



MEMORANDUM

Date: September 9, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Arizona-Sonora Desert Museum Fee Increase Request**

For the past few months, the Arizona-Sonora Desert Museum (ASDM) has been exploring the idea of increasing their fees beginning this fall. ASDM's previous two rate changes, one in 2010 and one in 2008, were moderate increases.

As part of the 2010 rate change, the Board of Supervisors approved a new rate change policy. The original agreement, which began in 2003, allowed increases based on market conditions but were limited, however, by any increase during the past two years of the Consumer Price Index (CPI). The new policy established in 2010, which mirrors most of the Pima County leased properties, allows the ASDM to change their fees based on competitive market conditions and approval from the County Administrator. The County Administrator has up to 60 days to review their request.

According to ASDM's formal request received on August 20, 2013, the Museum has developed and added a variety of facilities, programs and experiences during the past few years, which have significantly increased the quality and time of their visitors' experience. The largest and most visible capital improvement over the last two years has been the addition of the Warden (Sea of Cortez) Aquarium exhibit. There have also been other refinements to several areas throughout the attraction as described in the attached information from ASDM.

Based on this increased value, along with rising associated costs with creating and maintaining these programs and how the entrance fees compare to those of other county and similar national attractions, ASDM has formally requested a change to their rate schedule as outlined below. Please note that while the adult general admission has increased by \$5, ASDM has added a new "Arizona Resident Rate" of \$15.50, which essentially raises the admission price for Pima County residents by only \$1.00. ASDM also added a new senior rate of \$17.50, which is available year round for nonresident seniors visiting the Museum.

Proposed 2013 Pricing Plan.

Admission Category	Ages	Current	FY2014	Variance	Remarks
General Admission	13-64	\$14.50	\$19.50	\$5.00	\$2 generic discount applies to General Admission pricing only
Senior	65 + non resident	14.50	17.50	3.00	Cool Summer Night pricing and discounting and Field Trip/Group Pricing to be determined.
Arizona Resident Discount		14.50	15.50	1.00	Available Year-round
Youth	13-17	14.50	15.50	1.00	
Children Ages 4-12	\$5.00		6.00	1.00	

The attached information from ASDM includes justification for the requested increase at this time, and as well as visitor data that shows over 60 percent of ASDM visitors are from out of town.

Based on the competitive pricing information and an analysis of the attendance data, the requested price increase will have little effect on the residents of Pima County. Therefore, I plan to authorize the requested increase as provided in the cooperative management agreement with Pima County, effective October 1, 2013.

Please let me know if you have any comments or concerns before September 16, 2013, as I plan to issue a letter approving the increase to ASDM on September 17, 2013.

CHH/mjk

Attachments

- c: Hank Atha, Deputy County Administrator for Community and Economic Development
- Tom Moulton, Director, Economic Development and Tourism
- Craig Ivanyi, Executive Director, Arizona-Sonora Desert Museum

From: Craig Ivanyi [mailto:civanyi@desertmuseum.org]
Sent: Tuesday, August 20, 2013 11:28 PM
To: Tom Moulton
Subject: Proposal to Adjust Entrance Fees to the Arizona-Sonora Desert Museum

Dear Tom,

Over the past few years visiting colleagues have surprised me by saying, *"When I saw the price of admission to the Desert Museum, it lowered my expectations. You aren't charging enough at the gate. This place is amazing!"* This got me and other Senior Staff wondering how we compare with local attractions, as well as to other mid-sized zoos, gardens, and museums.

Since we know that pricing can be a barrier to less affluent residents on a local scale and it had been a while since the Museum had raised its entrance fees or done a market analysis, we compared our fee structure to that of other southern Arizona attractions. We discovered that we are somewhere toward the upper middle of the pack (**Attachment 1**).

Since we know that many of our visitors come from outside of Arizona, including many from large domestic markets as well as some from overseas, we compared the Museum to other organizations from outside our region, too (**Attachment 2**). We took note of recent information from *VisitTucson*, wherein the Museum was cited by 13% of visitors as the reason they were coming to Tucson, which is more than other local attractions combined. In addition, we took into consideration the Museum's international reputation as an industry leader and top attraction. In support of this, recent accolades coming from Trip Advisor, list the Museum as the top attraction in Tucson, a top ten zoo, the fifth best botanical garden in the country, and number 9 of the top 25 museums in the world.

Putting all of this together led us to the understanding that it would be appropriate to substantially increase our gate fees for out of state visitors, but that many residents couldn't afford such fees, regardless of their justification. Thus, we developed a ten-year strategy...that features a tiered pricing structure, which charges more to out of state visitors, institutes a senior citizen discount, as well as a significant resident discount, something I believe Pima County has hoped we would do in the past (please note that we plan to use the states of Arizona & Sonora as "residents," reflecting the institutional name and the majority of the region the Museum represents). You'll notice that the plan also includes smaller increases over time. In this manner, we can keep our resident prices relatively low, better position ourselves to non-residents & take advantage of the Museum's stellar reputation, allow us to keep pace with the rising costs of doing business, while still remaining less expensive than several southern Arizona attractions.

We would like to implement this pricing structure on October 1, but need to have County approval long beforehand, so that we can include this as part of our FY14 budget. It is with this in mind that I request approval from Pima County so that we may proceed with making these changes and ask for your earliest attention to this matter.

If you have any questions or concerns, please let me know.

Best regards,

Craig Ivanyi
Executive Director

SOUTHERN ARIZONA ATTRACTIONS: PRICING COMPARISON

Attraction	Adult	Child	Senior	Attraction Rating w/in area (Trip Advisor)
Reid Park Zoo	\$7	\$3 Ages 2-14	\$5 62+	#22 of 167
Pima Air & Space	\$15.50 \$12.75 Pima County Resident	\$9 Ages 7-12	\$12.75 62+	#4 of 167
Intl. Wildlife Museum	\$8	\$3 Ages 4-12	\$6	#20 of 167
Tucson Children's Museum* *Every 2 nd Sat. \$2 Admission	\$8	\$6 Ages 2-18	\$6	#27 of 167
Desert Botanical Garden	\$18	3-12 \$8 Students 13-18 \$10	\$15 Seniors 60+	#4 of 122
Sea Life Aquarium (Tempe)	\$18	\$13 Ages 3-12		#14 of 25
Butterfly Pavilion (Scottsdale)	\$18.95	\$9.95 Ages 3-12	\$16.95 62+	#23 of 84
Tohono Chul Park	\$8 13+	\$2 Ages 5-12 Stud w/ID \$4	\$6 62+	#11 of 167
Phoenix Zoo	\$18 Guests of Zoo Members \$16	\$9 Ages 3-12	\$13 60+	#19 of 122
Old Tucson	\$16.95	\$10.95 Ages 4-11	\$18 62+	#25 of 167
Biosphere 2 (Oracle)	\$20	\$13 Ages 6-12		#1 of 3
Kartchner Caverns (Benson)	\$22.95	\$12.95 Ages 7-13		#1 of 5
Arizona-Sonora (proposed) Desert Museum	\$19.50/15.50 (Nonresident/resident)	\$6 Ages (4-12)	\$17.50/15.50	#1 of 167

PRICING COMPARISON - INSTITUTIONS OUTSIDE OF ARIZONA¹

Attraction ¹	Adult	Child	Senior	Area Population	Attraction Rating w/in area (Trip Advisor)
Fossil Rim Zoo Glen Rose, TX	\$20.95 (peak season) \$17.95 (off season)	\$14.95 Ages 3-11 \$11.95	\$17.95 62+ \$14.95	2.5K	#1 of 12
Santa Barbara Zoo	\$14	\$10 Ages 2-12	\$10 65+	431K	#11 of 66
Denver Botanical Garden	\$12.50	\$9 Ages 3-15	\$9.50 65+	610K/2.6million (City/metro area)	#4 of 128
Living Desert, Palm Springs, CA	\$17.25	\$8.75 Ages 3-12	\$15.75 62+	45K	Not listed in top 62 attractions
Nashville Zoo	\$15	\$10 Ages 2-12	\$13 Seniors 65+	1.6million (metro area)	#32 of 112
Tennessee Aquarium	\$30.95	\$20.95 Ages 3-12		167K	#1 of 64
Denver Museum of Nature & Science	\$18 (museum + planetarium)	\$12 Ages 3-18	\$14 65+	610K/2.6million (City/metro area)	#3 of 128
Monterey Bay Aquarium	\$34.95	\$21.95 Ages 4-12	\$31.95 65+	28k/426K	#3 of 55
Cheyenne Mountain Zoo Colorado Springs, CO	\$17.25/14.25 (Peak/nonpeak)	\$12.25/10.25	\$15.25/12.25	431K	#4 of 77

¹Finding directly comparable organizations is difficult, due to the Desert Museum's diverse, multifaceted identity (zoo, garden, museum, aquarium, art gallery)

From: Craig Ivanyi [mailto:civanyi@desertmuseum.org]
Sent: Thursday, August 29, 2013 1:01 PM
To: Tom Moulton
Cc: Brian Shirk
Subject: Re: Proposal to Adjust Entrance Fees to the Arizona-Sonora Desert Museum

Dear Tom (& Brian),

Sorry for the short delay, it took a little time to gather some of the information you requested.

We do not plan to open any *major* exhibits this coming year, but in reality, the Museum has added a variety of new exhibits and experiences over the years without raising our prices in conjunction with exhibit openings or additional programming. And, quite frankly, we haven't kept pace with rising costs of providing them. For example, to the best of my knowledge, we didn't increase costs when we added "Raptor Free Flight" or "Live and (sort of) on the Loose", along with no increase when we opened the new theater or education building. Nor did we raise our prices when we dedicated the Ironwood Gallery to traveling art shows, all of which increased our operating costs. We also made no change related to when we opened the Warden Aquarium, nor did we implement any incremental fees to recoup these costs. In other words, no fees for special programs, just one flat fee for entrance. Thus, we've only had a couple of modest price increases over the years that weren't directly related to improvements, which has led us to become much more reliant on unearned revenue, in particular planned gifts. Without a doubt, we have and will continue to enjoy tremendous philanthropic support, which helps *immensely*. However, this support may have led to a bit of complacency relative to keeping pace with rising operational costs via earned revenue. We need to move back toward earned revenue supporting more of our daily operations. Currently, visitors (and memberships) only pay for about 52% of what it costs to operate the Museum on an annual basis. If you need specific dates of improvements and programs listed above, please let me know.

I really appreciate your concern on our behalf for how price increases can create push back and how it is very difficult to roll back prices, if we miscalculate. However, we don't anticipate this to a significant degree. On the rare occasion when we have raised prices, we've received minimal push back. Recently, we were able to test this with a significant change to Cool Summer Night pricing. In the past, we used to highly discount the gate fees during our Cool Summer Nights. When we switched to charging full price, we received almost no complaint at all. Also, though I'm glad to hear that you feel that we aren't giving the experience away in a manner like the old days, having ASDM's price near or at the top for regional attractions to visitors (originating from outside our region) makes sense to us, considering the international reputation and top status we have in the market place, along with the fact that people from many of our top feeder markets are accustomed to and comfortable with paying much more for experiences like ours. And, just as a reminder, this is one way we can keep our resident rates very close to current rates (proposed increase for "locals" is just a dollar).

Relative to your question about visitor demographics, here are some recently gathered data:

ARIZONA-SONORA DESERT MUSEUM VISITOR ORIGINS

Location	2012	Summer Saturday Night
Tucson	29%	66%
Phoenix	5%	3%
Other	48%	15%
Canada	5%	1%
Mexico	0.20%	1%
Other Foreign	6%	10%
Out of Town	64%	30%
In Town	29%	66%

*Source: ASDM; percentages rounded