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October 14, 1988

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GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Sacramento Zoological Society's Economic Impact Report

SUMMARY

This report presents the results of an Economic Impact Report produced by Samuel J. Cullers and Associates and commissioned by the Sacramento Zoological Society, and is for information only.

BACKGROUND INFORMATION

The results of the economic impact report indicate that the Sacramento Zoo has a positive and major economic impact in the Sacramento community by generating both jobs and revenue. Further, this report suggests that Zoo expansion and improvements outlined in the Zoo's master plan could double the economic benefits to this community.

The Sacramento Zoo is one of the most self-sufficient municipal zoos in the country. Revenues from admissions, concessions, trust transfers, animal sales, and grants have provided 76-82% of the Zoo's city operating expenses for the last three years. Therefore, direct cost to the General Fund for fiscal years 1985/86 through 1987/88 was only \$221,022, \$189,527, and \$272,195 respectively. Support from the Sacramento Zoological Society offsets costs of capital improvement and enables the Zoo to provide a quality education program.

The economic impact report suggests that the direct cost to the City General Fund is minimal, especially when compared to other municipal zoos in the United States which contribute much less to their supporting budgets. Further, this report suggests that the Zoo is a significant contributor to the economic vitality of the metropolitan area. Following are some of the pertinent data supporting this view:

1. The Zoo has a FY 1987/88 economic impact of \$9.5 million dollars in terms of jobs, tourist dollars, household income, etc. (See Exhibit A). By 2002, this impact could be as high as \$17.8 million (not including any inflation);
2. The Zoo currently has a direct and indirect job creation impact of 316. This could be increased to 594 jobs by 2002;
3. The Zoo's total tax impact for FY 1987/88 was \$824,000, of which about 39% came to the City and County in the form of sales and hotel taxes;
4. Economic impact from construction of Zoo-2002 could impact an additional \$52,250,000 to \$61,750,000. If this positive impact were distributed equally over the next 15 years, there would be an additional yearly impact of \$3.5 to \$4.1 million dollars.

As one of the city's most important cultural and recreational facilities, the Sacramento Zoo contributes greatly to the quality of life in the area. The Zoo is the most heavily attended year-around public facility in the Sacramento area which attracted 588,000 visitors in FY 1987/88. The primary mission of the Zoo is to have a positive effect on wildlife conservation and promote greater understanding and appreciation for the animal world. The Zoo is one of Sacramento's most economical family attractions. Last year there were over 19,000 participants in the Zoo's education programs and 65,000 school children visited the Zoo free of charge. Conservation programs are paramount at the Sacramento Zoo, which has received numerous national awards for conservation programs and for successful breeding programs.

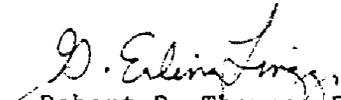
FINANCIAL DATA

This report suggests that the Sacramento Zoo is a financially sound organization and when the total economic impact is studied, the Zoo has little actual dependency on tax dollars.

RECOMMENDATION

This report is for information only.

Respectfully submitted,

for 
Robert P. Thomas, Director
Parks and Community Services

Approved for Information:

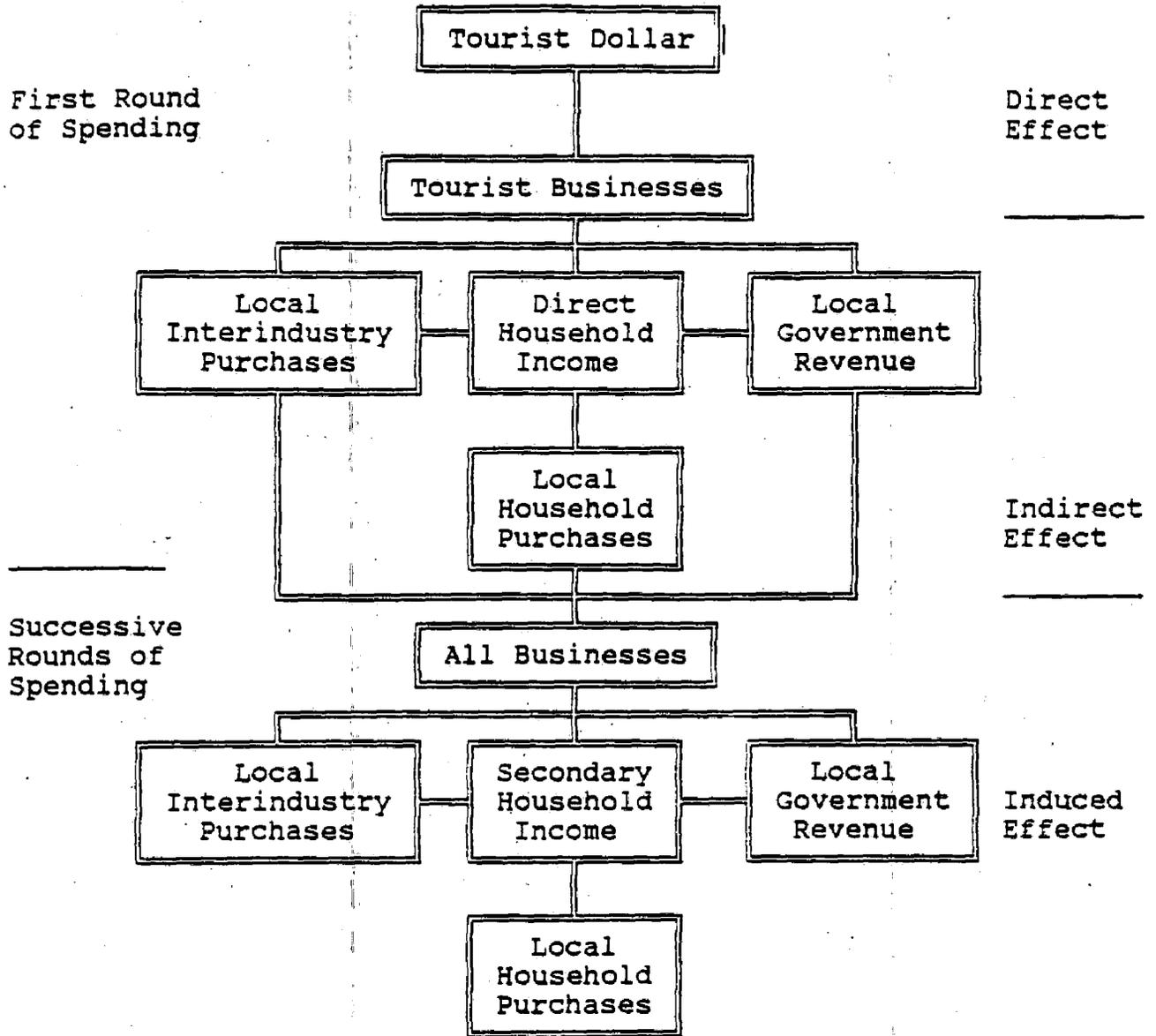

Jack R. Crist
Deputy City Manager

RPT:mb

November 9, 1988
District No. 4

Exhibit A

The Flow of the Tourist Dollar in the Local Economy



Source: J. Atkinson, Vancouver Public Aquarium; adapted from J. Lui.