

May 25, 2007

To: Executive Committee

From: Budget Committee

Subject: Toronto Zoo Dinosaurs Alive! Exhibit - Admission Fee Increase

**Recommendations:**

**The Budget Committee recommended to the Executive Committee that City Council:**

- 1. approve the staff recommendations approved by the Board of Management of the Toronto Zoo at the meeting held on April 23, 2007 as follows:**
  - a. admission to this special short-term exhibit be included in the regular admission fees, membership fees and school group fees;**
  - b. all regular admission categories and school group fees be raised by \$1.00 effective May 14, 2007;**
  - c. all membership categories increase by \$5.00, subject to the approval of the Toronto Zoo Foundation; and**
- 2. approve an increase to both Gross Expenditures and Revenue by \$419.0 thousand, to \$38,877.2 thousand and \$27,337.9 thousand, respectively.**

**Financial Impact**

This action will have no financial impact on the Net Expenditures in the approved 2007 operating budget as both Gross Expenditures and Revenue increase by \$419.0 thousand. City funding of the Net Expenditure budget for 2007 remains unchanged at \$11,539.3 thousand.

Background:

The Budget Committee on May 25, 2007, considered a report (April 27, 2007) from the Chief Executive Officer, Toronto Zoo, regarding a proposed admission fee increase for the Toronto Zoo Dinosaurs Alive! exhibit.

In accordance with the City of Toronto Act, 2006 notice of the proposed enactment of the draft by-law to amend Municipal Code Chapter 441, Fees was posted on the City's web site for a minimum of five days prior to the public Toronto Zoo Board meeting of April 23, 2007.

for City Clerk

Merle MacDonald/fp  
Item BU12-3



## **STAFF REPORT ACTION REQUIRED**

### **Toronto Zoo Dinosaurs Alive! exhibit - Admission Fee Increase**

<b>Date:</b>	2007-04-27
<b>To:</b>	Budget Committee
<b>From:</b>	Calvin J. White Chief Executive Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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The purpose of this report is to request Budget Committee adoption of the admission fee increase of \$1.00 for all regular admission and school group categories for the Toronto Zoo as approved by the Board of Management of the Toronto Zoo on April 23, 2007. The admission fee increase would be effective May 14, 2007 and is intended to coincide with the opening of the 2007 Dinosaurs Alive! exhibit. In adopting this action, Budget Committee approval is also requested to amend the 2007 operating budget of the Toronto Zoo to increase both Gross Expenditures and Revenue by \$419.0 thousand, to \$38,877.2 thousand and \$27,337.9 thousand respectively. Net expenditures of \$11,539.3 thousand remain unchanged from the approved 2007 operating budget.

This admission fee strategy is more consumer-friendly and is a change from the original separate pricing strategy for the Dinosaurs Alive! exhibit. It will be more affordable to all families, stimulating additional interest in the Zoo and the special exhibit. The new exhibit is expected to draw incremental attendance of 75,000 visitors over the 1,190,000 visitors included in the 2007 approved budget for the Toronto Zoo.

Net revenue of \$675.0 thousand is included in the approved 2007 operating budget in relation to this exhibit. An additional \$419.0 thousand in revenue will be generated over the \$1,200.0 thousand for this exhibit as included in the approved 2007 budget, offsetting additional costs, resulting in no change to the approved Net Expenditures of the Toronto Zoo for 2007.

The Board of Management held a public meeting on April 23, 2007, in accordance with the City of Toronto Act, 2006 and notice of the proposed fee increase was posted on the City's web site for a minimum of five days in advance.

#### **RECOMMENDATIONS**

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**The Chief Executive Officer of the Toronto Zoo recommends:**

1. that the Budget Committee adopt the staff recommendation approved by the Board of Management of the Toronto Zoo at the meeting held on April 23, 2007 as follows:
  - a. admission to this special short-term exhibit be included in the regular admission fees, membership fees and school group fees;
  - b. all regular admission categories and school group fees be raised by \$1.00 effective May 14, 2007; and
  - c. all membership categories increase by \$5.00, subject to the approval of the Toronto Zoo Foundation; and
2. that the 2007 approved operating budget for the Toronto Zoo be amended to increase both Gross Expenditures and Revenue by \$419.0 thousand, to \$38,877.2 thousand and \$27,337.9 thousand respectively.

**Implementation Points**

Staff will implement the admission fee increase for the regular and school group admission categories as outlined on May 14, 2007. Membership categories will increase upon receipt of approval from the Toronto Zoo Foundation.

**Financial Impact**

This action will have **no** financial impact on the Net Expenditures in the approved 2007 operating budget as both Gross Expenditures and Revenue increase by \$419.0 thousand. City funding of the Net Expenditure budget for 2007 remains unchanged at \$11,539.3 thousand.

**DECISION HISTORY**

The Board of Management of the Toronto Zoo on April 23, 2007, considered a report (April 10, 2007) from the Executive Director, Marketing & Communications respecting a proposed revenue strategy for the 2007 Dinosaurs Alive! Exhibit.

In accordance with the City of Toronto Act, 2006 and notice of the proposed enactment of the draft by-law to amend Municipal Code Chapter 441, Fees was posted on the City's web site for a minimum of five days prior to the public Board meeting of April 23, 2007.

The Board:

- a. adopted the staff recommendations contained in the report from the Executive Director, Marketing & Communications; and
- b. requested the Chief Executive Officer to submit a report to the City of Toronto's Budget Committee for its meeting on May 11, 2007, providing details of the required amendments

to the Toronto Zoo's 2007 Operating Budget to reflect the increase in admission fees for all regular admission categories and school group fees.

## ISSUE BACKGROUND

In developing a revenue fee strategy for the Dinosaurs Alive! exhibit, staff wanted to ensure that the event would be perceived as an added-value experience for the overall Zoo visit. It was also intended that the exhibit should be accessible to all who attend the Zoo, avoiding the public perception issue associated with separately priced exhibits within a venue where an admission fee has already been paid. Other family institutions have charged a much higher separate ticket price for short-term exhibits resulting in a significant erosion of overall public satisfaction and value for money measures.

Various revenue strategies were explored to support the Zoo's short term special exhibit Dinosaurs Alive! exhibit. The related decision on the appropriate strategy to recommend was influenced by a number of factors:

- The overall objective of the short term exhibit
- The impact of the aggregate price of a Zoo visit
- The quality and perceived value of the product/service in relation to price
- Competitive pricing
- External market influences that impact consumer spending.

The Zoo has three regular admission categories: General Admission (13-65), Children (4-12) and Senior (+65). Children 3 and under are free.

Unrelated to a special exhibit, the Zoo last increased admission fees in 2005 (April 1). At that time, fees increased by \$1.00 in each category. Prior to that, fees increased by \$1.00 in 2003.

Current fees are:

Category	Fee	New 2007 Fee
General Admission	\$19	\$20
Children	\$11	\$12
Senior	\$12	\$13

**The Zoo last increased school fees by \$1 three years ago in 2004. Current school group fees are:**

Category	Fee	New 2007 Fee
<b>K-8</b>	<b>\$6</b>	<b>\$7</b>
<b>High School</b>	<b>\$7</b>	<b>\$8</b>
<b>Post-secondary/Adult student</b>	<b>\$8</b>	<b>\$9</b>

## **COMMENTS**

The proposed admission fee strategy is more consumer-friendly and it is expected that the inclusive price will save the average family of 4 approximately \$16 versus a separately priced exhibit, stimulating additional interest in the Zoo and the special exhibit. It is anticipated that incremental attendance of 75,000 visitors will be generated by the exhibit over the 1,190,000 visitors included in the 2007 approved budget for the Toronto Zoo.

Dinosaurs Alive! is positioned as an added-value experience for the overall Zoo visit and therefore should be accessible to all who attend the Zoo. The inclusive revenue strategy achieves this and provides a much simpler and consumer-friendly approach for our visitors.

This revenue strategy will be effective May 14, 2007. Any school group bookings currently in place will be honoured at the old fee level. Any school bookings received after this date will be charged at the new fee level

## **CONTACT**

For more information related to this report, please contact Calvin White, Chief Executive Officer of the Toronto Zoo at (416) 392-5909 or Shanna Young Executive Director, Marketing & Communications at (416) 392-5936.

## **SIGNATURE**

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Calvin J. White  
Chief Executive Officer