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Top Story

Resort posts \$130,000 profit for '10

KINSETH PROJECTS \$200,000 PROFIT FOR THIS YEAR

BY JAKE KURTZ

King's Pointe Resort posted a \$131,000 profit in 2010 and the new year is shaping up to be the best yet since the resort opened in August 2007.

All-time highs for room revenue, occupancy, food and beverage sales and waterpark gate receipts were set in 2010. The financial turnaround and good fortune, city officials believe, is a direct result of Kinseth Hospitality replacing Leisure Hotels as the resort's manager.

"Kinseth and the resort staff have done an outstanding job," City Development Director Mike Wilson noted. "There is no comparison with Kinseth and prior management. None. I attribute almost all of the good things going on here to Kinseth and the city looks forward to more good things ramping up."

In 2008, King's Pointe capped a difficult year that saw the waterpark resort post significant losses, capped by the city loaning \$3 million to the operation. By 2009 that total had been knifed to a loss of \$11,000.

"Kinseth has projected a profit of \$200,000 in 2011 and after a strong January things are already ahead of schedule," said Wilson. "We'll see if things can remain on track. We still need to see some additional improvement, but I think everyone is encouraged by the trend."

Occupancy ballooned in 2010 to 64.9%, a 5% increase over 2009. Total room revenue also shot up 10% in the last year to finish at \$1.07 million. Nearly 12,000 rooms were sold in the last half of 2010.

Total revenues increased 8.8% in 2010 to finish at \$2.01 million. According to Wilson, King's Pointe has seen sizable growth in its week-night corporate business while weekends continue to stay strong, contributing to the healthy recent numbers.

Meanwhile, Kinseth officials managed to trim total expenses by 4% in the last year to \$1.53 million.

"The expense control is directly related to management and their work," Wilson praised. "They have done a very good job of reducing expenses and keeping business strong."

Food and beverage revenues rose by \$62,000 in the last year. On the waterpark side, after seeing its best outdoor season to date, Wilson pointed out that indoor park revenue over the past six months of 2010 is up \$20,000 compared to the year prior.

"These are huge improvements in most areas," Wilson said. "We were lucky last summer in that we had such perfect weather for the water park. But I see no reason why we can't duplicate those numbers again."

"This business is subject to lots of variables, some of which you can control and others you can't. Like always, I'm cautiously optimistic for 2011. But with the improvements we have seen under Kinseth, it seems safe to say more good things should be on the horizon."