scene and DJ's. Any well-known DJ would attract all crowds for an evening of fun.

## Food and Beverage

### What kind(s) of foods do you prefer to eat at theme parks?

\* answers from 39 total respondents

\*\* respondent could chose more then one response

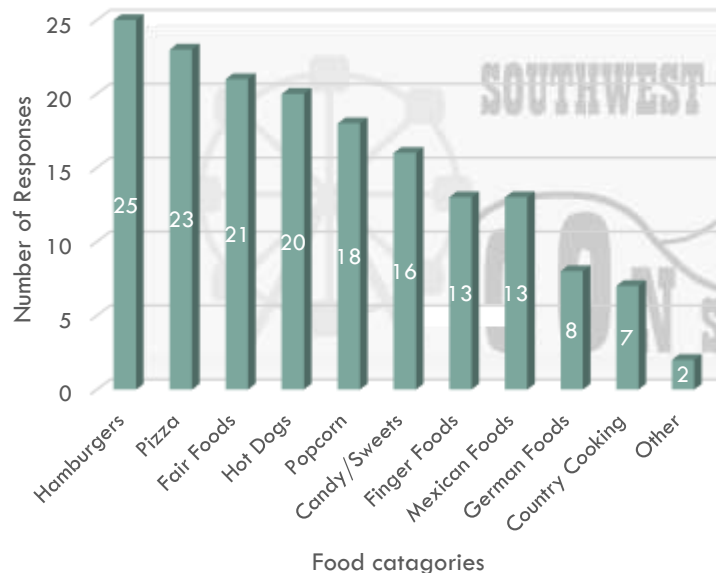


Figure no. 2

To state the obvious, 'no one can enjoy a good show without great food.' As a border city with two strong nationalities influencing the American and Mexican culture, a unique quality of food and taste exist in the region. We recommend this new theme park represent these two cultures equally, but not exclusively. There should be appetizers such as wings, and turkey legs, nachos, pizza, and hamburgers. Our research shows that our study group was pretty torn between having to pick one favorite category of food (see Figure no. 2). This lends itself to having a theme park that features each type in

different sections to reach this complex taste. The theme park should have restaurants featuring Mexican and Latin American food. There should also be great places that offer yummy American western food and BBQ. Some of the more popular food represented in our survey chart are the standards like Hamburgers, Pizza, and Fair style foods. These are a must to please the kids and allow for simplicity in the food industry and ordering across the park. This research helped us see what people wanted in the way of food in a theme park. Having these quick fast foods will allow more time for those visitors that want the most time on the rides. Since it is a family event going to a theme park,

the priority should be family meals and rides, we recommend having family cook out areas available for reservation, and a fee, located conveniently to popular shows and rides.

As we all know Americans and Mexican people tend to be good drinkers in general, so we will have a specific serving area only dedicated to 21 and over. In these areas there should be sufficient supervision, but also all the popular local beers and even some craft beers. A full bar serving food, wine, and liquor could be an option, but this brings with it limitations. One of the bigger revolving purchase and liabilities would be having a Texas Alcohol and Beverage Commission License (TABC). Much of the cost can be differed by only having a beer and wine license. Another hazard is underage drinking and reckless behavior. Again it is a liability having the chance to serve alcohol to minors or those that have had too much to drink. This can be mitigated with strict enforcement of rules and a zero tolerance policy to violators. We strongly encourage issuing bracelets to those that have been verified as being old enough to drink and not allowing alcoholic beverage to leave the designated areas. Special events and venues could have adjusted rules and policies to facilitate the event and vendors. All our research points to the community overwhelmingly approving of alcohol being served at a new theme park. We asked a small sample group of 40 people in both El Paso and Las Cruces areas, and almost 70% were in favor of alcohol being served at the park. For the kids, a good suggestion borrowed from other parks is free unlimited fountain drinks on the weekends with a variety of soda stands all over the park (DBS Interactive, 2014). Again, the park must not neglect water fountains and shaded areas where patrons can hydrate and escape the heat. Another attractive beverage in the area that is a staple in beating the heat is shaved ice or snow cones. These stands can be either mobile or stationary and spread throughout the park serving ice cream and other cold treats from America and Mexico.

### Location and Cost

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#### Location Recommendation

Here at Southwest Theme Park Consulting we thought long and hard about the best place to have a theme park in the region. We tried not narrowing our search to just El Paso by considering locations in Anthony, Las Cruces, and Horizon City. Each one of these locations would make a great spot to serve the area and attract customers. One of the biggest limitations facing the location dilemma is available land big enough to fit a large theme park. To solve this we concluded and recommend placing the theme park on Loop 375 just north of the intersection with I-10. We considered

other areas in the El Paso region, but each had its down falls. In the Northeast a good location was available at Cohen Stadium and recently vacated, but offered to small of an area. The Asarco land recently cleared has good highway frontage, but is extremely controversial and contains possible pollutants. Our team feels that all of TRC's needs can be fulfilled in East El Paso and serve the customer the most. We conducted a survey to get the general consensus of the community from Las Cruces, Anthony, and all over El Paso to see where the majority favored a theme park being built. The results backed up our research and confirmed that the East side of El Paso would receive the most interest.

### Cost Research and Recommendations

The cost of a theme park is extremely high. The general rule of thumb for theme park cost is for each person expected to visit the theme park in a year, \$100 needs to be invested (Adams, 1991). This means if you expect 10,000 people to visit your theme park (per year), \$1,000,000 needs to be invested in the park. This is our recommendation for developing the investment cost of "Wild West Adventures!" This cost does not include any of the rides in the park. However, that cost equation does include food, water, and land investments (Adams, 1991).

Food distributors should have no problems, or require any extra transportation cost, if the park is developed in our recommended area. Loop 375 and the Interstate intersection lies on a significant trade route from East coast to West coast. It also lie conveniently near a port of entry with Juarez, Mexico, which gives the option or possibility to receive discounted goods. Water could either be provided by drilling a well, using Texas land and drilling rights, to access water from the Hueco-Bolson Aquifer. We recommend simply joining the El Paso Utility Board and the City of El Paso Water Utility, but saving cost by re-using your water and using holding tanks and filters for a sustained clean water supply. The El Paso Water Utility only requires a \$500 guarantee deposit for industrial applications plus a \$593 replacement charge monthly (El Paso Water Utilities, 2007). They charge based on average winter consumption (AWC) and cubic feet of water (CCF). At the most, using 250% of AWC the theme park would pay \$5.27 per CCF (El Paso Water Utilities, 2007). This is a high estimate, but the cost can add up quick. This is why it is important to only build popular water rides and have an effective re-use plan.

Electricity is another major cost and concern when operating a large theme park. El Paso Electric (EPE) is the service provider for the area and has an outstanding reliability rating ranked No. 1 out of 10 in their sector for System Average Interruption Duration Index (SAIDI), and No. 1 out of 10 respectively for the System Average Interruption Frequency Index (SAIFI) service ( Stanton Street, 2014). The best package option offered by EPE is their schedule no.

25 large power service rates. Much of the charges will increase during peak hours, 12 PM to 6PM, but cost can be saved during off-peak usage (Stanton Street, 2014). The bottom line is that electricity, water, insurance, and other required utility and services are going to be a major factor in operating cost every day.

The average cost per acre in El Paso is difficult to figure out, but there are trends state wide in industrial and commercial land prices. In the El Paso area these trends show industrial property in the city going for approximately \$44 a sq. foot and retail property trending at \$85 a sq. foot (Loopnet, Inc., 2014). For example, if TRC Inc. was to buy 250 acres at \$44 a sq. foot, which according to our research of the area is overvalued, it would cost around 26 million dollars in the Loop 375 area (Loopnet, Inc., 2014). These are just estimates used to show what land investment could cost the theme park. It is also likely that the theme park would need upwards of 500 acres to reach the potential of a full service theme park. This investment would also incur property taxes from El Paso County. A deal could possibly be reached with the county or city to differ taxes for 10 years to encourage a development of this size in the community. Deals like this aren't unlikely as the development benefits both parties.

Again the cost of the rides and infrastructure was not included in the cost equation mentioned earlier, and a roller coaster can cost anywhere from \$3 million to \$50 Million (Adams, 1991). The rides that we are recommending for "Wild West Adventures!" are wood and steel roller coasters. In a park with both types of coasters, the total cost will be around \$200 million, not including electricity or maintenance (New Hard Rock Park Opens, 2008). This is only an estimate of the rollercoaster portion of the rides and infrastructure, and further cost can be derived from these numbers for the rest of the park. Insurance cost for theme parks is another liability that must be taken seriously. Since a lot of things can potentially go wrong in a theme park, the insurance premium is usually pretty high. When it comes to assessing the cost of insurance for a theme park it is difficult to find a flat rate. Our research shows some low ball estimates putting the number at \$200,000 a year (Onosko, 1978). Regardless of these numbers, insurance is imperative in such a high risk industry, and good relationships must be earned and kept in the insurance community.

Advertising is another important expense to a theme park. No business can be successful without advertising. If no one knows about your business, no one will go to it. Businesses can advertise by selling products with their name on them, putting up ads, or by going around and telling people about their business. For a theme park, the most efficient way to advertise is by putting up advertisements online, in newspapers or magazines, on billboards, and by selling merchandise. Having ads can be expensive however. Last year, on average, theme parks spent \$10 million on advertising alone (Onosko, 1978). Even though this is a steep cost, it is a necessity that cannot be overlooked. One ad

can reach a large amount of people and really set your business up for success. If a theme park does not advertise, people will think that the owners do not care about their business and people will not attend the park. Also, with a strong advertising campaign, people are more likely to visit your business than your competitors. People are more likely to go somewhere they hear a lot about than a business that they never hear about. Even though advertising is a large expense, it is something that a business and “Wild West Adventures!” cannot go without.

In order to be profitable, a lot of people need to be coming to the theme park every year. Just to cover basic costs, on average 1,000,000 people need to visit the park per year and pay around \$40 for a one day ticket. Our research shows that some amusement parks are charging more than this, sometimes \$60 for a one day ticket bought the day of. The

### How much would you be willing to spend on one all day ticket at a full service theme park?

\* respondent were only allowed one choice

\*\* answers from 39 total respondents

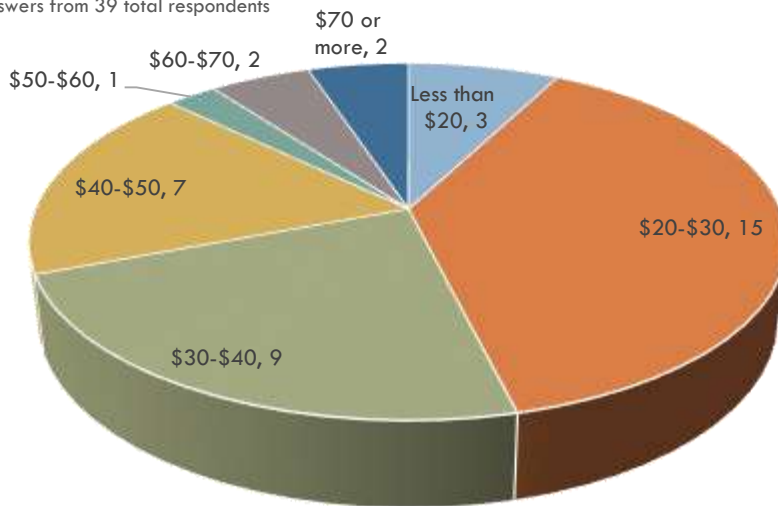


Figure no. 3

survey data collected by our team shows that El Paso and Las Cruces people, the majority of the expected patrons, are willing to pay between \$20-\$50 for a one day ticket (see Figure no. 3). These numbers should be interpreted as possible ticket prices for reserved tickets purchased prior to, not for ticket purchases the day of. It is typical to charge more for ticket sales purchased at the booth. Another profit opportunity exist in season ticket sales. These prices can be evaluated using other theme park prices in the state of Texas. For example, Fiesta Texas only charges \$20 more for their season tickets then their regular day passes (Six Flags Fiesta Texas, 2013). This encourages customers to buy the more expensive tickets with the impression they are getting more, when they may only go two or three times that season. Most theme parks are offering “Jump Passes” that allow customers to purchase wrist bands with electronic barcodes that allow quicker access to rides. This can be another form of revenue that meets the customer’s demand for not waiting in line.

### Conclusion and Final Recommendations

Our goals at Southwest Theme Park Consulting are to help TRC Inc. make good business decisions in a new market. We also wish to help TRC Inc. bring what the El Paso and Las Cruces communities have been lacking for so many years. This report will give TRC a lot of information and answer many questions, but still leaves some unanswered question. We still have much work to do till we deliver our final proposal presentation to TRC Inc. and answers all these questions.

Throughout this report you have learned about the theme and name recommendations we developed. Our suggestions included naming the park “Wild West Adventures!” centered on local western history of the region and adventure. The park would also have multiple Looney Tune characters around the park and in the theatrical shows to attract families and kids. The rides we recommended would include water rides like the “Roaring Rio Grande” and a “Splash Zone.” Rollercoasters should be a mix of wooden and steel coasters with western names, but also include kid’s rides and carnival game booths. We explained the climate and the local culture your customers would be coming from.

Entertainment and food is a significant concern for theme parks and was as such in our report. Nayely researched extensive sources and conducted surveys revealing the importance of a wide ranging menu. Recommendations included firework shows on the weekends, concerts from big name acts, and serving alcohol in a controlled manner. The menu recommendations were diverse selections of local taste, carnival foods, western BBQ, and quick comfort foods like hamburgers. All these suggestions were backed up by research in the community.

Lastly we touched on cost and location considerations for your new investment plan. We suggested building the theme park on the East side, but also being prepared to spend the money it takes to get the right size and location needed to be a successful theme park. Cost of operation and services was discussed and we concluded that the best option was to use city water and electricity along with an effective re-use plan. The final discussion involved ticket prices, sales, and marketing; all serious concerns in operating this theme park for a profit. We recommended charging no less than \$40 a ticket and including a season pass sales program.

Our final recommendation is that TRC Inc. has made the right decision in investigating in the investment opportunity of a new theme park in the El Paso area. We hope that Southwest Theme Park Consulting can and will fulfill their needs in fact finding, coordinating, and researching the best possible solution. Overall, we think a full service

theme park based on “Wild West Adventure!” including various rides, entertainment, and foods will be profitable in the region. It has been our pleasure serving TRC Inc. in this opportunity and developing this report.

Limitations of our research have included trademark rights to Looney Tune characters for incorporation into the theme, specific locations and exact cost of these locations, and exact water usage for water rides. We encountered other research limitation when calculating food cost and exact tickets prices. The decision to serve alcohol is limiting in cost when acquiring a TABC license to serve and providing the extra security. Planned research on ticket sales, season passes, and merchandise will be needed to cement the proposal. These limitations will be addressed either in our final proposal or following further employment by TRC Inc.



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## Appendix: Southwest Theme Park Consulting: Survey questions

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What is your zip code?

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If there was a theme park here in the area, which themes would you be most interested in visiting? (select all that apply)

- a. Local history/Western theme
- b. Outer space theme
- c. Cartoon character theme
- d. Fair/Carnival theme
- e. Ocean/Beach theme
- f. Movie themes
- g. Adventure themes
- h. Other (please specify)

What feature/ride/entertainment(s) would you most like to experience in a theme park? (Please select all that apply)

- 
- a. Fireworks
  - b. Rollercoasters
  - c. Theatrical shows
  - d. Parades
  - e. Acrobatic shows
  - f. Water shows
  - g. Fun or Haunted houses
  - h. Kid rides
  - i. Water rides
  - j. Wave pool
  - k. Lazy river
  - l. Family rides
  - m. Fair/Carnival rides
  - n. Other (please specify)

Where do you think a full service theme park should be located in the area?

- a. Downtown El Paso
- b. Northeast El Paso
- c. East EL Paso
- d. West El Paso
- e. Lower Valley El Paso
- f. Upper Valley El Paso
- g. Las Cruces
- h. Anthony
- i. N. Loop 375
- j. Other (please specify)

What kind(s) of foods do you prefer to eat at theme parks? (Please select all that apply)

- a. Fair/Carnival food
- b. German foods
- c. Mexican foods
- d. Hamburgers
- e. Finger foods
- f. Hot dogs
- g. Pizza
- h. Home-style cooking
- i. Popcorn
- j. Candy/Sweets
- k. Other (please specify)

How much would you be willing to spend on one all day ticket at a full service theme park?

- a. Less than \$20
- b. \$20-\$30
- c. \$30-\$40
- d. \$40-\$50
- e. \$50-\$60
- f. \$60-\$70
- g. More than \$70

Should alcohol be served at a full service theme park in the region?

- a. Yes
- b. No

