

BREC's Review of the BRNEDD Economic Impact Study

After meeting with BRNEDD staff to review the preliminary results of their economic impact study of BREC's proposal to reimagine the Baton Rouge Zoo and create the area's first regional park at Greenwood, BREC began to review the study and analyze the findings. In particular, we requested input on the methodology and assumptions and inputs used to inform their study's results from Dr. Dek Terrell of LSU's Economics and Policy Research Group. Dr. Dek Terrell is a professor at the LSU Division of Economic Development and the Executive Director of the LSU Economics and Policy Research Group. He and his colleagues are highly respected experts in their field, and have authored and supported numerous high profile economic development studies for the legislature, the Louisiana Department of Economic Development and other agencies, including a recent study for the Baton Rouge Airport. We provided him the same PowerPoint presentation that was presented to BREC team leaders before it was presented to the BRNEDD board and at other public meetings concerning BREC's recommendation to relocate the zoo to a more sustainable location.

This analysis left us with a number of concerns about the validity of BRNEDD's study, which has been independently verified by Dr. Terrell at LSU, whose group has a tremendous amount of experience in conducting economic impact studies and related analyses in and outside of our local market:

- Dr. Terrell suggested that most impact studies begin by soliciting all available information on employment, revenues, earnings, and expenditures from the business or government entity of interest. BREC received no request for detailed information prior to BRNEDD staff presenting the results of their study at two community meetings organized by zoo opponents and to the BRNEDD Board of Directors – a request with which BREC would have been more than happy to comply.
- As a result, inaccurate information was used as the basis of the BRNEDD study. For example, the zoo directly employs 89 employees. The BRNEDD study is based on a flyer saying that the zoo supports direct *and indirect* employment of 243. Inputting 243 jobs (including indirect and part-time positions) into IMPLAN, the modeling software used by BRNEDD staff for this study, more than double counts the employment impact.
- Dr. Terrell noted that when multiple inputs for a study are available (employment, earnings, and revenue or budget), it is important to see if results are consistent using alternative inputs. In this case, the BRNEED study found a direct sales impact of \$17 million which should match the zoo's total budget from the government and self-generated funds of \$7.5 million (which was clearly shown on the same flyer from where the input information was obtained) – a very clear and sizable discrepancy of nearly \$10 million annually. Methods to help ensure the accuracy of the outputs, such as using alternative inputs as described by Dr. Terrell, were clearly not used.
- Many of the purchases made by the zoo are from vendors located outside the limited zip codes used in the BRNEDD study, and likewise a significant number of employees live outside these zip

codes. BREC can provide these details as it is considered to be public information, and the study's authors should provide additional information in considering these factors to provide a more complete and accurate report.

- The inaccurate inputs used for zoo employment and the direct sales, substantially overstating the zoo's budget, leaves us with significant concerns about this study and the methodology used to inform its completion.