



Worthy Investment for Northwest Pennsylvania



Parker Phillips
assess. analyze. assert!

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Erie Zoo BY THE NUMBERS

\$100 million

in economic impact generated over the past 5 years



Date Founded:

1924



\$21.2 million

in economic impact annually



310,000+

Visitors each year



\$1.3 million

in state and local taxes contributed



1 million+

Screams through the tunnel



\$45,000

raised toward conservation



442 people volunteered an average of

12,000 hours

per year at an estimated value of

\$282,720



28,000

Carousel rides each year



\$226,000

directly paid in amusement taxes over the past 5 years



58,000

Train rides each year



250 jobs

supported and sustained



12 million

Lifelong memories and growing



The Erie Zoo is a 98-year-old, City of Erie-owned, lead asset for the region. It attracts more than 300,000 visitors each year to one of the marquee entertainment districts of Erie County, serving as an anchor connecting the Flo Fabrizio Ice Center, Glenwood YMCA, J. C. Martin Golf Course, and Glenwood Park. Some call it the "Central Park of Erie" – all hold it among the most beloved locations in Erie County.

COVID CHANGED EVERYTHING, EXCEPT LOVE OF THE ERIE ZOO

The Erie Zoo has been a mainstay in the Erie community for nearly a century. The Erie Zoo is part of the memory reel of nearly every child in the region, having visited on a school field trip, experienced a summer camp, or been a part of its coveted Junior Zookeepers program. In recent years, the Zoo has begun to evolve, and its storied past is making way for promising, yet to be imagined, future.

When Erie Zoo leadership recognized that the Zoo needed a major facelift in 2019, an influential group of community leaders, including former Pennsylvania Governor Tom Ridge, launched the Wild Open Spaces campaign. The projects spotlighted as part of the capital raise included cosmetic updates, new bear and giraffe exhibits, and a general refresh that fit the order of the day – and the Erie community stepped up.

COVID-19 hit in March 2020 interrupting the yet to be closed capital campaign. Visitors were no longer able to visit the Erie Zoo for months and the main revenue source dried up – the Zoo took a financial hit. In its resilient and what can only be described as Erie-like style, the Zoo opened its gates hosting students, so parents without childcare could make it to work and found creative ways to remain relevant during a confusing time.

The Erie Zoo wasn't alone – zoos across the country were emerging as part of virtual classrooms finding ways to create field trips for students stuck at home. These zoos were equipped with livestream capability and put their fascinating creatures and charismatic zookeepers in the spotlight – a difficult task without mobile cameras and campus-wide broadband, which was the case at the Erie Zoo.

Also, unlike other zoos across the country facing similar COVID-induced challenges, inside the Erie Zoo a reckoning was underway, as its Association of Zoos and Aquariums (AZA) accreditation, long held together through its commitment to conservation and years of transactional support, was beginning to buckle. In November 2021, a consequential outcome than could not have been imagined prior to the pandemic was about to bear down on the beloved city asset – an AZA inspection resulted in an interruption that could change the course of the Erie Zoo.

Study Methodology

- IMPLAN
- Study 2021 Dollars
- Operations Data from 2021
- Visitor Data – Estimated 316,000 visitors annually
- Point-in-time impact – numbers can go higher or lower based on expenditures and visitors
- Direct jobs are an average of 2021 numbers based on seasonality of operations.



AN ECONOMIC AND COMMUNITY ASSET

The Erie Zoo generates **\$21.2 million** annually in the PA economy. 84% of this impact (\$17.8 million) stays in the Erie County economy. The Erie Zoo generated nearly \$100 million in economic impact over the past 5 years.

- Operational and capital spending of the Erie Zoo generates \$8.5 million annually.
- Visitor spending generates \$12.7 million annually on a direct and indirect basis.

TOTAL ECONOMIC IMPACT OF ERIE ZOO ON PA ECONOMY

TOTAL OPERATIONAL IMPACT	\$8,502,061
DIRECT	\$5,102,189
INDIRECT	\$1,585,021
INDUCED	\$1,814,851
TOTAL VISITOR SPENDING IMPACT	\$12,737,950
DIRECT	\$8,243,005
INDIRECT	\$2,393,189
INDUCED	\$2,101,756

TOTAL ECONOMIC IMPACT	\$21,240,011
TOTAL DIRECT	\$13,345,194
TOTAL INDIRECT	\$3,978,210
TOTAL INDUCED	\$3,916,607

Source: Parker Philips using IMPLAN and data from the Erie Zoo



Most visitors to the Erie Zoo live within a 50-mile radius (80.4%), and 19.6% of visitors are from 50+ miles away. It is assumed that all visitors to the Erie Zoo are day visitors and local day visitors (living within a 50-mile radius) spend \$28.49 per visit and non-local day visitors (living 50 or more miles away) spend \$51.28 per visit.

Source: Intercept surveys with Erie Zoo visitors

SUPPORTING AND SUSTAINING JOBS

The Erie Zoo's operations and visitors support and sustain an estimated 250 jobs annually.

- The day-to-day operations of the Zoo support 109 jobs with an average of 85 direct jobs annually.¹
- Visitors to the Erie Zoo are an important driver of the Zoo's impact. Visitors support 141 jobs and generate \$12.7million in economic output for the economy.

TOTAL EMPLOYMENT IMPACT OF ERIE ZOO ON PA ECONOMY

TOTAL OPERATIONAL IMPACT	109 JOBS
DIRECT	85 JOBS
INDIRECT	11 JOBS
INDUCED	13 JOBS
TOTAL VISITOR SPENDING IMPACT	141 JOBS
DIRECT	110 JOBS
INDIRECT	15 JOBS
INDUCED	16 JOBS

TOTAL EMPLOYMENT IMPACT	250 JOBS
TOTAL DIRECT	195 JOBS
TOTAL INDIRECT	26 JOBS
TOTAL INDUCED	29 JOBS

Source: Parker Phillips using IMPLAN and data from the Erie Zoo



¹ The number of direct jobs is the average of annual and seasonal employees at the Erie Zoo.

GENERATING STATE AND LOCAL TAX REVENUE

The state and local tax impact of the Erie Zoo totals \$1.3 million. Operational and visitor spending generate \$608,536 in local taxes and \$720,392 in taxes for the commonwealth. Included with these local taxes is the City of Erie amusement tax, which is levied at the rate of 3% for general revenue purposes upon the price of admission to any amusement within the City. In 2021, the Erie Zoo paid \$56,651 to the City of Erie in amusement taxes.

TOTAL TAX IMPACT OF ERIE ZOO ON PA ECONOMY

TOTAL Sub County General	\$137,713	TOTAL COUNTY	\$125,621
DIRECT	\$106,692	DIRECT	\$98,809
INDIRECT	\$15,497	INDIRECT	11 JOBS
INDUCED	\$15,524	INDUCED	13 JOBS
TOTAL Sub County Special Districts	\$340,202	TOTAL STATE	\$720,392
DIRECT	\$266,266	DIRECT	\$550,457
INDIRECT	\$36,948	INDIRECT	\$84,501
INDUCED	\$36,988	INDUCED	\$85,434

TOTAL TAX IMPACT
\$1,323,928

TOTAL DIRECT **\$1,022,224**

TOTAL INDIRECT **\$150,347**

TOTAL INDUCED **\$151,357**

Source: Parker Phillips using IMPLAN and data from the Erie Zoo

A MODERNIZATION EFFORT IS REQUIRED

The future standing and success of the Erie Zoo is at stake – the loss of accreditation by the Association of Zoos and Aquariums (AZA) is a step back in prestige and could impact animal attraction power for the Erie Zoo. The Zoo has level set and is opting to use this pivotal moment as an opportunity to update aging exhibits to match specifications of modern zoological design and move the Zoo into the 21st Century.

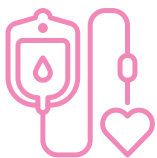
While the AZA is currently the Zoo's fiercest critic – they are also the Zoo's biggest cheerleader. Through mentorship and side-by-side guidance, the AZA has expressed its desire to have the Zoo back as a member and has given the beloved Erie County asset a path forward to reentry. The road forward is not easy or cheap but presents a rare opportunity to grow, expand, and modernize.

AZA REQUIRED AREAS OF INVESTMENT



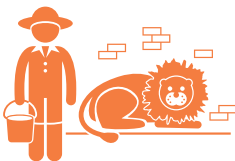
TECHNOLOGY

Broadband access throughout the property for interactive exhibits, educational activity, and security



CAPITAL UPGRADE

Veterinary center furnished with state-of-the-art equipment



INFRASTRUCTURE

Exhibits and facilities that reflect modern zoological design and meet AZA standards



OPERATIONAL

Competitive salaries on par with national marketplace and filling additional positions





THE OPPORTUNITY

Changing a hometown zoo to a major regional attraction would pay dividends for the regional economy. Tourism is a \$1 billion plus industry in Erie County with visitors flocking to Presque Isle Park and other Erie attractions. The visitors are coming for the beach, but there is significant opportunity to get them to stay in Erie County longer and spend more money thereby benefiting the economy. The Erie Zoo leadership is approaching the upgrades and modernization requirements as an opportunity to transform the Zoo into an attraction that appeals to people beyond the region.

A review of the AZA economic impact study[1], shows that compared to other zoos across the country, the capital and operational investment required to continually invest in its facilities and operational funding required to stay on course with its peers across the nation are lacking at the Erie Zoo. Technology is a major deficit when compared to regional attractions. Interactive displays and live camera feeds are hindered by the fact that the Erie Zoo doesn't have access to campus-wide broadband, resulting in a limited visitor experience.

Erie loves the Erie Zoo – as evidenced by the fact that the Wild Open Spaces campaign drew \$8 million in private and corporate support. That funding can be used to leverage outside investments, which could transform this community asset into a regional attraction and economic engine.

[1] Source: AZA Zoos and Aquariums Contribute \$24 Billion to U.S. Economy.

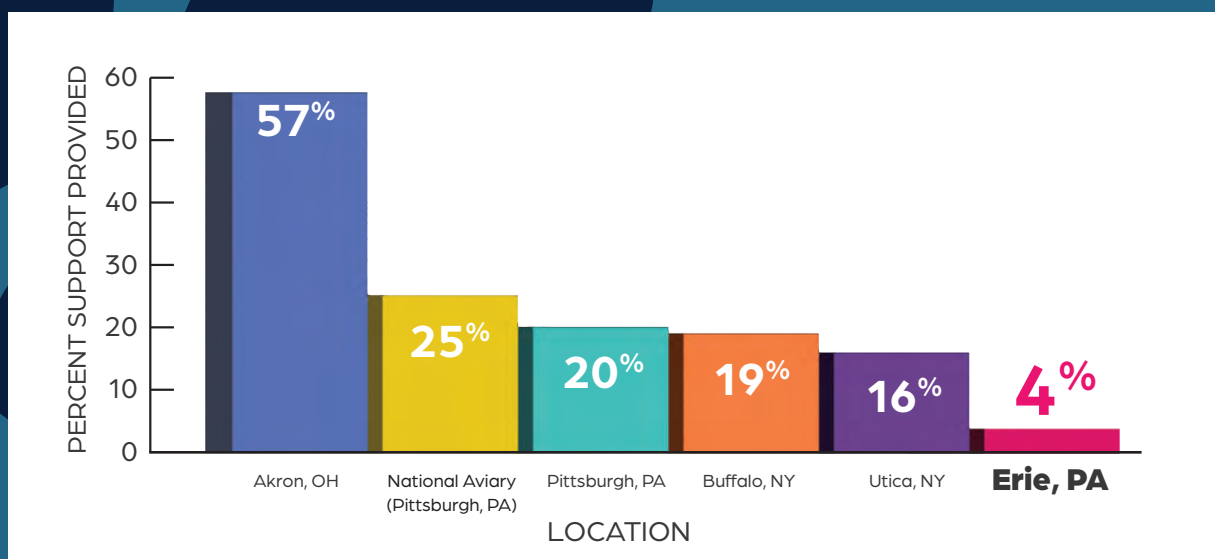
MIDSIZE ZOOS GET MAJOR FUNDING SUPPORT

Analysis of peer zoos (mid-size zoos) that have been elevated to major regional attractions shows that government support for the Erie Zoo is 12% lower than Utica, NY, and 53% lower than the Akron Zoo. The Akron Zoo represents a strong comparator for the Erie Zoo and the potential impact of public support. In 2011, the average attendance of the Akron Zoo was 100,000 visitors and grew to over 400,000 in 2019. Visitors to the Akron Zoo are 40% from Summit County and 60% from surrounding counties and states. A deliberate decision in 2001 to provide public funds for the Akron Zoo has yielded results with an annual economic impact of \$56.2 million per year – the zoo is a tourist destination rather than a local attraction. The Akron Zoo is publicly supported through a tax levy that passed in 2010 and successfully passed on the November 3, 2020, ballot requesting a 0.8 mil renewal levy and 0.4 mil increase. This request was \$2.92 per month for the owner of a \$100,000 home. This is the first time since the original levy passed 20 years ago that the zoo asked for an increase.



Two-hours south of Erie, PA, in Pittsburgh, local financial support of two regional assets makes a significant impact in operations and destination status. Support for the Pittsburgh Zoo and National Aviary in Allegheny County, Pennsylvania, comes from the Regional Asset District (RAD) which provides funding for over 100 assets in the county including the Carnegie Library System, Allegheny County Parks, and Phipps Conservatory. The Pittsburgh Zoo and the National Aviary in Pittsburgh (AZA accredited) are considered contractual assets and are guaranteed a share of the RAD, which is reviewable every 5 years. In 2022, the Pittsburgh Zoo will receive about \$4 million in operating funds and \$775,000 in capital funds, and the National Aviary will get over \$1 million in operating and \$750,000 in capital funds.

PERCENTAGE OF REVENUE PROVIDED BY GOVERNMENT SUPPORT



Source: Parker Phillips using IMPLAN

ERIE ZOO AS A DESTINATION

An economic analysis shows that an increase in economic impact for the city, region, and state will occur if the Erie Zoo can increase its destination status and attract more out of region and out of state visitors. Visitors spend more money when they come from out of the area, including money at hotels. However, a marked increase in visitor numbers and visitor spending will only occur if capital and operational investments are made to the Zoo. The Erie Zoo needs to improve its image and status to drive growth from out of county guests.

To elevate their destination status and increase their economic impact on the region, the Erie Zoo will need to increase their operational and capital budget to be in line with peers and to regain AZA accreditation. The current operating and capital budget is about \$5 million annually. As way of perspective, total operating and capital budget for the Akron Zoo in 2019 was almost \$15 million (\$14.9 million). The Erie Zoo budget would need to double in order to be competitive. The Zoo will also need to expand its profile of visitors to attract more visitors from outside the 50-mile radius to stay overnight in the region.

It is projected that expanding the visitor profile as well as the operating and capital budget of the zoo would conservatively double its impact to an estimated \$46.1 million annually, which means an additional \$32.8 million for the Erie County economy.

SELF SUSTAINING ASSET WORTHY OF INVESTMENT

The Erie Zoo is identified as a lead asset in the community by the Erie County Gaming Revenue Authority (ECGRA) and Erie Community Foundation. It draws the highest percentage of ECGRA dollars, because it attracts the most visitors among all lead assets in the county.

"By investing in lead assets like the Erie Zoo, we're investing in Erie's ability to attract and retain creative talent and innovative businesses. The vitality and continued excellence of the Erie Zoo is a part of the region's renaissance."

Perry Wood, Ed.D.

Executive Director, Erie County Gaming Revenue Authority

Currently, the Erie Zoo maintains its operations through visitor revenues and spending, which was laid bare during COVID when the ticket sales dried up forcing the leadership of the Erie Zoo to get creative. An entirely visitor-based revenue stream is not feasible as the Zoo strives to pursue its conservation efforts and modernize its facility.



CONCLUSION

At the time of publication, the Erie Zoo is open for the season and hosting Free Sunday hours, school field trips, and preparing for the summer season with one notable family member missing – Joe the Orangutan, one of the Zoo’s most beloved ambassadors who died at 36-years-old this past winter. A season of change brings opportunity, and the staff and Board of the Erie Zoo are preparing to undertake the task of modernizing the near century old Zoo through a new lens of reaccreditation.

The Erie Zoo is a pride point for the county and Northwestern Pennsylvania – regaining accreditation by AZA will help restore it to its former glory as both an economic and community building block. This economic analysis shows that the Erie Zoo is an economic asset that could become a powerful economic engine, but a major investment is critical to its long-term success.



APPENDIX A: TERMS AND DEFINITIONS

DATA YEAR 2020

DIRECT EMPLOYMENT Total number of employees, both full-time and part-time, at the organization based on total jobs, not FTEs.

DIRECT IMPACT All direct expenditures made by an organization due to its operating expenditures. These include operating expenditures and pay and benefits expenditures.

DOLLAR YEAR Presented in 2021 dollars

**GOVERNMENT REVENUE/
STATE AND LOCAL
TAX IMPACT** Government revenue or tax revenue that is collected by governmental units at the state and local level in addition to those paid directly by an organization. This impact includes taxes paid directly by the organization itself, employees of the organization and vendors who sell products to the organization and at the household level.

INDIRECT EMPLOYMENT Additional jobs created as a result of an organization's economic impact. Local companies or vendors that provide goods and services to an organization increase their number of employees as purchasing increases, thus creating an employment multiplier.

INDIRECT IMPACT The indirect impact includes the impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money is spent outside of the local economy, either through imports or by payments to value added (multiplier effect).

INDUCED EMPLOYMENT	Additional jobs created as a result of household spending by employees of an organization and the employees of vendors. This is another wave of the employment multiplier.
INDUCED IMPACT	The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not lost to the regional economy. This money is recirculated through household spending patterns causing further local economic activity (multiplier effect).
MULTIPLIER EFFECT	The multiplier effect is the additional economic impact created as a result of the organization's direct economic impact. Local companies that provide goods and services to an organization increase their purchasing by creating a multiplier (indirect/supply chain impacts). Household spending generated by employees of the organization and the organization's suppliers create a third wave of multiplier impact (induced/household spending impacts).
STUDY YEAR	2021
VISITOR TYPE	Three types of visitors are defined in the study. Local day visitors who travel from less than 50 miles, day visitors who travel more than 50 miles, and overnight visitors.

This economic impact report was provided
pro bono by Parker Philips to the Erie Zoo.



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