Agenda - Executive Policy Committee - December 10, 2003

Report - Standing Policy Committee on Protection and Community Services - December 8, 2003

Item No. 3 Increase of Zoo Admission Fees
File PR-7.1.1

STANDING COMMITTEE RECOMMENDATION:

On December 8, 2003, the Standing Policy Committee on Protection and Community Services did not concur in the administrative recommendation and submits the matter to Council.

Agenda - Executive Policy Committee - December 10, 2003

Report - Standing Policy Committee on Protection and Community Services - December 8, 2003

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 8, 2003, the Standing Policy Committee on Protection and Community Services did not concur in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: **Increase of Zoo Admission Fees**

FOR SUBMISSION TO: **Standing Policy Committee on Protection and Community Services**

ORIGINAL REPORT SIGNED BY: Ursula Stelman, Director
Community Services Department

REPORT DATE: **November 24, 2003**

RECOMMENDATION(S):

1. That Council amend the Parks and Recreation By-Law (No. 3219/82) to permit the following fee increases for admission to Assiniboine Park Zoo for the years 2004 and 2005 to be effective January 1, 2004:

High season (March 1 to October 31)

	Adult	Senior	Youth	Child	Family
2003 fees	$3.75	$3.50	$2.15	$1.60	$10.95
2004 fees with GST	$4.00	$3.75	$2.50	$2.00	$13.50
Increase	*(+$0.25)*	*(+$0.25)*	*(+$0.35)*	*(+$0.40)*	*(+$2.55)*
2005 fees with GST	$4.25	$4.00	$2.75	$2.25	$15.00
Increase	*(+$0.25)*	*(+$0.25)*	*(+$0.25)*	*(+$0.25)*	*(+$1.50)*

Low season (November 1 to February 28)

	Adult	Senior	Youth	Child	Family
2003 fees	$3.20	$2.95	$1.60	$1.05	$8.55
2004 fees with GST	$3.50	$3.25	$2.00	$1.50	$10.50
Increase	*(+$0.30)*	*(+$0.30)*	*(+$0.40)*	*(+$0.45)*	*(+$1.95)*
2005 fees with GST	$3.75	$3.50	$2.25	$1.75	$12.00
Increase	*(+$0.25)*	*(+$0.25)*	*(+$0.25)*	*(+$0.25)*	*(+$1.50)*

*all fees inclusive of GST have been rounded to the nearest nickel for administrative purposes, where required.

2. That the City Solicitor be instructed to prepare the necessary amending by-law.

3. That the proper officers of the City be authorized to do all things necessary to implement the foregoing.

REPORT SUMMARY:

Key Issues:

1. In April 2003, Council adopted Zoo admission fee increases for fiscal 2003 that were recommended as part of a comprehensive comparative analysis of similar attractions. The Adopted 2003 fee schedule was the first part of a three-year strategy to increase Zoo revenues and improve Zoo attractions.

2. With the proposed admission fee increases, the Assiniboine Park Zoo will remain under priced in comparison to other zoos across Canada, and under priced in relation to comparative attractions in Winnipeg such as the Fort Whyte Nature Centre and the Manitoba Children's Museum.

3. To create new interest, excitement and value at the Zoo and to attract more visitors, the Zoo is planning to develop and display new attractions. These will include education/conservation themed "animal encounter" events featuring displays of "white tigers" or "birds of prey" for example. New attractions may also include special themed events like Grandparents Day and a Valentines Day event. Additionally, the Zoo will be adding interpretive programs and guided tours, all designed to make the Zoo a more fun, informative family attraction.

4. The proposed admission fee increases constitute a critical component in the strategy to reach Zoo revenue targets in the 2004 – 2006 current estimates. New Zoo attractions are a critical component of the strategy to halt declining Zoo attendance. Financing of the costs associated with new Zoo attractions will be initially achieved with funds from the Assiniboine Park Reserve. Admission fee revenues in excess of targets will allow the Zoo to continue to develop and present fresh new attractions.

5. Admission fee waivers are available to individuals and groups unable to pay for entrance to the Assiniboine Park Zoo.

Implications of the Recommendation(s):

General implications:

? **None**
? **For the organization overall &/or for other departments**
X **For the community and/or organizations external to the City**
? **Involves a multi-year contract**
Comment(s): Adoption of this recommendation will result in higher admission fees to the Assiniboine Park Zoo

Policy implications:

? **No**
X **Yes** **Comment(s):** By-Law No. 3219/82 must be amended to reflect approved Zoo admission fee increases

Environmental implications:

X **No**
? **Yes** **Comment(s):**

Human Resources implications:

X **No**
? **Yes** **Comment(s):**

Financial implications:

X **Within approved current and/or capital budget**
? **Current and/or capital budget adjustment required**
Comment(s): Increases in Zoo admission fees are reflected in the proposed 2004, 2005 and 2006 estimates

REASON FOR THE REPORT:

Council approval is required to amend a civic by-law.

HISTORY:

On May 26, 1993, Council amended the Parks and Recreation By-law to charge admission fees for Assiniboine Park Zoo. Before May 26, 1993, admission to Assiniboine Park Zoo was free.

On April 30th, 2003, Council amended the Parks and Recreation By-Law (No. 3219/82) to permit the following 2003 fee increases for admission to the Assiniboine Park Zoo to be effective January 1st, 2003:

High season (March 1 to October 31)

	Adult	Senior	Youth	Child	Family
2002 fees	$3.00	$2.75	$1.50	$1.00	$7.50
2003 fees with GST	$3.75	$3.50	$2.15	$1.60	$10.95
Increase	*(+$0.75)*	*(+$0.75)*	*(+$0.65)*	*(+$0.60)*	*(+$3.45)*

Low season (November 1 to February 28)

	Adult	Senior	Youth	Child	Family
2002 fees	$1.00	$1.00	$1.00	$1.00	$7.50
2003 fees with GST	$3.20	$2.95	$1.60	$1.05	$8.55
Increase	*(+$2.20)*	*(+$1.95)*	*(+$0.60)*	*(+$0.05)*	*(+$1.05)*

*all fees inclusive of GST have been rounded to the nearest nickel for administrative purposes, where required.

DISCUSSION:

The 2003 Council approved admission fee increase was based upon a comprehensive analysis of High and Low Season admission fees, comparative analysis of the Canadian Zoo market, primary and secondary local competitor markets, price elasticity and consumer demand. These analyses were undertaken as part of Community Services' and the Zoo's business plans to increase revenues and enhance Zoo attractions and services. Admission fee increases in 2003 were the first since admission charges were instituted in 1993 and largely reflected inflation rate changes in that period. Admission fee increments in 2004 and 2005 will move gate admission fees closer in line with comparative attractions.

Existing and proposed Zoo admission fees are significantly under priced in comparison to other Canadian zoos and to similar, local attractions. A comparison is provided below.

ATTRACTION	ADULTS	CHILDREN
Toronto Zoo	$18.00	$10.00
Edmonton Valley Zoo	$6.25	$3.75
Calgary Zoo	$13.00	$6.50
Bowmanville Zoo (Ontario)	$14.00	$8.00
African Lion Safari (Ontario)	$22.95	$16.95
Saskatoon Zoo	$4.50	$2.75
Vancouver Aquarium	$15.95	$8.95
Kamloops Wildlife Park	$8.95	$5.95
Fort Whyte Nature Centre	$5.00	$3.00
Manitoba Children's Museum	$5.50	$6.00
ASSINIBOINE PARK ZOO (Current)	**$3.75**	**$1.60**
ASSINIBOINE PARK ZOO (Proposed) 2004	**$4.00**	**$2.00**
ASSINIBOINE PARK ZOO (Proposed) 2005	**$4.25**	**$2.25**

Attendance at Assiniboine Park Zoo has been declining for several years. In contrast to general decline, zoo attendance spikes when special features are presented. An elephant program in 1998 and 2002, and a Bird of Prey show in 1999 each resulted in significant increases in Zoo attendance. To attract visitors, the Zoo needs to continue to refresh itself with new programs, new exhibits, traveling attractions and educational and interpretive events aimed at creating fresh new experiences and fun for visitors.

Creating fresh new experiences means creating new products. Product development strategy includes a number of special events and programs throughout the year with an emphasis on one major special event to be organized for each summer. The special events could include the following:

Animal Encounters – special animal education/conservation themed events featuring a specific animal for brief display. Examples of animal encounters used in the past are the Elephant program, a Bird of Prey show, and the Pandas in Person program of 1989. Animal Encounter programs will vary from year to year depending on animal availability and associated costs. Potential future Animal Encounters include white tigers, lorikeet feeding exhibits, and birds of prey to name a few.

Special Displays – traveling displays available for zoos and museums. These include educational mazes, robotic animal exhibits (dinosaurs), and simulated rides. These opportunities will vary depending on availability, cost, and relative timing and success of animal encounters (for example, if the Animal Encounter program is especially strong, then another special summer event may not be required).

New Programs – like Zoo interpretive tours and talks, "meet the animal" and "behind-the-scenes" tours along with special themed days such as Grandparents Day, and a Valentines Day event will be developed and delivered as resources allow. Some of these programs have already been newly developed and tested in 2003, proving very successful with the public.

Combined with product development, the Zoo has already embarked upon a marketing and promotional strategy in conjunction with the Zoological Society of Manitoba. Radio, television and website promotions, newspaper ads, billboards, bus boards and articles in community newspapers have been planned and designed to promote and deliver key messages to market the Assiniboine Park Zoo. As new programs, events, and products are ready for display, they will be advertised and promoted in order to alert and attract visitors to the Zoo.

Initial financing of the marketing and promotion strategy and new product development will be achieved with funds from the Assiniboine Park Enterprise Reserve and Assiniboine Park Zoo general operating funds. Continued development and promotion beyond 2006 will be dependent upon the success of the program, financing new development and programs with funds that exceed revenue targets.

The proposed zoo admission fee increases are a key component of reaching the 2004 – 2006 current estimates revenue targets for the Zoo. Maintaining the past three year's average paid Zoo attendance with the proposed fee schedule will achieve revenue targets of $767,946 in 2004 and $873,872 in 2005 and 2006. Without admission fee increases, targets may be underachieved by $68,938 in 2004 and by $174,864 in 2005 and 2006. Exceeding revenue targets because of higher attendance at new programs and attractions will provide the necessary funds to continue and expand marketing, promotion and product development strategies to refresh the Assiniboine Park Zoo.

Admission fee waivers are available to individuals and groups unable to pay for entrance to the Assiniboine Park Zoo. To date in 2003, approximately 6,000 visitors have benefited from this program.

Financial Impact Statement

Date: November 24, 2003

Project Name:
Increase of Zoo Admission Fees

First Year of Program **2004**

	2004	2005	2006	2007	2008
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Total Additional Debt Required	$ -	$ -	$ -	$ -	$ -
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	(767,946)	(873,872)	(873,872)	-	-
Net Cost/(Benefit)	$ 767,946	$ 873,872	$ 873,872	$ -	$ -
Less: Existing Budget Amounts	767,946	873,872	873,872	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The proposed fee schedule would enable the Community Services Department to meet the 2004 through 2006 current revenue estimates.

C. Wightman
Manager, Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

The Zoological Society of Manitoba was consulted and is in support of the proposed admission fee increases.

THIS REPORT SUBMITTED BY:

Department: Community Services Department
Division: Assiniboine Park Enterprise
Prepared by: Frank Caldwell, Doug Ross, and Frank Kowalski
File No.