



THE ECONOMIC AND FISCAL IMPACTS
OF IMPLEMENTING THE MIAMI METROZOO
MASTER PLAN

Prepared By

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I. Executive Summary

- The Washington Economics Group, Inc. (WEG[®]) has prepared an analysis of the local economic and fiscal contributions that can be expected to result from implementing the Miami Metrozoo Master Plan. Our analysis was conducted with the aid of an economic simulation model prepared specifically for Miami-Dade's economy and indicates that substantial economic benefits to the community can be anticipated.
- The Miami Metrozoo Master Plan presents a vision of a renovated and expanded zoo on the existing site. Implementation of the Master Plan would result in the development of the world's pre-eminent, tropical zoological park, providing visitors with a unique educational and entertainment experience. Miami Metrozoo is ideally located to showcase tropical and subtropical ecological environments from around the world, and its staff has the expertise and commitment to excellence required to create such a facility.
- Accredited zoos across the nation enhance their local communities not only by providing value-added educational and entertainment opportunities for families and visitors of all age groups, but also by making significant contributions to their local economies. High caliber zoos have become integrated with the local network of cultural institutions and often represent an important component of their local area's portfolio of overnight visitor attractions. Their support of the local tourism industry helps to generate significant economic impacts for their communities.
- The redesign of Metrozoo (as envisioned in the Master Plan) would yield significant economic impacts within Miami-Dade County. These impacts originate from three principal sources: 1) the \$353.7 million of capital spending planned for the 2003-2022 period; 2) the additional expenditure needed to manage the new exhibits and provide services to new zoo visitors; and 3) the additional tourism spending by out-of-town visitors to the new Metrozoo.
- The capital outlays required to implement the Master Plan will inject on average \$13.2 million per year directly into the Miami-Dade economy over the 20-year period from 2003 to 2022. Approximately 78 percent of these expenditures will be directed to the local construction industry, while the remaining 22 percent will represent expenditures for architecture, design and similar business services.
- Additional operating expenditures are projected to increase as new exhibits are completed and the number of visitors increases. These additional expenditures represent, on average, a direct impact on Miami-Dade's economy of \$3.1 million in additional labor income, 126 annual employment positions and \$4.5 million in additional sales for local businesses per year.

- Approximately one-fourth of Metrozoo’s current visitors are overnight tourists, but with the redesign and enhancements envisioned in the Master Plan, the proportion of out-of-town visitors to the Zoo is expected to climb to levels observed at other major U.S. zoos located in main tourist destinations. We project that the number of out-of-town guests that annually visit the Zoo will increase from approximately 113,000 to 510,000 by 2022. A significant proportion of these visitors will extend their stay in Miami-Dade County extra hours and this will lead to a direct impact of \$7.1 million per year in additional tourism spending, on average.
- The total economic impact from implementing the Master Plan exceeds the direct impacts from capital spending, additional operating expenditures and additional tourism spending. These direct economic impacts lead to additional indirect and induced economic impacts through business-to-business purchases of supplies and services and through the spending of additional labor income.
- The Washington Economics Group has developed an extended input-output model of Miami-Dade’s economy using the IMPLAN modeling software and a widely accepted methodology for developing regional economic impact models. Computer simulation analysis with this model was used to estimate the total economic impacts of implementing the Metrozoo Master Plan on key macroeconomic variables. These impacts are presented in the following table.

Table ES.1
Cumulative Economic Impacts of Renovation and Expansion of Miami Metrozoo
Impacts During Implementation Period 2003--2022

By Industry	Total Economic Output (Thousand \$)	Employment (Annual Average Jobs)	Gross County Product (Thousand \$)	Labor Income (Thousand \$)	State & Local Govt Revenues (Thousand \$)	Local Govt Revenues Only (Thousand \$)
Agriculture and Mining	2,349	2	1,366	886	NA	NA
Construction	244,624	100	86,386	80,446	NA	NA
Manufacturing	60,976	17	18,975	13,724	NA	NA
Transport/Comm/Utilities	57,432	14	28,430	13,752	NA	NA
Wholesale/Retail Trade	201,731	203	136,056	85,783	NA	NA
Finance/Insur/Real Estate	99,569	21	73,417	18,402	NA	NA
Private Services	372,612	304	245,321	203,331	NA	NA
Government & All Others	<u>72,800</u>	<u>127</u>	<u>85,204</u>	<u>81,544</u>	NA	NA
Total Impact	1,112,094	787	675,155	497,868	56,790	27,435

Notes: Includes direct, indirect and induced economic impacts. All dollar amounts are adjusted for inflation and represent the same purchasing power as in 2002.

Source: The Washington Economics Group, Inc.

- Our analysis indicates that the renovation and expansion of Miami Metrozoo will have a total economic impact of \$1.1 billion in Miami-Dade County over the 20-year development period. This economic impact is spread across a wide number of local industries, although the impact will be felt more strongly in the construction, wholesale/retail trade and private-services industries of the local economy.
- This public/private-investment project will also create an average of approximately 790 employment positions each year and generate a total of nearly \$500 million in labor income for Miami-Dade residents over 20 years. The jobs directly and indirectly created by this project involve a wide range of occupations, providing economic opportunities for a broad spectrum of the community.
- Implementing the Metrozoo Master Plan will also increase Miami-Dade's Gross County Product (an indicator akin to Gross Domestic Product – GDP – at the national level) by \$675 million over 20 years,
- Higher levels of economic activity also result in higher tax revenues. Our analysis indicates that the Metrozoo renovation and expansion plan will generate \$27.4 million in local government revenues and an additional \$29.4 million in state government revenues over 20 years.
- This capital investment project has a projected public rate of return on investment (ROI) of 20 percent if entirely financed with public funds. The Zoological Society of Florida expects, however, to raise a significant share of the capital outlays through private donations and sponsorships. (Private-sector contributions to finance the capital expenditures raises the public ROI above 20 percent.)
- The development of a world-class zoological park in South Florida will provide significant non-economic benefits to the community as well – supporting public education of the natural environment, advancing zoological science, and increasing public awareness of the importance of conserving our natural environment and protecting rare species of plants and animals.