



JUNE 2016

# MASTER PLAN ECONOMIC IMPACT

CONSERVATION // EDUCATION // COMMUNITY

# The Potawatomi Zoo Enhances...

## Tourism

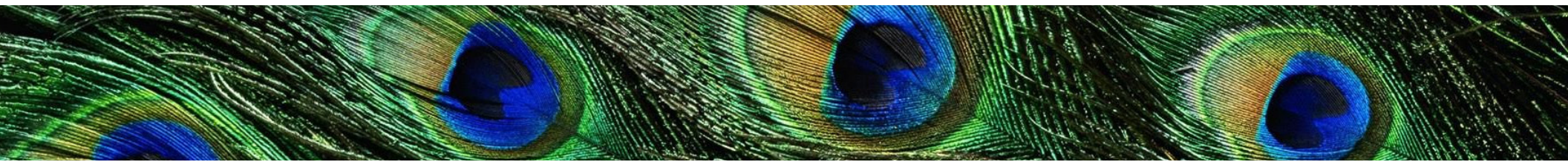


## Education



## Quality of Life





# INTRODUCTION

The Potawatomi Zoo is a beloved destination for families from St. Joseph County and, increasingly, for residents throughout the region. As an affordable family attraction, the Zoo delivers outstanding value.

The proposed Master Plan vision will re-energize the Zoo, transforming a good institution into a truly great destination. A mix of grand-scale animal exhibits, attractive amenities, and public spaces will set the stage for compelling new guest experiences and education programs, as well as enhanced revenue opportunities. Thoughtfully designed to address the needs, interests, and abilities of all audiences, the Potawatomi Zoo of the future is certain to be a top-of-mind attraction in the greater St. Joseph County region and beyond, and a jewel that truly gives back to its community.

Zoos add to the quality of life for residents, providing not only a fascinating look at animals from around the world, but a chance for families and friends to enjoy the outdoors, spend time together in an “all ages” setting, and leave with a richer understanding of each other and the world in which we live.

**An investment in  
Potawatomi Zoo is  
an investment in the  
future of our region.**

For over 100 years, the Zoo and the community have grown together, and now is the time for even greater growth and support. Investing in the “new Zoo” will create employment throughout the region in the short term with construction jobs and related spending. In the longer term, more permanent growth will be realized from a bigger, better Zoo with increased attendance, additional employees and new vendors, creating not only enhanced revenue but that all-important word-of-mouth “buzz” that showcases the community as a destination worth visiting and a desirable place to live and work.







# NEW ANIMALS, EXHIBITS, AND EXPERIENCES



## North America

North America provides a multitude of activities and encounters. It features new habitats for eagles, bears, cougar, wolves, and prairie dogs. Families will be thrilled with a large plaza that includes play opportunities and a new restaurant.



## Children's Zoo

This area offers a variety of up-close and visitor experiences, feedings, and Keeper interactions. The Children's Zoo is also the new home of the Education Department. The Barn will be converted into offices/classrooms for education and rental spaces.



## Africa

The African experience will transport guests as if on safari with up-close viewing of lions and okapi, and the opportunity to feed giraffe. These exhibits will be a must-see attraction in the Zoo.



## Asia

Located in the heart of the Zoo, the Asian experience showcases a new and improved tiger habitat. It also includes new exhibits for leopard, takin, penguins, koi, and gibbon.





# IMPACT STUDY

Market Feasibility Advisors analyzed the economic and fiscal impact of the construction costs, operations, and potential visitor/attendee spending of the Potawatomi Zoo Master Plan in St Joseph County.

This study used an impact analysis model that is based on consumption or expenditure. The underlying economic rationale is that new expenditures in a region drive the demand for goods and services and lead to economic growth. The logic of the model is that any additional demand in any sector or institution triggers economic responses from other sectors and institutions through the linkages in the input-output matrix. This is often called the ripple effect, since it is similar to the cascade of waves that form when a stone is thrown into a lake.

Every effort has been made to ensure that the data contained in this study reflects the most accurate and timely information possible and is believed to be reliable. This study is based on estimates, assumptions and other information developed by Market & Feasibility Advisors LLC from its independent research effort, general knowledge of the industry, and consultations with the Client and the Client's representatives. The complete impact study document is available on request.

The Zoo has demonstrated a commitment to sound business practices and with Master Plan growth, will increase guest capacity and revenue, leading to even greater financial sustainability.

The Zoo has demonstrated its ability to attract financial support and generate earned income, providing it a newly stable base of operations. Building on this success, the Zoo is poised to implement its new Master Plan, leading to even greater revenue opportunities and enhancing visitor value. The potential value proposition presented by the new plan is a key driver as millennials and other adults increasingly value experiences over possessions; residents look for things to do with their families nearly every weekend and tourists seek out novel activities and experiences when they travel.

Investing in the compelling Master Plan will yield significant dividends to the local economy and in guest perception and awareness as well as increases in revenue, attendance, and Zoo membership—and in philanthropy as well. All of this adds up to increased jobs and revenue not only for the Zoo but for the community as the plan becomes reality.



# \$343 MILLION

10-year cumulative economic impact

The cumulative 10-year impact of the proposed Master Plan is projected to be \$343 million. This is inclusive of labor income, and direct, indirect, and induced impacts.



### **Short Term Construction Impact**

Short term impact of the proposed Master Plan is based primarily around construction activities associated with Master Plan projects. This impact is projected at over \$76 million and 400 jobs.

### **Long Term Recurring Visitor Impact**

Long term impact is the product of the operational functions and visitor/attendee impacts on the local economy. Projected on a ten-year timeline, this impact is estimated at over \$266 million and 252 jobs.

### **Most Impacted Sectors**

The Zoo's growth will be felt throughout the community. The five sectors that stand to benefit the most from implementation of the Master Plan are:

1. Limited-service restaurants
2. Full-service restaurants
3. Other amusement and recreation industries (golf courses, sports centers, bowling centers etc.)
4. Amusement parks and arcades (family entertainment centers, etc.)
5. Retail - General merchandise stores

# 652 JOBS

The proposed Master Plan will have positive short-term and long-term impacts on employment in the region.

The combined effect of construction, direct, indirect, and induced impacts is projected to support 652 jobs in the decade beginning with ground-breaking.

# \$85M LABOR INCOME

Along with the positive impact on employment in the region, the Master Plan is projected to create \$85 million in labor income for the residents of the region.

This income will be spread across verticals, including direct effect (construction and operation), and indirect and induced impacts.

**Direct Impact:** A direct impact is the change in sales, income, and jobs in those businesses or agencies that directly receive revenues from the agency or program. For example, the economic activity of the construction company building a parking deck would be a direct impact.

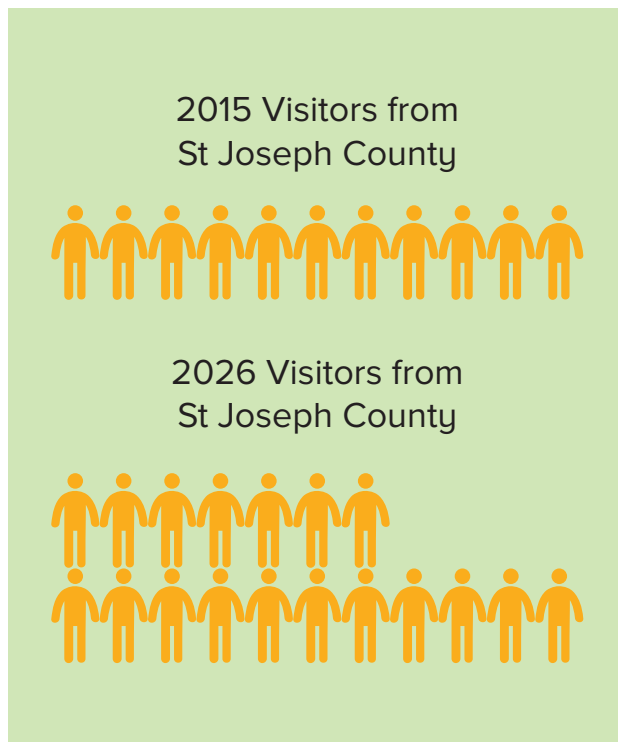
**Indirect Impact:** An indirect impact is the change in sales, income, and jobs in those businesses or agencies that supply the businesses or agencies receiving direct impacts. For example, if a steel fabrication plant in the impact area produces the steel that is sold to the construction company, the economic activity at the steel fabrication plant is an indirect impact.

**Induced Impact:** Induced impact measures ripple effects of wages in the local economy. As employees are paid by the businesses and agencies directly or indirectly impacted, there is an increase in household income, which is then spent, at least in part, in the impact area.

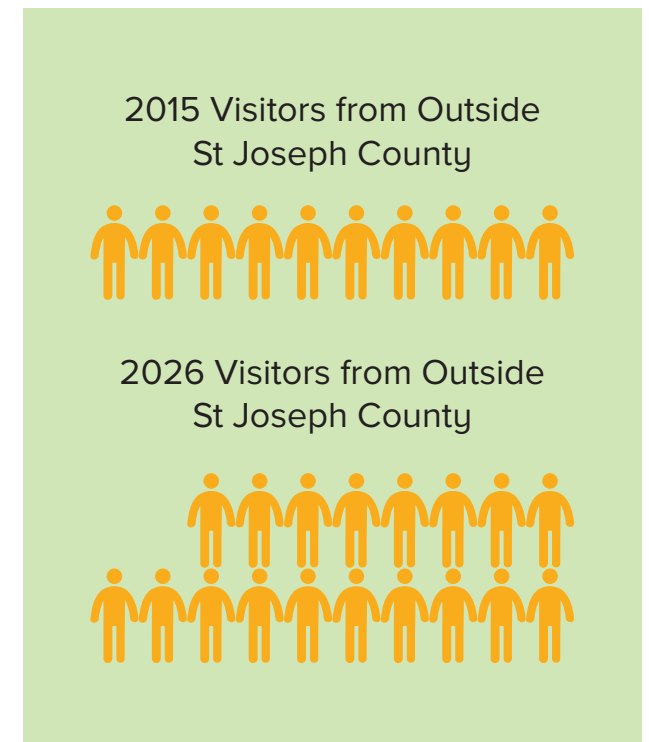
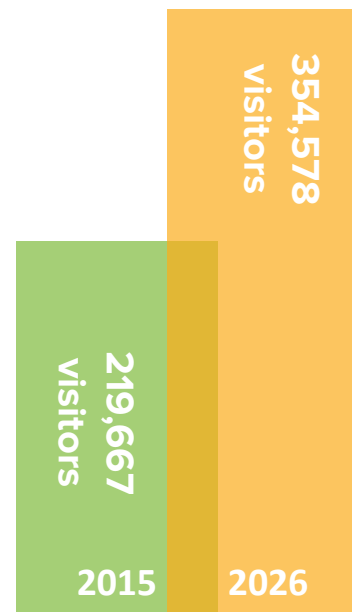


# MORE visitors from MORE places

With the new Master Plan, overall visitation to the Zoo is projected to increase over 160% above its 2015 levels. Not only will more local residents visit, but visitation from more distant locations will increase as well. By the time the Master Plan is complete, nearly 180,000 people from outside St. Joseph County, and over 350,000 in total, are projected to visit, which will benefit local business due to increased spending.



Projected Attendance Growth



# 125% ATTENDANCE GROWTH

Ten-Year Average of Four Tax-Supported Zoos





# PUBLIC INVESTMENT LEADS TO SUSTAINED SUCCESS

Great cities have great zoos. From Denver to Saint Louis to Chicago, zoos that receive public tax support are crown jewels for their communities. Zoos in these cities and many others – small and large towns alike – have benefited from community approved funding sources including sales, property, and other taxes. There is a long history of zoos being transformed into world-class destinations through a combination of public and private investment.

Based on AZA survey information, 74% of institutions responding reported receiving some amount of public support, making up, on average, 31% to 37% of operating budgets depending on budget size. Funding not only helps operations but in many cases, also translates into investment in new exhibits, attractions, and other facility improvements.

While there are many examples across the nation of the link between tax funding and success, four stand out as truly transformational. They are: Akron Zoo, Akron, OH; Utah's Hogle Zoo in Salt Lake City, UT; Fresno's Chaffee Zoo in Fresno, CA; and Kansas City Zoo in Kansas City, MO. Each of these tax models share several characteristics – they are public approved initiatives; they support capital projects; there are significant dollars being directed to the zoo; and there has been tremendous growth following the influx of dollars.

The stories are varied with one zoo being referred to as 'just a duck in a bucket,' to another where a letter writing campaign to save the zoo was instigated by a nine year old named Angel to a zoo struggling for fiscal survival. Yet the outcomes are the same and have been nothing short of remarkable. Citizens rallied to support 'their zoo', and 'their zoo' and their communities thrived.

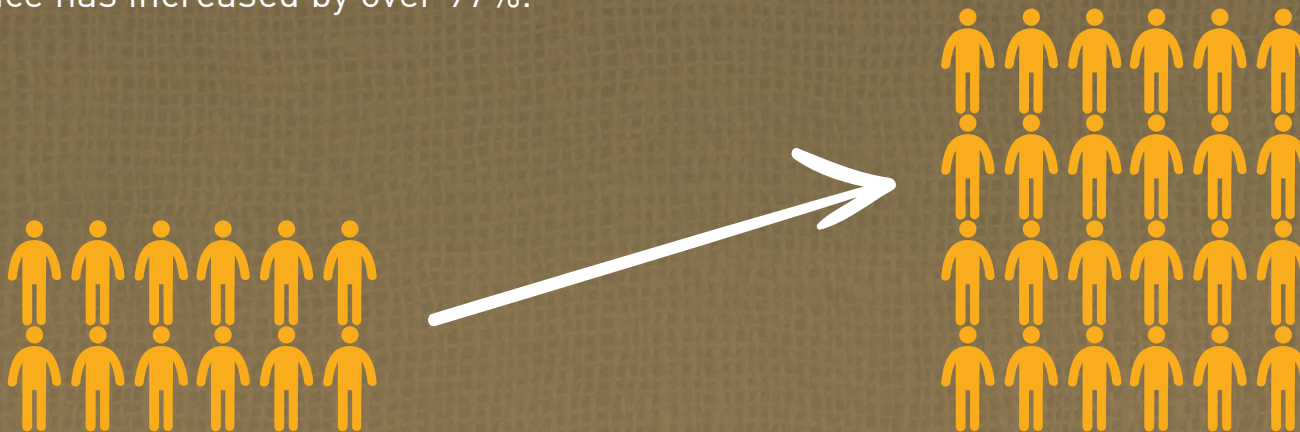
## AKRON ZOO

For the last 15 years, Akron Zoo has benefited from property tax funding for capital and operations, opening exhibits for bears, penguins, and otters. Growth has been dramatic; since 2005, attendance has increased by 160%.



## UTAH'S HOGLER ZOO

In 1997, the Zoo began receiving funds from a Zoo Arts Park sales tax. In 2004 the public voted to extend the tax and their support. Since that time, Hogle has become one of the nation's top zoos, and attendance has increased by over 97%.

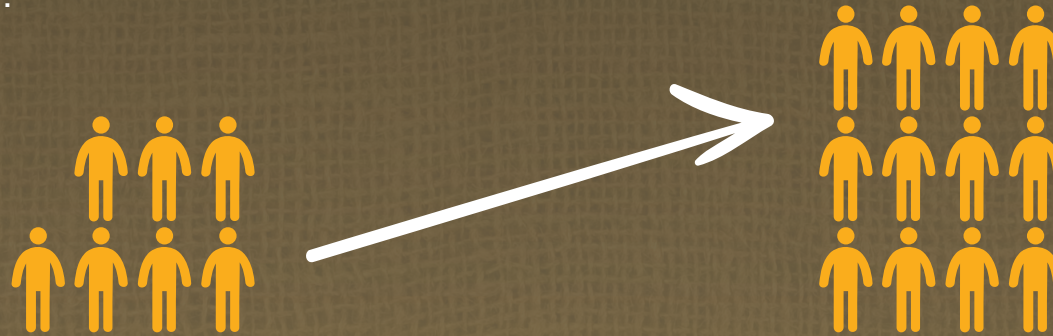


 = ~50,000 visitors



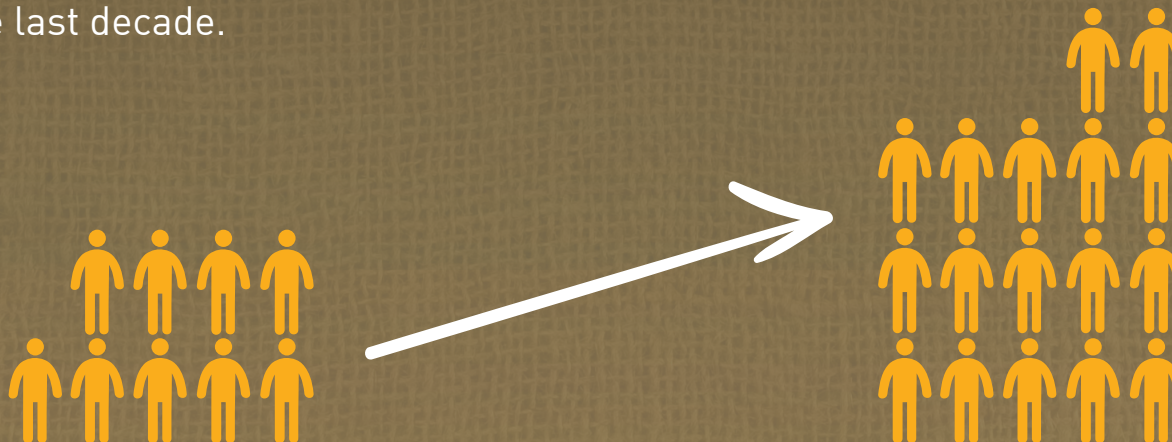
## FRESNO CHAFFEE ZOO

In 2004, the community approved a sales tax dedicated to funding the Zoo. Since that time, the Zoo has been transformed with a new Africa experience, sea lions, and a touch tank. Attendance has grown by over 130%.



## KANSAS CITY ZOO

In 2011, the citizens of two counties passed a sales tax with dedicated funding for the Zoo. With the opening of many new exhibits, including penguins and polar bears, attendance has more than doubled over the last decade.



 = ~50,000 visitors

# THE ZOO TODAY



→ 220,000 visitors → over 80 employees

- 2<sup>nd</sup> most popular attraction in South Bend over the past decade
- 25 consecutive years of AZA accreditation
- 55 species in Species Survival Plans
- 2,800 volunteer hours



In a world increasingly threatened by the loss of wildlife and open spaces, Potawatomi Zoo's conservation initiatives are visible evidence of the staff's expertise and commitment.

Zoos are at the forefront of wildlife conservation, working in regions around the world and at home to save species in danger and help people understand the impact of their actions and recognize the opportunities they have to help with the crisis of extinction. For the Potawatomi Zoo, conservation begins with providing the very best in animal care and enrichment—making sure that every single animal has the best possible habitat, keeper care, veterinary support and opportunities for enrichment. New facilities will include behind-the-scenes areas such as food preparation areas, training and enrichment yards, breeding dens, and keeper workspaces; many of these backstage areas will be on view for guests at selected times to demonstrate the dedicated care of keepers and the Zoo's commitment to quality.

Proposed exhibit areas such as Africa, Asia, North America and Alligator Adventure will feature several endangered species and promote the Zoo's conservation initiatives, including opportunities for visitors to support projects of their choice.

Throughout the "new Zoo," visitors will be encouraged to become good stewards and champions of the environment, learning how their choices affect wildlife at home in Indiana and throughout the world. The Zoo will lead the way for its constituents to become wildlife champions, helping to create a brighter future for wildlife and the world we share.

# 65,000

people served by over 500  
Potawatomi Zoo education programs in 2015





Potawatomi Zoo is a vital provider of educational programming for the region's elementary through high school students, as well as a resource of lifelong learning for all.

With a proposed new Children's Zoo serving as a hub for education, guests will experience a day at the Zoo like never before. Zoo programs will offer engaging opportunities to students of all ages.

Potawatomi Zoo is uniquely positioned as a "living classroom" for STEM education for many thousands of school children in the broader region. New programming and well-designed facilities will draw many new participants to the Zoo and the region and will also attract new funding from individuals and foundations. Whether it's nature play time in the innovative new North America habitat or earning academic credit with a Zoo internship, the region's best outdoor classroom is guaranteed to provide a fun outing and a rich learning experience.

### In 2015, Potawatomi Zoo...

- Provided 138 onsite exhibit presentations for over 46,000 people.
- Presented 45 programs at local schools reaching 2,262 students and teachers.
- Conducted 51 therapy programs at nursing facilities for 1,256 people.
- Hosted 45 camps and classes that enrolled 387 children
- Shared its conservation and education message with nearly 220,000 visitors.



# CONCLUSION

St. Joseph County and the cities of South Bend and Mishawaka can be proud of the Zoo they've helped create; the Zoo has been a wise steward of public support and has leveraged that support to become a cherished community resource. In the recent past, the Zoo has opened compelling new exhibits, increased attendance and revenue and built public awareness, demonstrating success and providing a remarkable return on investment—evidence that the Zoo is indeed worthy and deserving of renewed support.

As new exhibits and guest amenities emerge from the drawing board to become reality, the Zoo and the community will benefit from substantial growth in revenue, increased employment, an upsurge in visitors and new dollars from outside the region, and heightened public awareness. The impact of this investment will be significant—\$343 million in economic impact and more than 650 jobs—a noteworthy achievement by any measure.

Implementation of the Master Plan will deliver added tourism to the area, improved educational opportunities, and improved quality of life for the region.

There is evidence of success and proven precedent for the positive impact of dedicated tax support: this public funding strategy has led to impressive growth in new exhibits and triple digit increases in attendance in zoos both small and large throughout the country. Now is the time for South Bend, Mishawaka, and St. Joseph County to support, through a new public funding source, the Potawatomi Zoo, an educational and recreational attraction that benefits everyone and will enhance not only the Zoo itself but the community it serves.

