

From the Old to the New: An analysis of the decline of Florida's oldest attraction—Cypress Gardens—and the genesis of Florida's newest attraction—Legoland

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Introduction

Cypress Gardens was the most popular visitor attraction in Central Florida in the 1950's and 1960's. Since that time, the park has gone through a series of ownership changes, budget challenges and declining market attractiveness. The property was eventually sold to Merlin Entertainments Groups owner of the famous Legoland franchise. On October 15, 2011 Legoland, Florida was opened on the 150 acre prime lakefront property that was previously Cypress Gardens.

The 75 year old Cypress Gardens was founded by the Iowa native Dick Pope Sr., who came to Florida as an 11 year old boy with his father to help sell real estate. It was reputed that Pope closed his first deal at the age of 12. He married his partner and lifelong friend Julie Downing in 1926, and soon after in 1927 the real estate market in Florida went bust. In an effort to find a new source of income to support his family Pope decided to get into the business of selling outboard boat motors, which were becoming popular at that time. As luck would have it, the Johnson Outboards company, was just beginning a publicity campaign. Pope saw this as an opportunity to become the spokesperson for their product. So he and his wife packed their belongings into the family car and headed for the company headquarters. After meeting with the company executives regarding his plans to aggressively market their product, they decided to give him a \$1,000.00 a month job. As part of the pitch that Pope made to the executives he proposed to stage high-speed races in Florida as a means to advertise the now famous Johnson SeaHorse outboard motor. These races were such a success, that Pope decided to open his own public relations agency.

Pope's PR agency was so successful that at one time it had offices in the prestigious Tribune building in Chicago and the Graybar building in New York. Despite the success of his company Pope's heart was always in the Sunshine State, and was known to have commented that Florida was the only place that he could comfortably live. In the later part of 1932, while Florida was still in the grip of the depression, Pope sold his PR agency, and bought property on Lake Eloise in Winter Haven, FL which would later become Cypress Gardens. He started out

with a plan to build canals and beautify the chain-of-lakes. To make this goal a reality Pope was appointed chairman of the lake region and the property surrounding the lakes was put in his name. However, after spending government money as well as canal commission money on the beautification project, opposition started to build. The project was cancelled and the money was repaid to the canal commission. After which the property was deeded to the Florida Cypress Gardens Association Inc., which was owned by Pope. Now that he had controlling interest Pope decided to continue with his idea for a beautiful garden. Ever mindful of his goals Pope toiled alongside the workers in the muck and slug of the Florida swamp land, Dick Pope was determined to fulfill his dream. As the project progress Pope received a lot of criticism for his efforts. The press called him names like "Maharaja of Muck" and "Swami of the Swamp", but undeterred Pope continued with his vision. Interestingly, despite his dreams of creating an elegant landscape he had little knowledge of plants and vegetation. However, his wife Julie, who was born in Brewton, Alabama, loved them and had a green thumb. In fact, his wife played an instrumental role in the creation of the ideas of such a grand garden setting. Years later Pope was reputed to say "This all came about, you know, because Julie showed me an article in Good Housekeeping, while we were living in New York, about a banker in Charleston who had opened his private estate to the public, and charged admission and had taken in \$36,000 cash in one year—a big sum in those days. It stayed in our minds, and one day after we decided to come back to Florida, we talked it over and said, 'someday we'd build a Garden, so I could be president—and attract visitors to Winter Haven!'"

On January 2nd, 1935 Cypress Gardens was born, the gates opened to a sanctuary of 8,000 varieties of plants and flowers from over 90 different countries. On the first day, 183 people paid 35 cents apiece at the ticket office. Ever on the forefront of innovation, in 1938, the first electric boats began gliding through the tropical canals at Cypress Gardens. Dick Pope's tireless commitment to his vision had resulted in numerous images of beautiful women, palm trees, exotic flowers and always-sunny Florida skies published around the world. The newspapers which had previously vilified him were now referring to him as "Mr. Florida," first citizen of the state and, in time, the "Father of Florida Tourism." As the park progressed, some of the famous icons

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of Cypress Gardens were created by mistake, for example the introduction of the "Southern Belle" was created due to a dead wall vine. In 1940, one of the vines covering the entrance wall to the gardens was killed by a cold snap. It became so unsightly that patrons would drive up and turn around after seeing the dead vine. After noticing this, Mrs. Pope told one of the female employees to put on an old-fashioned dress "that will be warm without looking warm and we'll put a shawl on your shoulders. Then you go stand by that dead vine and flirt with everybody that comes in so hard that they don't see the vine." Thanks to the warm welcome people stopped turning away, and the gracious Southern Belles became a tradition that was an ongoing part of the beauty of the gardens. A similar start of a tradition came about in 1943 for the gardens' famous ski show. While Dick Pope was serving in World War II, a marketing photo of water skiers being pulled behind a boat at Cypress Gardens lead a group of soldiers to the park one weekend expecting to see a show. Unfortunately, at the time no such attraction existed at the gardens. However, like her husband Mrs. Pope was a cunning businessperson. She quickly got her children to gather friends and put on an impromptu water skiing show. The next weekend 800 soldiers showed up to see this amazing performance and the show became a signature event at the park. As such, Cypress Gardens was soon dubbed the "water ski capital of the world".

By this time Cypress Gardens was considered the premier attraction in Central Florida. Celebrities and Hollywood movie producers came to Cypress Gardens in the late '40s, '50s and '60s, including Elvis Presley, Esther Williams and Johnny Carson. Full length features were filmed on the property or made mention of Cypress Gardens including "On an Island With You," "Easy to Love," parts of "Moon Over Miami," "This is Cinerama," and hundreds of short features which flooded movie theaters all over the country, building tremendous recognition for the gardens. However, by the 70's and 80's competition in the theme park industry in Central Florida was beginning to heat up. Cypress Gardens began an expansion program to compete with the Walt Disney World Resort which opened in 1971. In the early 80's Dick Pope retired and passed control over to his son Dick Pope Jr. In June 1985, after almost a half-century of Pope family ownership and involvement, Cypress Gardens was sold to publishing conglomerate Harcourt Brace Jovanovich (HBJ). The new owners sunk several millions of dollars into a new package of attractions, shows and food concessions before selling Cypress Gardens and four Sea World parks to Busch Entertainment Corporation (BEC) in 1989. Under the control of Busch Entertainment, the park underwent capital expansions and improvements, including the introduction of more new attractions, shows, shops and festivals. But continued competition from Walt Disney World saw visitor numbers to Cypress Gardens continue to fall.

In 1995, BEC sold Cypress Gardens to the park's own management team which was under the leadership of Bill Reynolds. Back in the hands of local owners, Cypress Gardens attendance flourished

with the addition of new attractions such as a spring light show, an ice skating show, variety shows and a zoo. Additionally, in 1999, the park added an authentic paddle wheel boat for sightseeing tours and romantic brunch and dinner cruises. But this was a temporary reprieve for an aging park living on the luster of the vision of its' original owner. Despite all the efforts, there simply were not enough visitors making the 45-minute drive from the Walt Disney World area to the historic park that had once been the region's top attraction. Due to many factors including a prolonged tourism decline following the September 11, 2001 terrorist attacks, Cypress Gardens closed on April 13, 2003. This action put 529 people out of work with only three days' notice. Immediately the Friends of Cypress Gardens, founded by Burma Davis Posey, was incorporated. The goal of this organization was to reopen the park. They enlisted members in all 50 of the United States and in 27 countries. Within three and a half months, the grass-roots effort raised \$13,500,000 to save the park.

Shortly after this time Kent Buescher, owner of the successful Wild Adventures theme park in Valdosta, Georgia, acquired Cypress Gardens. His plan was to broaden the appeal of Cypress Gardens by spending \$50 million for standard family amusement park rides. On December 9, 2004, Cypress Gardens reopened as Cypress Gardens Adventure Park. In addition to the famed botanical gardens and water ski show, the reopened park offered four roller coasters and dozens of other standard amusement park rides. The local residents were glad to see Cypress Gardens resuscitated, even if it required installing "off the shelf" rides. However, the opening was not a smooth transition. Delays were caused due to damages created by hurricanes [Charley](#), [Frances](#), and [Jeanne](#). Cypress Gardens Adventure Park finally opened in December 2004. In a tip of the hat to the reopening problems, one of its new attractions, the Triple Hurricane roller coaster, was named for the tumultuous stormy season. The adjacent Splash Island water park opened in 2005, along with the Galaxy Spin roller coaster.

Unfortunately, the unpredictable Florida weather was not kind to the location. In September 2006, Adventure Parks Group filed for [Chapter 11](#) bankruptcy protection at the Florida site following approximately \$30 million in damages sustained by the 2004 hurricanes at the Florida site. In what many hoped would be a life-saver for the park. Land South Adventures, a subsidiary of [Mulberry, Florida](#)-based Land South Holdings, purchased Cypress Gardens at a bankruptcy auction on October 16, 2007, for \$16.9 million. Buescher remained interim manager until [Baker Leisure Group](#) of [Orlando, Florida](#), took over park operations in January 2008. On September 23, 2009, owner Land South Holdings LLC announced that the park was closing immediately, saying that all avenues to keep the park open had been explored but that they were unable to find a way to «keep the park running in its traditional form.»

Despite several years of hardship and struggle for Cypress Gardens a glimmer of hope was on the horizon. On January 15, 2010,

Table 1

Historical timeline from Cypress Gardens to Legoland

Year	Customers	Competition	Profitability	Risk
1936	Cypress Gardens opens with skepticism from public resulting in not many guests	Little competition for a horticultural garden in Central Florida	Dick Pope financed the project without much initial returns	Very high risk since newspaper articles were critical
1940	The introduction of Southern Belles and famous ski show saw increased guest, particularly from soldiers	Still little competition for this kind of attraction in Central Florida	As guests increased, profits increased and good publicity began to pay off	Risk began to decline with increased guest visits
1950	Increased guests made Cypress Gardens the premier attraction in Florida	Still not much competition for this type of attraction in Florida	Profits were high, Dick Pope was called Mr. Florida	With increased popularity and profitability risk was now negligible
1960	Customers continue to increase and Movie Stars like Elvis Presley and Johnny Carson made it more popular	Little to no competition for this type of attraction in Florida	Profits were very high, it was now a global attraction	This attraction carried very little risk, and the business model had potential for duplication
1971	The number of visitors were beginning to level off as no new expansion was planned and competition began to come into play	The opening of the Walt Disney World Resort was highly anticipated given the popularity of the park in Anaheim, CA	Profits were flat with no appreciable growth in visitor numbers	Increased risk to profitability with the opening of the Walt Disney World Resort
1980	With visitor numbers continuing to decline, Dick Pope, Sr. resigns and passes control to Dick Pope, Jr.	Cypress Gardens begins to face fierce competition from Disney, Universal and SeaWorld	The park experiences massive reduction of profits	The park is exposed to increase risk and its future is now unsure
1989	With continued low guest numbers, Dick Pope, Jr. sells Cypress Gardens to Busch Entertainment	The larger and newer parks in Orlando provide stiff competition for Cypress Gardens	Sustain losses force Cypress Gardens to be sold	The risk was now passed on the Busch Entertainment
1995	Even with improvements in rides and infrastructure Busch Entertainment decided to sell the park to the park's management team	With major airports and urban areas 1 hour away, Cypress Gardens competitors became an attractive guest option	Capital expenditure on new rides created a huge burden on profits	Cypress Gardens continues to be a risky enterprise
2003	The impact on the park of the 2001 terrorist attack was so detrimental to guest numbers that the park closed	The competition had the financial capital to withstand the impact of the 2001 terrorist attack	It became increasingly expensive to keep the park open	The risk was too great to carry on operations at the park
2004	Kent Buescher, owner of Wild Adventures in Georgia, reopened Cypress Gardens, numbers showed an increase, with a new water park	Strong competition as parks in Orlando tried to recoup losses from the triple hurricanes which hit Florida in 2004	Profits increased slightly, but a lot of money was spent on repairing the park after the hurricanes	The park was now susceptible to risk by unexpected events
2006	Unable to recover from the losses from the hurricanes, the park closed again, and filed Chapter 11 bankruptcy	The new water park addition was not able to compete with the larger parks	Due to low profits Kent Buescher closed the park	Cypress Gardens was now seen as a very risky business
2007	Cypress Gardens was bought at auction for \$16.9 million by a Property Development Company	Competition from large parks in Orlando was still a major hurdle	Rides were taken out and sold, the park operated solely as a water park	Seen as a very risky project
2009	The park was closed for the third time, with numbers continuing to fall	Competition was too much for the park	No successful profitable business model was found	Investors would not finance the park, since risks were so high
2011	Merlin Enterprises buys Cypress Gardens, and announces the opening of the largest Legoland in the U.S.	The industry is optimistic about the prospects of competing with the large parks	Unknown to date	The proven business model of Legoland lessens risks

the world's second largest theme park and attraction operator [Merlin Entertainments](#) bought Cypress Gardens with intent to use the site for the fifth [Legoland](#). On January 21, 2010, [Merlin Entertainments](#) announced that the park would be turned into [Legoland Florida](#). Merlin announced plans to fast-track the development of the park and planned an opening date for October, 2011. In keeping on schedule, under the ownership of Merlin Entertainments, the new Legoland Florida Park officially opened on October 15, 2011 at 10 am EST.

About Merlin Entertainments

Merlin Entertainments Group Ltd is a British operator of [amusement parks](#) and other attractions. It is the largest such company in Europe, and globally the second largest after [Walt Disney Parks and Resorts](#). Headquartered in [Poole](#), United Kingdom, Merlin Entertainments operates over seventy attractions in ten European countries, as well as the USA, China, Hong Kong and Australia. Its success has been underpinned by strong partnership arrangements with both public and private sectors, and with organizations as diverse as Disney and the [Worldwide Fund for Nature](#). In 2010, the company's properties hosted an estimated 41 million guests, making it the second-most visited theme park operator in the world, behind only Walt Disney Parks and Resorts. During this same year a boardroom disagreement between owners saw Merlin being sold to [Blackstone Group](#) (an asset management company) for approximately £110 million. Blackstone negotiated to buy control of Legoland for about £250 million and then merged it with Merlin. Merlin is the leading name in location based, family entertainment, and has seen the most successful and dynamic growth of any company in the sector over the last five years. As Europe's No. 1, and the world's No. 2 visitor attraction operator, Merlin has 59 attractions and six hotels along with two holiday villages in 13 countries and across 3 continents. The company aims to deliver memorable and rewarding experiences to its 41 million visitors worldwide, through its iconic global and local brands, and the commitment and passion of its managers and 13,500 employees. Merlin Entertainments operates the following attractions – Sea Life, Madame Tussauds, Legoland, The Merlin Entertainments London Eye, Dungeons, Gardaland, Legoland Discovery Centres, Alton Towers Resort, Warwick Castle, Thorpe Park, Chessington World of Adventures, Underwater Adventures, Heide Park and Earth Explorer.

Merlin Strategic Plan

Accounting for the problems with the previously owned and operated Cypress Gardens, the Merlin Group was confident that they had the right formula to make a park in this location work. Being a foreign company the element of risk was high, yet they felt that the investment needed would be a good and substantial one. A Winter Haven newspaper reported that Merlin has plans for a significant multi-million dollar investment over a number of years, beyond opening of the

largest Legoland Park to date. In line with the group's "resort" strategy for its theme parks this is likely to include both accommodations and the addition of further branded attractions from the Merlin portfolio. This will build on the \$100 million invested over the last few years in improved infrastructure on the site.

Merlin also relied on a proven marketing concept which was tried and tested on other Legoland sites in the United States and around the world. The Florida development will be Merlin's second Legoland Park in North America and will play an important role in the group's continued growth in the United States. It will provide a full-day, year round, theme park experience geared towards families with children between the ages of 2 - 12. Its design will mirror the successful concept of the four existing Legoland Parks in Denmark, Germany, UK and California. However, as with the other four, it will also have its own unique "twist" reflecting its stunning location and adding a Florida flavor. The opening of Legoland Florida is part of Merlin's long term Corporate Strategy of firmly establishing itself in the important US theme park market. Legoland Florida is the company's thirteenth attraction in the United States. It joins Legoland California; Sea Life Carlsbad; Madame Tussauds – New York, Hollywood, Las Vegas and Washington, D.C.; Legoland Discovery Centre Chicago; and the Underwater Adventures Aquarium in Minneapolis, all of which are already operating successfully. Four more attractions are also in development – Sea Life Phoenix; Legoland Discovery Centers in Dallas Fort Worth and New Jersey and the Pepsi Globe observation wheel in New Jersey.

Investing in Florida Tourism Industry

According to the 2010-2011 annual report from VisitFlorida (the official marketing agency for the state), the state of Florida welcomed a total of 82.3 million out-of-state and international visitors between July 1st 2010 and June 30th 2011, contributing a total of \$62.7 billion to the Florida economy. The most popular activities for domestic visitors in 2011 were shopping (33%), beach or waterfront activities (25%), touring or sightseeing (16%), theme and amusement parks (16%) and night life (13%). Overseas visitors cited shopping (89%), dining in restaurants (82%), and amusement and theme parks (55%) as the most popular activities while in Florida.

The decision to open a Legoland Park in Florida follows considerable research in the area by Merlin over a number of years. This research showed that there was a high recognition of the Legoland Park brand and over a 90% intention to visit by families in this target market. The issue had been to find the ideal site. Cypress Gardens had long been a popular location for millions of visitors. Merlin believes its Central Florida location, approximately 50 minutes from Orlando and also close to Tampa, is the perfect site for Legoland. The U.S. theme park industry is by far the largest in the world. There are approximately 40 large-scale parks with annual attendance of over 1 million, and approximately 55 moderate-scale parks with attendance between

500,000 and 1 million. Annual attendance at these attractions totals 159 million persons with revenues of \$4.5 billion. The U.S. industry dominates the world, in scale, product innovation, marketing savvy and operating knowledge.

The U.S. is a mature industry. Growth has been at a compounded annual rate of about 3 percent over the last 10 years. About ½ of this growth has come from consolidations through acquisitions and not from attendance increases in existing parks. Per capita expenditures have slightly exceeded the rate of inflation, reflecting admission price increases and strong growth in merchandise sales and games revenues. When we combine attendance growth with per capita expenditure increases, we see an annual revenue growth of about 9 percent over the last 10 years.