

House Public/Private Committee Presentation
Friday, February 17th, 2012



North Carolina Zoo

The Future Zoo
Expansion and Governance

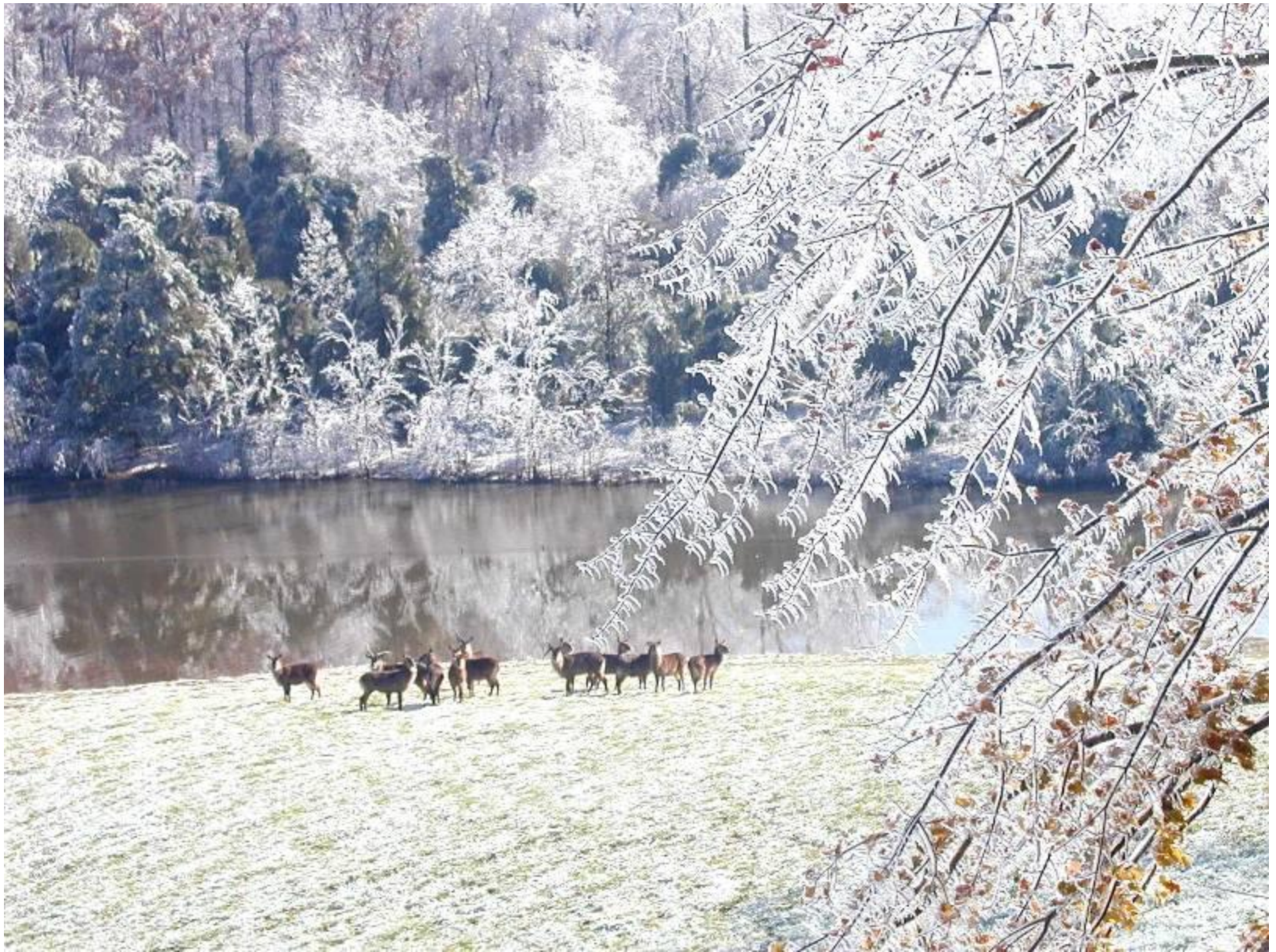




















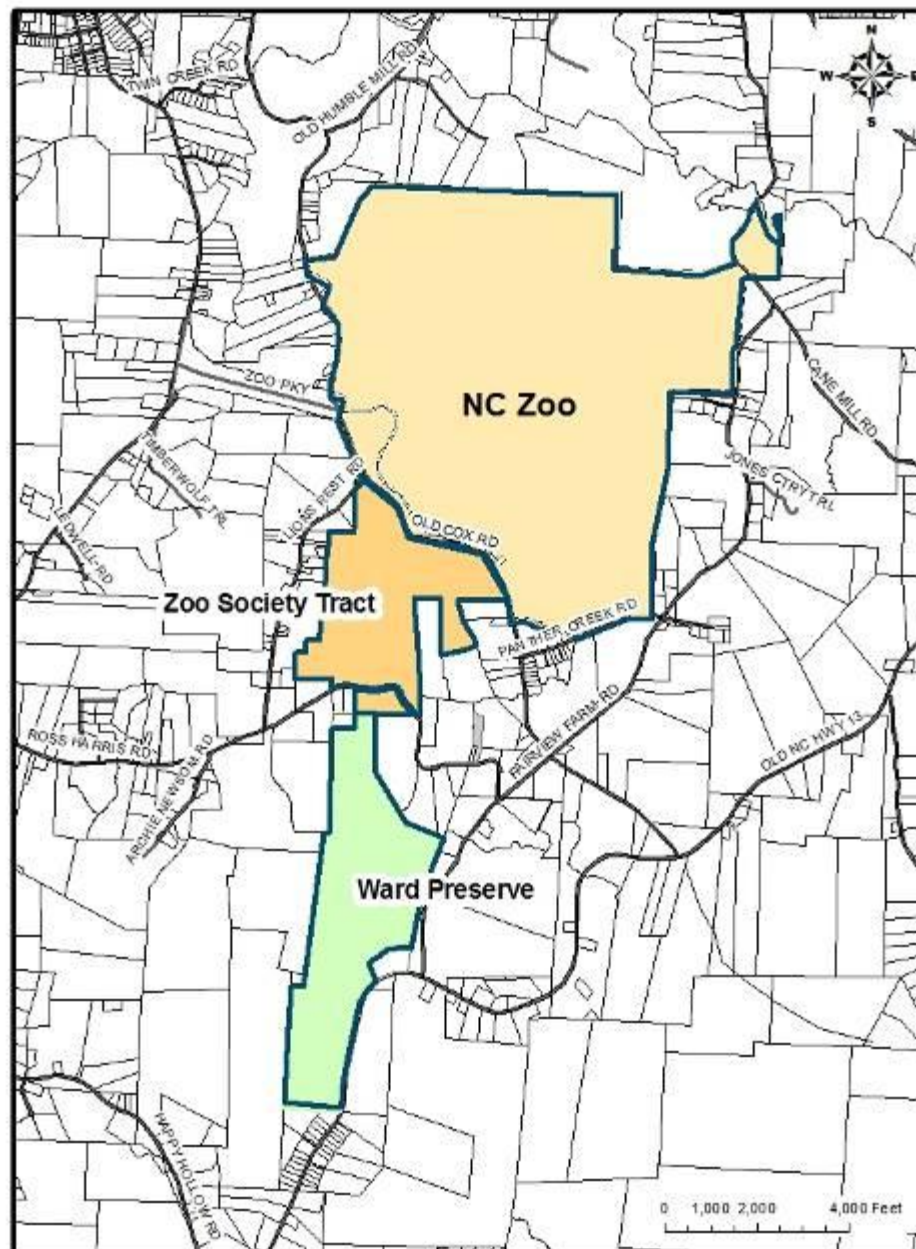






North Carolina Zoo

Expansion Plans

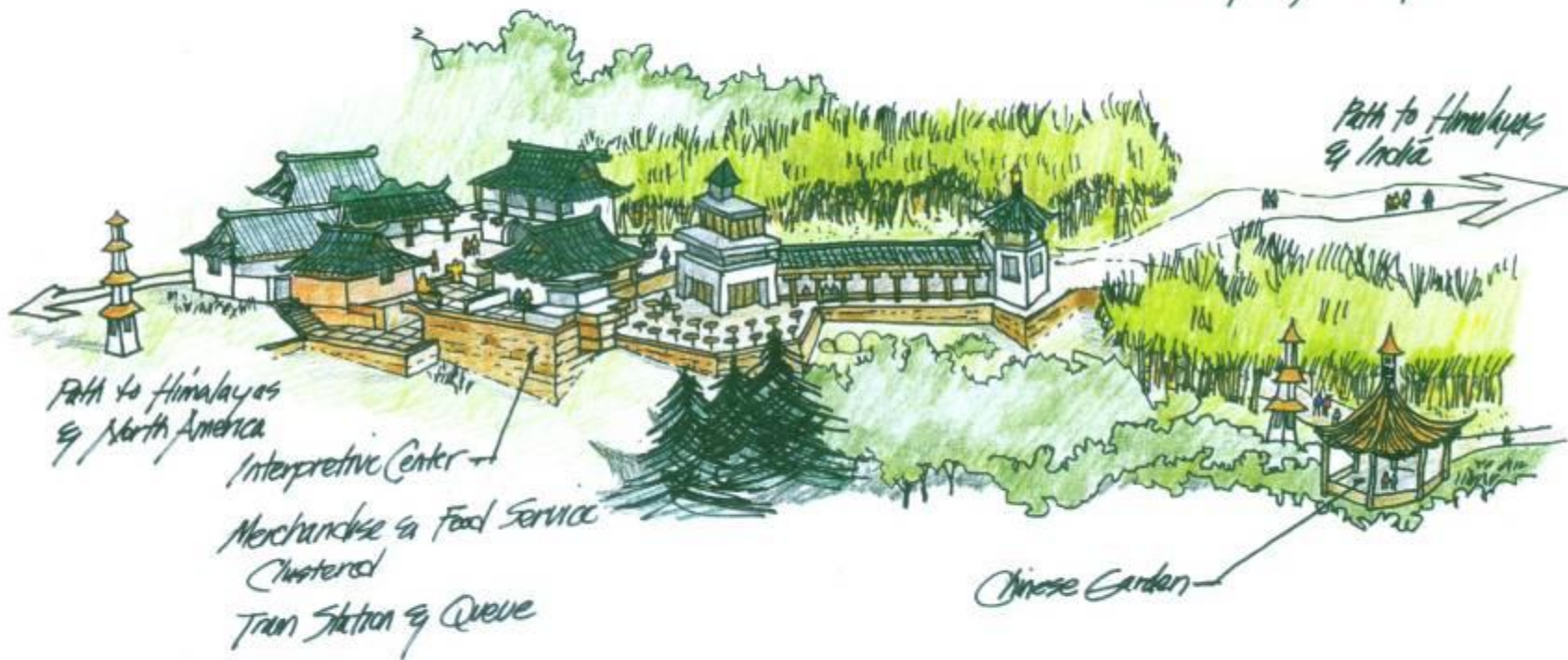


Asia

- *Asia would occupy undeveloped space between the two existing parking lots*
- *Primary focus will be on China and India with some exhibits devoted to Southeast Asia*
- *This area will have the potential for exhibiting Tiger, Orangutan, Indian Rhinoceros, Snow Leopard, Camel, Colorful Pheasant and possibly Panda*

china

Idea gram for Village



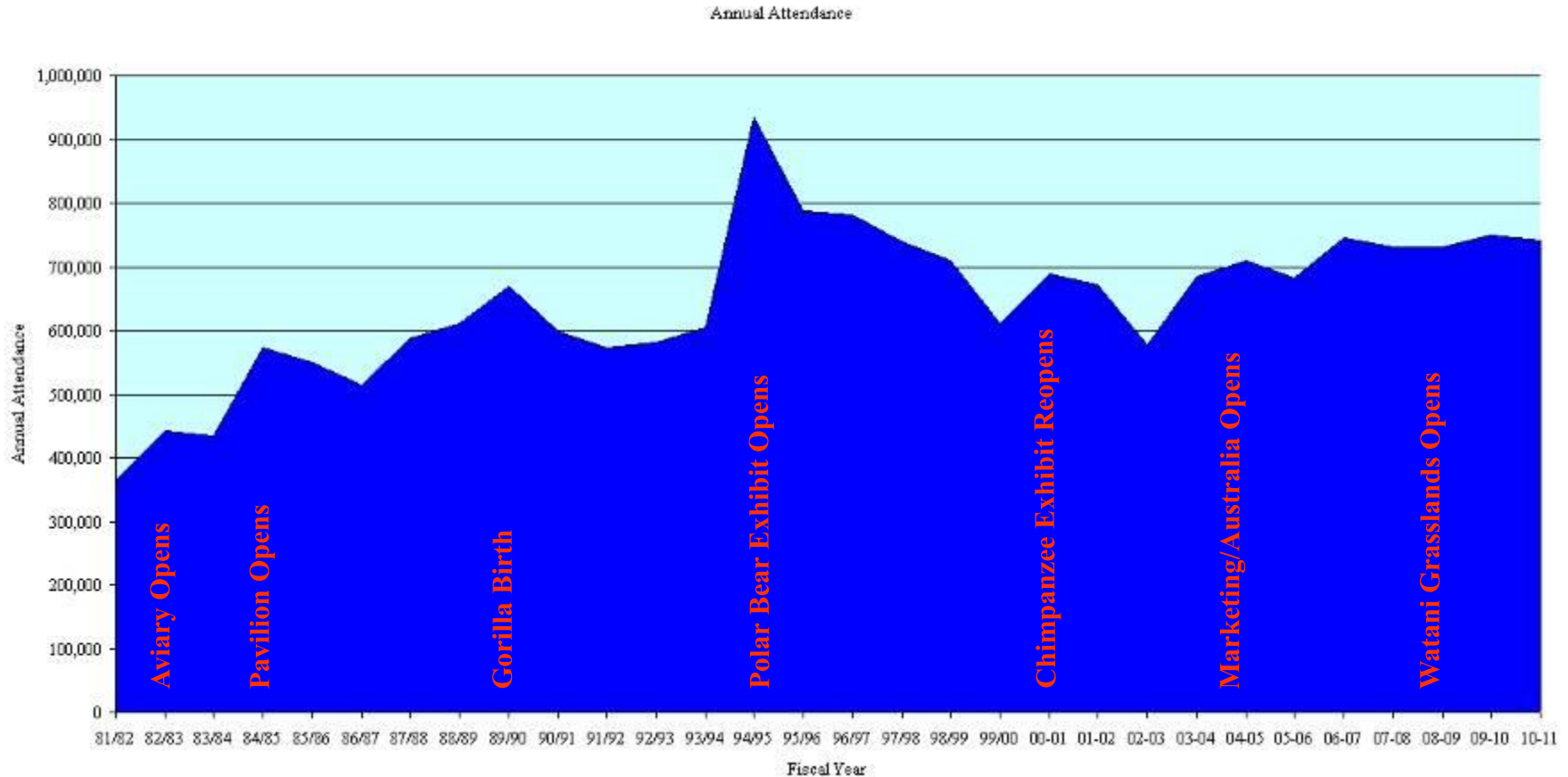
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Asia

- *Estimated cost for development is approximately \$110 Million*
- *This addition would add approximately 300,000 visitors each year*
- *Additional visitation would increase Zoo total income from \$7 Million dollars each year to \$13 Million*
- *The \$6 Million difference would be sufficient to offset the costs*

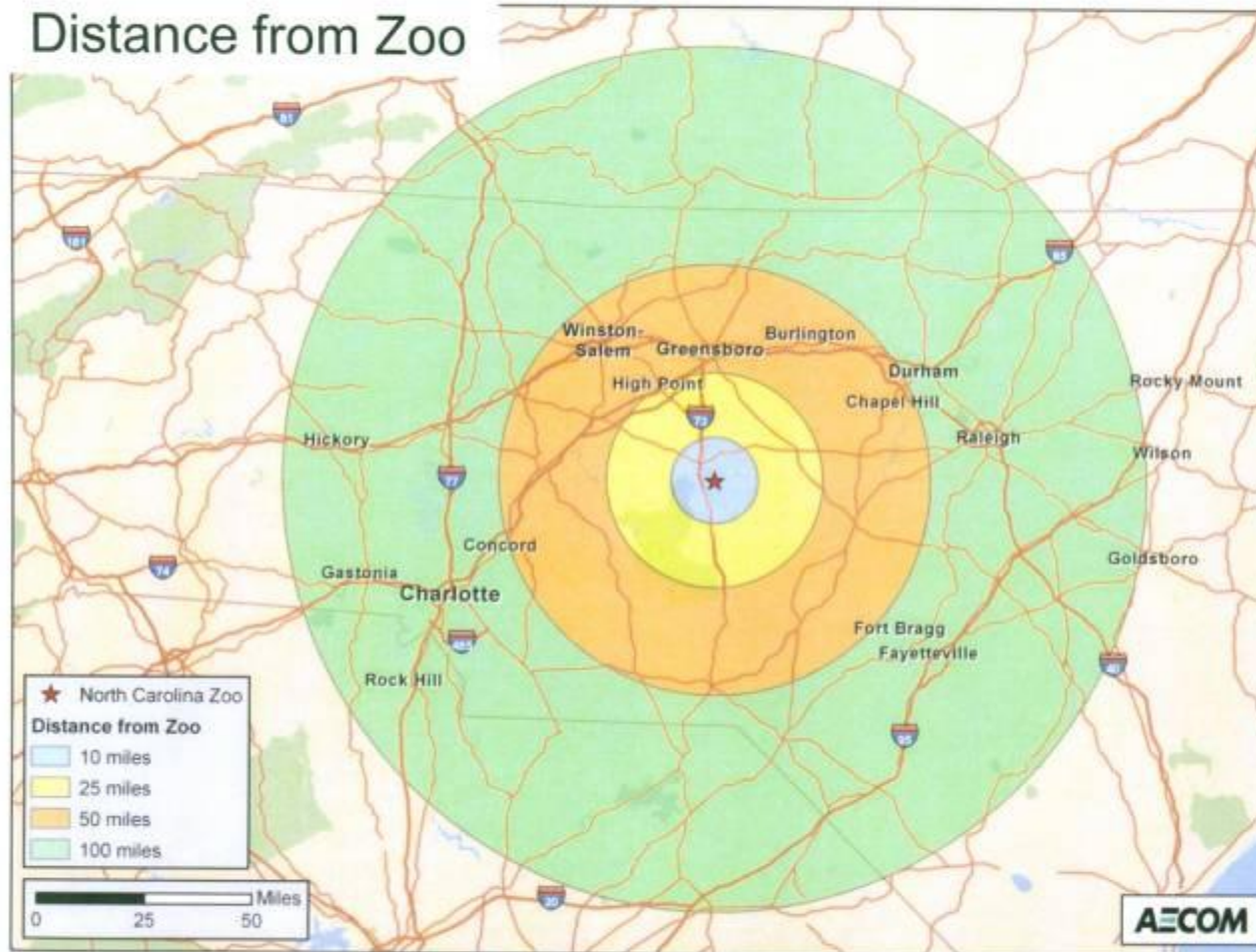
North Carolina Zoo

Annual Attendance by Fiscal Year



Resident Market

Distance from Zoo



North Carolina Population

<i>25 Mile Radius</i>		<i>.27 Million</i>
<i>50 Mile Radius</i>		<i>1.8 Million</i>
<i>100 Mile Radius</i>	<i>(2011 Population Estimate)</i>	<i>7.5 Million</i>
<i>100 Mile Radius</i>	<i>(2014 Population Estimate)</i>	<i>8.2 Million</i>

Peripheral Land

- *Zoo must create its own “Critical Mass”*
- *Heavy regional competition for Water Parks and Family Entertainment Centers*
- *Most of competing facilities are located in Urban Areas*

Peripheral Land

Enhanced Option

- *250-300 Rooms. 4-Star Standard*
- *50 upscale cabins with 4-8 beds each*
- *Expanded restaurant and retail facilities*
- *Significant family oriented recreation facilities-
water, adventure play, biking and horses*
- *Would support \$105 Million dollar investment*
- *Operating net income \$11 Million dollars (24%)*

Annual Economic Impact

Existing Zoo Facilities

Expenditures: \$146 Million

Employment: 1,655 Jobs

Tax Impact: \$2.9m Randolph County

\$5.3m State of North Carolina

Annual Economic Impact

Peripheral Land

Enhanced Peripheral land plus existing Zoo

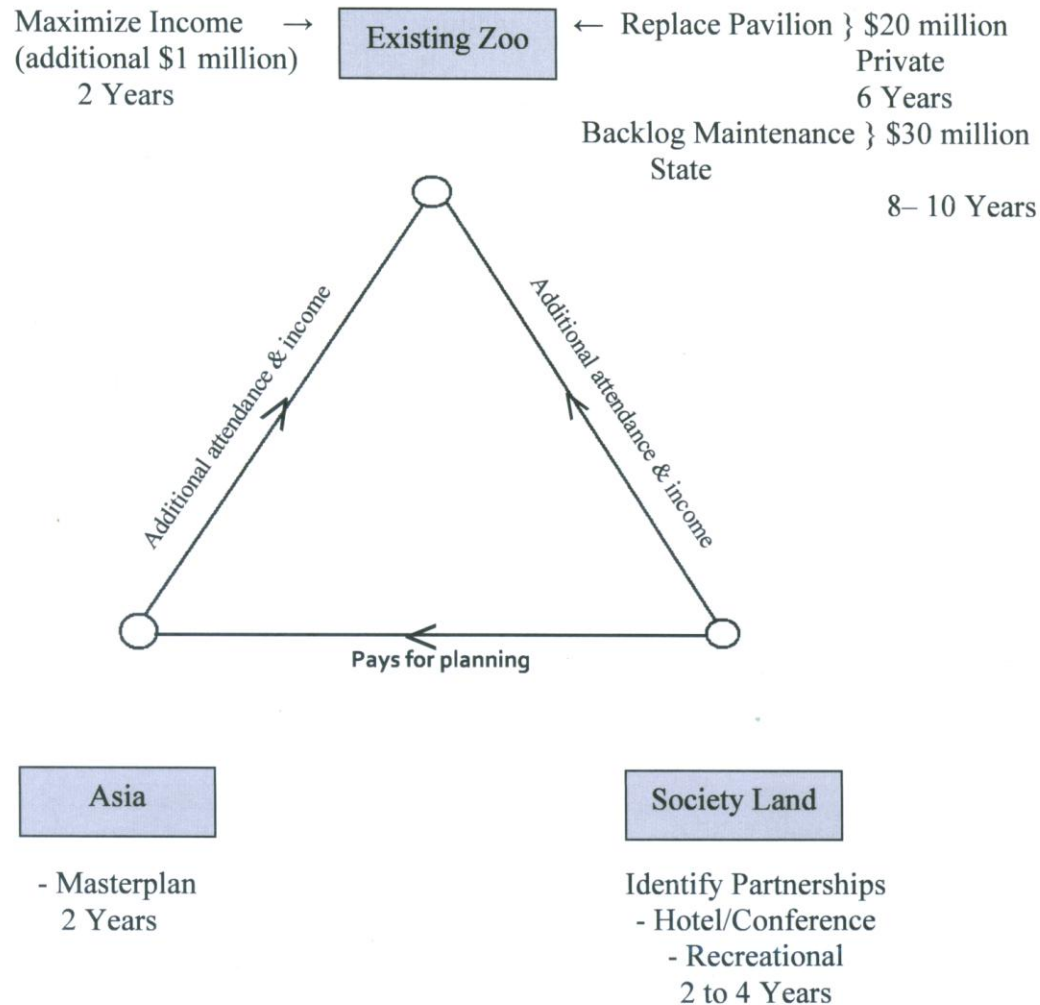
Expenditures: \$264 Million

Employment: 2,630 Jobs

Tax Impact: \$5.3m Randolph County

\$9.7m State of North Carolina

The Zoo's Triangular Relationship





North Carolina Zoo
Governance Study Update

Why Zoos Consider a Shift in Governance

- **75%** of AZA accredited zoos under *private* management – most with *public* partners – true PPP...(public/private partnership)
- Creates an entrepreneurial business approach
- Provides flexibility in response to staffing & visitors
- Allows for cost efficiencies by eliminating the duplication of efforts and in purchasing services

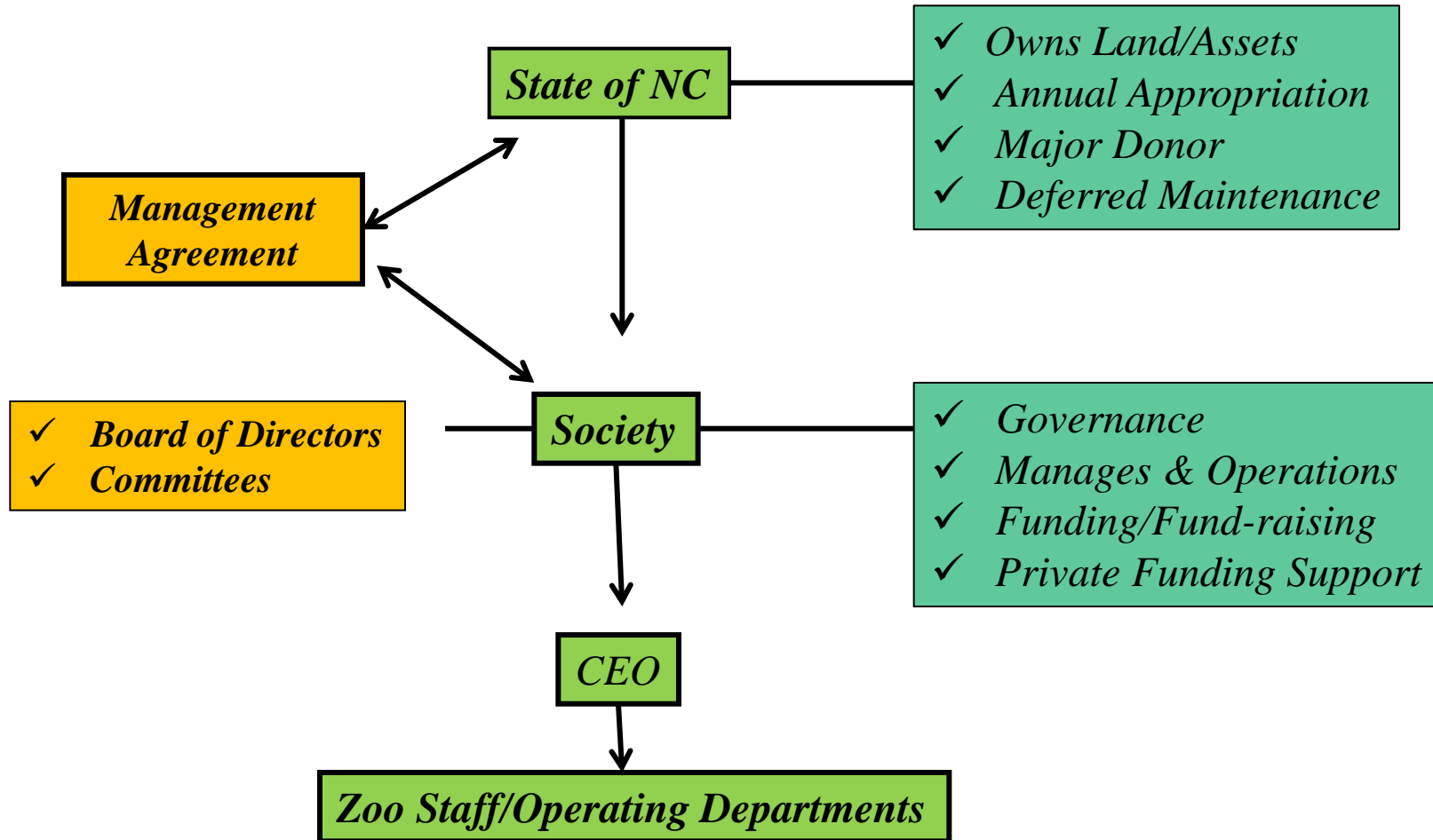
Why Zoos Consider a Shift in Governance

- *Creates market-based pricing strategies*
- *Offers a re-investment strategy as “what is earned at the Zoo is invested in the Zoo”*
- *Strengthen private financial support for the Zoo*
 - *Investment in new facilities, exhibits and attractions*
 - *Provides new opportunities to engage the regional & State-wide communities*
- *Solidify the Zoo’s annual funding structure*

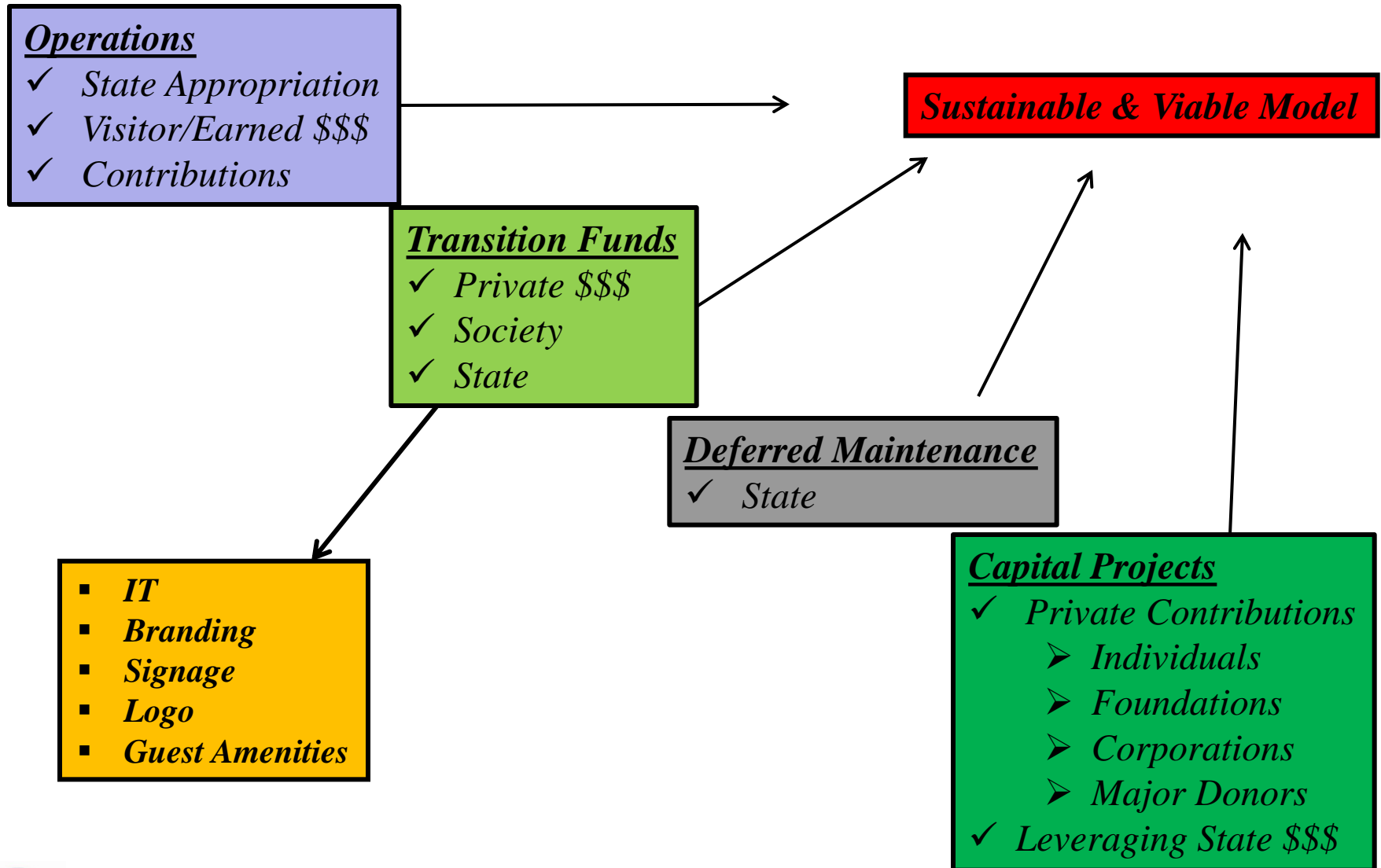
Why Zoos Consider a Shift in Governance

- *Develop strategic partnerships to increase income and investment*
- *Speed up decision making process*
- *Encourage a management culture best suited to the Zoo's Needs*
- *Enables long-term planning and resultant timely actions*

Potential Organizational Structure under PPP Structure



Strategic Funding Model



Deferred Maintenance

<i>Building Repairs</i>	<i>19.0 m</i>
<i>Exhibits/Fencing/Glass</i>	<i>4.0 m</i>
<i>Parking/Roads/Paths</i>	<i>2.5 m</i>
<i>Heavy Vehicles</i>	<i>2.0 m</i>
<i>Water/Sewer/Irrigation</i>	<i>1.5 m</i>
<i>Electrical/Energy</i>	<i><u>1.0 m</u></i>
	<i>30.0 Million</i>







Transition Needs

- *Technology-phones/computers/servers/software*
- *Signage-Banners/Branding/On-site Signs*
- *Equipment-Vehicle Replacements/Maintenance*
- *Training-Employees and Volunteers*
- *Master Planning-Must be updated*

Appropriations

FY	Actual Attendance	Actual State Appropriation
2001-02	671,619	\$7,363,259
2001-03	576,093	\$8,253,189
2003-04	676,956	\$8,075,991
2004-05	709,030	\$8,688,470
2005-06	682,977	\$9,437,318
2006-07	746,650	\$10,957,664
2007-08	729,500	\$11,472,868
2008-09	729,615	\$11,483,834
2009-10	749,627	\$11,131,782
2010-11	741,119	\$11,451,024

Key Points

- *\$10 Million in appropriations*
- *\$5 Million a year for 6 years to catch up on backlog maintenance (Total \$30 Million)*
- *\$3 Million transition*

Key Points

- *Maintenance of High Quality, World Class Facility*
- *Flexible, Entrepreneurial, Time Sensitive Business Approach*
- *Increased Private Support*
- *Creation of Income Generating Partnerships*

