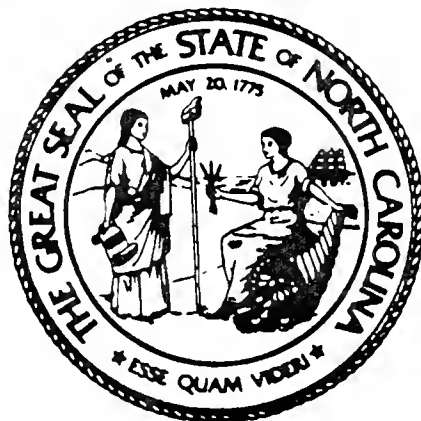


**LEGISLATIVE
RESEARCH COMMISSION**

**REPORT
TO THE
1979**

GENERAL ASSEMBLY OF NORTH CAROLINA



SEA WORLD

RALEIGH, NORTH CAROLINA

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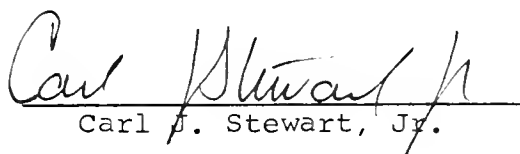


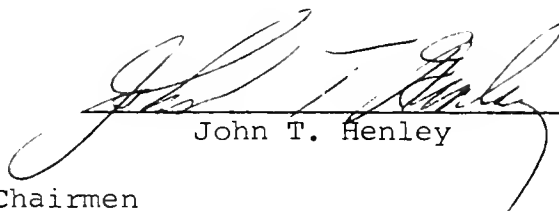
December 21, 1978

TO THE MEMBERS OF THE 1979 GENERAL ASSEMBLY

Transmitted herewith is the report prepared by the Committee to Study the Feasibility of Establishing a Sea World in the Coastal Area of North Carolina of the Legislative Research Commission. The study was conducted pursuant to Senate Joint Resolution 104 (ratified Resolution 83) of the 1977 General Assembly (First Session, 1977), and this report is submitted to the members of the General Assembly for their consideration.

Respectfully submitted,


Carl J. Stewart, Jr.


John T. Henley

Co-Chairmen

LEGISLATIVE RESEARCH COMMISSION

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INTRODUCTION

The Legislative Research Commission, authorized by Article 6B of Chapter 120 of the General Statutes (G.S.), is a general-purpose study group consisting of legislators. A list of the membership of the Legislative Research Commission will be found in Appendix A. Among the Commission's duties is that of making or causing to be made, upon the direction of the Co-Chairmen of the Commission,

such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner
/G.S. § 120-30.17/

Section 1 of Resolution 83 of the 1977 Session Laws directed the Legislative Research Commission to study the Feasibility of Establishing a Sea World in the Coastal Area of North Carolina. This Resolution is attached as Appendix B. The Resolution specified that the Commission study anticipated visitor use of a Sea World facility, the likelihood of such a facility being self-supporting and the recommendation of a name for the facility.

The Commission assigned the study to the Sea World Study Committee. Senator Luther J. Britt, Jr., was appointed to chair the Committee. At his death on July 19, 1978, Senator Russell Walker was appointed to replace Senator Britt. Senator Charles E. Vickery and Representative Richard Wright were appointed Co-Chairmen.

The other members of the Committee were Representatives Wilda Hurst*, Mary P. Seymour; Senators Jerry Popkin* and William Grey Smith*.

* These individuals are not members of the 1979 General Assembly.

COMMITTEE PROCEEDINGS

The Committee on the Feasibility of a Sea World devoted three meetings to the Study of a Sea World. These meetings stretched over a twelve month period. A list of the witnesses is attached as Appendix C.

The Committee at its organizational meeting decided to limit its investigation to those areas enumerated in the Resolution directing the study. These were 1) feasibility, 2) anticipated visitor use, 3) likelihood of self support and 4) name. The Committee also agreed that a location in the Wilmington area, the Morehead City area and the Dare County area were the most advantageous and the Committee would study sites in these localities. The chief concern of the Committee was whether there was to be State funding of a Sea World facility or private capital funding or a mixture of both.

The Committee received testimony from various State agencies. Mr. Ed McCoy of the North Carolina Division of Marine Fisheries, Department of Natural Resources and Community Development told the Committee of the tremendous land cost of a large facility on the coast and the environmental restrictions by both the State and federal governments. Mr. McCoy was of the opinion that most Sea World facilities have been constructed with private capital.

The Committee received testimony from Mr. John Pittman, Office of Marine Affairs, Department of Administration and Dr. B. J.

Copeland, University of North Carolina Sea Grant Program who discussed the possibility of a research facility in connection with an amusement facility. Mr. Pittman's office is in charge of the Marine Resource Centers at Roanoke Island, Fort Fisher and Bogue Banks which presently have aquariums and various other displays of sea life. Mr. Pittman suggested that the Marine Resource Centers be used as a nucleus for an amusement facility. Dr. Copeland discussed various aquariums and marine research facilities throughout the United States. These are the Shedd Aquarium, owned by the City of Chicago, the New England Aquarium in Boston and the Scripps Institute in California. Dr. Copeland stressed the expense involved in the operation of these facilities.

Dr. Gilbert Bane of the University of North Carolina at Wilmington offered to make a short study of the feasibility of a Sea World or Marine Life Park in conjunction with an upcoming business trip he had to California. This study is attached as Appendix D. Dr. Bane told the Committee he had been on the Board of Advisors to the San Diego Sea World when he lived in California and that the Sea World had used the Scripps Institute as advisors for setting up their facility.

Mr. William Arnold, the Director of the Division of Travel and Tourism, Department of Commerce, stated that his department had no knowledge of any private interest in constructing a sea world in Eastern North Carolina. Mr. Arnold told the Committee that it was the policy of his department to make State facilities

pay for themselves to the greatest extent possible and that a Sea World might not be a revenue producing facility. Mr. Arnold offered to submit a report to the Committee on the feasibility of a Sea World as such a facility relates to tourism in Eastern North Carolina. This report is attached as Appendix E.

The feasibility reports of Dr. Gilbert Bane and the Division of Travel and Tourism were presented at the Committee's second meeting. Both studies found that there was sufficient tourist traffic in two areas to warrant the expenditure of an estimated \$15,000,000 to \$20,000,000 Sea World facility. Dr. Bane's study recommended a Wilmington location based on the biannual New York - Florida traffic and its existing tourist attractions. The Division of Travel and Tourism recommended New Bern as the location based on availability of land and the number of vehicles traversing the New Bern area daily.

The Division of Travel and Tourism also submitted a fact sheet of North Carolina travel and tourism showing the estimated tourist income to the State and the number of out-of-state visitors to North Carolina on a county-by-county breakdown. This fact sheet is attached as Appendix F. These statistics were used by the Division to substantiate in their report that sufficient numbers of tourists make North Carolina their destination to make a Sea World financially successful.

Dr. Bane's study contained information obtained from the management of major private Sea World attractions. These privately financed Sea Worlds estimated an initial cost of \$10,000,000 to \$20,000,000 for construction and purchase of sea creatures. The study also indicated the difficulty of obtaining such creatures due to the Federal Marine Mammal Act and the objection of conservation groups.

Both studies indicated that Sea World type facilities are profitable for the private capital which was invested in them with a return of approximately 15% on invested capital.

Mr. Lew Hooper of the Carowinds Theme Park in Charlotte stated that in his opinion and based on an intensive study made by his organization, a Sea World facility in Eastern North Carolina could not be profitable. Mr. Hooper stated that from the point of view of private industry, a purely marine park had a wear-out factor and that return business would not be great. Mr. Hooper also informed the Committee that in locating amusement facilities his company only locates its parks in areas of highly concentrated population from which to draw customers. He felt Eastern North Carolina did not qualify as one of these areas. Mr. Hooper also felt that any Eastern North Carolina marine attraction would face stiff competition from theme parks in Williamsburg and Richmond, Virginia, and Charlotte for the north-south tourist traveling along Interstate 95.

The Committee discussed the great interest found throughout the State for a marine life park or sea world and whether the State could take any other role in this area other than funding such a venture. Committee members suggested that private interest be encouraged by those persons who are most interested in the establishment of a marine center. The North Carolina Art Society and the North Carolina Zoological Authority were given as examples of groups established for the purpose of creating similar kinds of facilities.

Also discussed was the use of the presently existing Marine Resources Centers and the possibility of expanding them into greater tourist attractions, by means of increased State aid and encouragement.

The Committee at its final meeting approved the findings and recommendations contained in this report.

FINDINGS AND RECOMMENDATIONS

After having reviewed the information brought forth during its meetings, the Legislative Research Commission's Committee to Study the Feasibility of Establishing a Sea World in the Coastal Area of North Carolina makes the following findings and recommendations.

Finding 1. That there is a great amount of interest among the people of Eastern North Carolina in establishing a Sea World-Marine Life Park and great interest within State government both in the aspect of new tourist trade and the marine sciences in such a facility.

Finding 2. There is sufficient tourist traffic through North Carolina, according to the Division of Travel and Tourism, to make a Sea World-Marine Life Park profitable. The Division of Travel and Tourism estimated that approximately 47 million out-of-state visitors passed through North Carolina in 1977 and a great percentage of these travelers made North Carolina their destination.

Finding 3. In the opinion of a private developer there apparently would not be sufficient return on invested capital to interest private enterprise in constructing a Sea World facility. Private enterprise relies on a large population base to support their investment rather than tourist travel.

Finding 4. The Committee surveyed the coast of North Carolina and found four possible sites which were likely locations for a Sea World facility. These sites were located at the junction of U.S. 70 and U.S. 17 in New Bern, North Carolina, a tract of land in Wilmington, North Carolina, owned by the University of North Carolina at Wilmington where a marine science complex is planned, a tract of land in Onslow County, North Carolina, located adjacent to the Atlantic Ocean presently in private hands and a tract of land located on U.S. 17 south of Jacksonville on the intracoastal waterway.

Recommendation 1. Even though a large amount of interest was found throughout the State in a Sea World facility, the prohibitive cost of constructing a Sea World at an estimated \$10,000,000 to \$20,000,000 mitigated against direct monetary involvement by the General Assembly. It is not feasible for the General Assembly to fund a Sea World and that no appropriation be made at this time.

Recommendation 2. The State agencies involved with the promotion of travel and tourism, marine science, fisheries and the University of North Carolina are encouraged to give aid and assistance to any group or groups

seeking the establishment of a Sea World in Eastern North Carolina.

The Division of Travel and Tourism and the Office of Marine Affairs are particularly encouraged to further study and aid any person or groups of people who might want assistance in their areas of expertise.

Recommendation 3. The people within the State interested in establishing a Sea World-Marine Life Park are encouraged to create an association or council to further the establishment of such a facility. The Committee commends the efforts of the North Carolina Art Society and the North Carolina Zoological Park Council in the creation of and support of the State Art Museum and the State Zoo. These groups marshalled private support for their particular group, raised money and then lobbied the General Assembly in support of the Art Museum and State Zoo. The Committee recommends this course to all persons interested in the creation of a Sea World.

APPENDIX A

1977-1979

LEGISLATIVE RESEARCH COMMISSION MEMBERSHIP

House Speaker Carl J. Stewart, Jr. Chairman	Senate President Pro Tempore John T. Henley, Chairman
Representative Chris S. Barker, Jr.	Senator Dallas L. Alford, Jr.
Representative John R. Gamble, Jr.	Senator Russell Walker
Representative A. Hartwell Campbell	Senator Cecil J. Hill
Representative H. Parks Helms	Senator Robert B. Jordan, III
Representative Lura S. Tally	Senator Vernon E. White

LEGISLATIVE RESEARCH COMMISSION

Study Committee on

THE FEASIBILITY OF ESTABLISHING A SEA WORLD IN THE
COASTAL AREA OF NORTH CAROLINA

Senator Russell Walker, LRC Member

Senator Charles E. Vickery, Co-Chairman

Representative Richard Wright, Co-Chairman

Representative Wilda Hurst

Senator Jerry Popkin

Representative Mary P. Seymour

Senator W. G. Smith

APPENDIX B

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1977
RATIFIED BILL

RESOLUTION 83

SENATE JOINT RESOLUTION 104

A JOINT RESOLUTION DIRECTING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE FEASIBILITY OF ESTABLISHING A SEA WORLD IN THE COASTAL AREA OF NORTH CAROLINA.

Whereas, each year thousands of tourists from the northern states travel through North Carolina on the way to coastal resort and vacation areas in South Carolina, Georgia and Florida; and

Whereas, the establishment of a Sea World or Marine Land as a major tourist attraction in the coastal area of North Carolina would be of immeasurable economic and recreational value and would greatly enhance education in the field of marine science; and

Whereas, the coastal area affords a natural and scenic location for the establishment of a Sea World in North Carolina; Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. The Legislative Research Commission, as structured under G.S. 120-30.10 et seq., is directed to study the feasibility of establishing a Sea World in the coastal area of North Carolina. Among other things, the study shall investigate anticipated visitor use of a Sea World facility, the likelihood that the facility will or will not be self-supporting, and an appropriate and distinctive name for the facility. The

Commission shall report to the 1979 General Assembly.

Sec. 2. This resolution shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 1st day of July, 1977.

JAMES C. GREEN, SR.

James C. Green

President of the Senate

CARL J. STEWART, JR.

Carl J. Stewart, Jr.

Speaker of the House of Representatives

APPENDIX C

WITNESSES APPEARING

Dr. Gilbert W. Bane
Director of Marine Science
University of North Carolina at Wilmington
Wilmington, North Carolina

Mr. William Arnold
Director of Travel and Tourism
Department of Commerce
Raleigh, North Carolina

Mr. Lew Hooper
Carowinds Theme Park
Charlotte, North Carolina

Mr. John Pittman
Office of Marine Affairs
North Carolina Department of Administration
Raleigh, North Carolina

Mr. Ed McCoy
Director, Division of Marine Fisheries
Department of Natural Resource and
Community Development
Raleigh, North Carolina

Ms. Lane Turner
Division of Travel and Tourism
Department of Commerce
Raleigh, North Carolina

APPENDIX D

PROLOGUE
TO
A FEASIBILITY STUDY
OF
A MARINE LIFE PARK FOR NORTH CAROLINA

by

Gilbert W. Bane, Ph.D.
Director, Marine Sciences
and Environmental Studies Program
University of North Carolina
Wilmington, North Carolina

INTRODUCTION

On December 9, 1977, a legislative committee met to consider the potential for the state establishment of a commercial marine park in North Carolina. I was invited to the meetings as a representative of marine science from the University of North Carolina at Wilmington. In the course of discussions I was asked to visit Sea World and similar marine centers in California. The objectives included gathering information on public funding in the various parks. I also sought information on the feasibility of establishing a park in North Carolina.

During late December, 1977, I visited Sea World, in San Diego, Marineland of the Pacific, near San Pedro, the California Academy of Sciences in San Francisco and Marine World - Africa USA, in Redwood City, California. In addition, I spoke with the curator of Fishes at California Academy and a financial firm in Orange County, who supplied economic data on the companies.

Results:

MARINELAND

Marineland of the Pacific was closed to the public during December. There was no one willing to speak about the facility. A business manager refused to talk except to say that the company was recently sold. I learned from other sources that the company was purchased by the Kroger Corporation and Taft Broadcasting.

MARINE WORLD - AFRICA, USA

The president of Marine World was exceedingly hospitable, giving me a personally conducted tour of the park and graciously answering questions. The facility is owned by a large corporation, Resorts International. Holdings of this firm include real estate, resort hotels and casinos in the Bahamas; hotels in Atlantic City, airlines, International Intelligence, Inc. and alarm systems. Although it was not possible to assess the value of the Marine World holdings, it is estimated at between \$20 and 30 million.

No state or federal funding has been used to build or run Marine World. The 1976 admission revenues were down significantly, attributable to the opening of a nearby competing mechanical ride park that is larger and contains similar attractions. Marine World recreational activities facilities have subsequently been expanded to a magnitude which is expected to outcompete the mechanical rides park.

Space has been rented to concessions but there are no large corporations using advertising space in the park. Rides and coin-operated amusements provide additional revenue. Large picnic areas are available and much effort is expended to attract company picnics from corporations in the Bay area. Like Sea World, Marine World has three major features: recreation and food service; shops; and wild animal exhibits and shows. Additionally, there are animal rides and jungle boat rides. (See Table 1). During the rainy winter months, the park is open only on holidays and weekends.

SEA WORLD

Sea World personnel were more open about supplying information. This company recently changed ownership and was purchased by Harcourt Brace Jovanovich, a leading textbook and aptitude test corporation. The purchase price was \$47 million for 93% of the stock. The transaction included three marine parks, located in San Diego, California, Cleveland, Ohio, and Orlando, Florida. The 1976 gross revenues for the three parks were reported at \$50.2 million, with a net of \$3.7 million dollars. Investment earnings in 1976 were \$3.92 per share.

Sea World does not use any federal or state funds nor has it done so in the past. Initial funding was through stockholders; at present admission revenues cover all operating costs and provide a profit for shareholders. Additional funding is provided by the dozen or so leased sites within the parks where corporations such as Starkist Foods, Hawaiian Punch, Coca-Cola, Sparkletts, Foremost and Richfield provide exhibits, food areas, rides or some other attraction. It is believed that an annual space rental price of between \$35,000.00 and \$50,000.00 is charged; the park, in return, assures that there are no competing products within its boundaries. In addition, the exhibitors provide their own - usually very expensive - attraction. Additional charges of 75¢ are made to visitors who choose to ride the Hydrofoil, the Skyride or the Revolving Tower.

The 80-acre park has three basic features: animal exhibits, recreation-food areas and shops. Table 1 compares the areas between Sea World and Marine World-Africa USA. Sea World is situated near a large metropolitan area with sufficient visitors available enabling it to remain open every day.

DISCUSSION

Exhibition parks such as Sea World and Marine World operate on a profit obtained through the price of admission. Consequently, exhibits are designed for appeal to the young as well as to family groups. In all such centers it has been found essential to contain the following:

1. A killer whale act with a trainer.
2. A sea lion show.
3. Trained dolphins which leap from the water or do tricks on cue.
4. Sharks swimming in tanks, or a frozen great white shark (of "Jaws" fame).

Other attractions frequently include walruses, otters, wild birds, a jungle ride, and aquatic shows - diving, skiing or high-speed boating.

Each of these kinds of shows needs a gallery, exhibition pool, amphitheater or otherwise specialized area. Each area should contain an equal amount of seating facilities for two to five thousand observers.

In addition to the shows, observation areas are essential so that adult customers may relax and watch animals. Children, on the other hand, need activity areas such as swings, trampolines, slides, etc., where they can expend their natural energy. In some cases, children enjoy these play areas and the coin-operated vending areas so much that they encourage the family's quick return for another visit.

The logistics of securing wild animals are somewhat complicated:

- a) few collectors in the world can supply wild, large marine mammals,

b) federal agencies are somewhat reluctant to issue permits, based on restrictions of the recent Marine Mammals Protection Act (however, permits are still being issued); and c) a few extreme conservation organizations have created a furor over wild animals in captivity. These groups have been somewhat mollified in California by the establishment of the Hubbs Sea World Research Institute and the Marine World Mammals Research Organization.

The operation of these multi-million dollar complexes necessitates a very large number of personnel. During the height of the season, 500 to 1000 workers could be needed each day. Throughout the year, a permanent staff of a hundred or more might be essential. Such a staff would include animal trainers, actors, veterinarians, custodians, etc.

The publicity and public relations processes are vital to the success of these facilities. Such phrases are employed constantly as: "Education-Education Research-Discovery"; "unforgettable sensation"; "encouraged to feed the animals"; "efforts to expand man's knowledge"; "wild animals and man learn to live together and like each other". Brochures are filled with close up photos: flamingos regularly nest and hatch their young, seals sleeping, killer whale and trainer, jumping porpoises, exotic creatures, the hugging of animals by trainers (whales, porpoises, otters, walruses, birds, etc.), feeding baby mammals, research instruments and laboratories, helping marine mammals, etc. An outstanding public relations job has been done and it has paid off in profits.

CONCLUSIONS AND RECOMMENDATIONS

1. There is no similar marine attraction between New Jersey and Florida; since many tourists make a biannual pilgrimage between Florida and the North via I95 in North Carolina, and since many seasonal visitors are attracted to the North Carolina coast, this state would appear to have excellent promise for a successful marine exhibition facility.

2. For this area I would recommend the following basic shows-exhibits: killer whale, porpoises, sea lions, manatees, North Carolina alligators, North Carolina sea turtles, N. C. river otters, a shark tank, walruses, elephant seals, a jungle boat ride through a wax myrtle - sweet bay-pond pine forest, recreational play areas, and an aquarium with local fishes.

3. A 50- to 100-acre tract of land is needed meeting the following area requirements:

- a. A large year-round population.
- b. Sufficient hotels and restaurants operating year-round.
- c. Proximity to the sea.
- d. Secondary attractions (of historic or regional importance).
- e. A continual source of temporary help to maintain seasonal surges.
- f. A marine scientific center.

Based on these criteria, Wilmington would be the most advantageous area and if land were available near the battleship U.S.S. North Carolina, permanently moored on the Cape Fear River, that would be the first choice.

4. The State of North Carolina might strongly consider funding such an attraction for the following reasons:

- a. High return for the original investment.
- b. Provision of many jobs.
- c. Encourage out-of-state capital to be spent locally, through nationwide advertising.

5. After discussions about the State of North Carolina's involvement in such a venture, I feel that it might be wise to investigate the following:

- a. The State to underwrite the construction and all pre-operational costs (\$10,000,000 - \$20,000,000).
- b. To contract the operation to a corporation.
- c. To assign personnel and management to the corporation which would operate on the greatest profit margin possible in return for a guaranteed percentage. Personnel would be non-civil service (state fringe benefits and retirement would be unnecessary). Seasonal, part-time and permanent positions would be filled as needed without the problems inherent in state personnel matters.

TABLE 1
FACILITIES AT CALIFORNIA'S MAJOR MARINE PARKS

MAJOR ATTRACTIONS	SEA WORLD	MARINE WORLD-AFRICA USA
	Dolphin Lagoon Alligator Pool Walrus Pool Marine Aquarium Seal Pool Sea Otters Dove Pavillion Turtle Pool Pinnipeds Great White Shark Whale Facility Water Show	Dolphin Lagoon Bantha (from Star Wars) Marine Aquarium Seal Pool River Otters Bird Show Carp Pool Pinnipeds Ecology Theatre Killer Whale Water Show Wild Animal African Zoo Animal Nursery Underwater Show
RIDES	Hydrofoil and Sky Rides Revolving Tower	Camel-Elephant Rides Childrens Fun Area Jungle Ride Bandstand
SHOPS	Gift Shops (5) food shops (7) picnic area	Gift Shops (4) food shops (4) picnic area (4)
LEASED COMMERCIAL AREAS	Hawaiian Punch Village Foremost Bowl Richfield World Coke Patio Japanese Village Jewelers Sparkletts Freshwater Aquarium American Airlines Tower Starkist Underwater Show	

I asked that members of the UNC-W Business and Economics Department review the first draft of this document and discuss it with me. During these discussions the following types of questions were posed. The legislative study committee may wish to examine some of them in the future.

What will be the capital cost? the operating costs?

What will be the break-even figures, how many visitors at what rates, plus leases?

For existing facilities in the regions to be considered what % of customers come from a radius of 100 miles? from a greater distance?

How many visitors stay overnight? Come only for the day?

What are traffic conditions throughout the day? Throughout the year?

What is the composition of the local population and income levels?

What is the potential employment? Secondary benefits for local business such as lodging, food, gas, etc.

What is the importance of tie in attractions such as civic center, university, sports attractions, dog track, liquor by the drink, etc.

APPENDIX E

PRELIMINARY FEASIBILITY REPORT

North Carolina Sea World Proposal

FOR: Senator Charles Vickery

FROM: The Division of Travel and Tourism

Preliminary investigation into the feasibility of establishing a successful (i. e. , profit-making) Sea World type tourism facility in North Carolina in the 1980's, conducted by the Division of Travel and Tourism, June 26-July 14, 1978, produced the following findings:

1. Potential is excellent for establishing such a facility in eastern North Carolina.
2. Given certain prerequisites---proper location, traffic flow, professional operation, adequate marketing and promotion---the facility will provide direct employment for 200 to 500 area residents and provide several hundred additional jobs indirectly; will operate at a profit; and will create a substantial increase in revenues for its immediate vicinity and the state.
3. If current projections by the North Carolina Department of Commerce are accurate---calling for \$2 billion in tourism revenues by 1980 and more than \$3 billion by 1985---establishment of such a facility can predictably be a factor in stimulating new restaurants, hotels, and other visitor-related businesses within a 25-mile radius of its location.
4. Two desirable sites for such a facility have been located, are available, and recommendations in order of desirability made by the Division.
5. On the basis of the preliminary findings contained in this report, the Division would recommend a more extensive feasibility study be made by qualified specialists in this field before a final determination is reached by the General Assembly.

Discussions with the chief executives of the three most successful such facilities on the East Coast---SEA WORLD of Orlando, SEAQUARIUM of Miami, and MARINELAND of St. Augustine, in Florida---determined the criteria by which this report was to proceed and established the parameters the Division of Travel and Tourism subsequently used in pursuing the feasibility of a similar attraction in North Carolina.

First, is such a facility profitable?

Second, what are the ingredients that make it profitable?

Third, are those ingredients available in North Carolina, are they within reasonable reach, and what is the potential for success here?

Dick Howard, Manager of SEA WORLD, largest and most successful of the operations, reported that his facility in Orlando, located on 135 acres (including parking area), has an annual attendance of 14,000 per day during the summer and 10,000 per day the rest of the year, at an admission charge of \$6.25 per head. The facility is owned by a publishing company, employs 700 people, and, according to Howard, is "very profitable." The operations include 20 pools, plus a breeding pool, a performing pool, and an isolation tank. Stock includes one killer whale, three dolphins (all different species), four walrus, several seals, sea lions, and otters, and fifty other species for a total of six hundred. Additional stock includes an estimated two thousand birds. Several restaurants, gift shops, and lounges are in operation on the property.

Burton Clark of SEAQUARIUM in Miami reported his attraction, erected in 1955 on land leased from the county (40 acres, including parking area), "has always been profitable." Clark said the facility has annual visitation of one million people at \$5.00 each. The operation has 156 employees, most of them involved in maintenance, but a considerable number involved in operation of two on-site restaurants. Clark maintained that the three main requirements for success of such an attraction are (1) location, (2) operation ("You must have real specialists, and they're not easy to find."), and (3) marketing techniques. He offered this observation: "Every good facility of this type helps all other good ones, and every bad one hurts all the good ones."

MARINELAND in St. Augustine was the first such attraction of this kind in the world---built in 1938 by Cornelius Vanderbilt Whitney. It covers 45 acres, employs 270 during peak months and 200 the rest of the year, including employees who operate a 125-room hotel, which is part of the property. Fred Graham, chief executive at MARINELAND, reported annual attendance of 650,000 at \$3.00 each, and commented that the facility "has always been profitable, with a year-to-year profit growth up to the year SEA WORLD was built. After that, growth stopped, but it is still profitable."

The answers to questions one and two were established to the satisfaction of the Division: Are such facilities profitable? Yes. What does it take to make them profitable? Burton Clark's answer, Location, Operation, Good Marketing, was echoed by both Howard and Graham.

Investigation of North Carolina locations---using the criteria already mentioned---quickly narrowed down to two possible areas: New Bern and Wilmington. Both have impressive traffic flow and accessibility---the highest in eastern North Carolina's coastal region, according to the Department of Transportation.

Of the two, Wilmington registers a greater traffic flow, but DOT attributes much of it to residential traffic. New Bern's traffic flow, on the other hand, is estimated to consist largely of long-distance motorists going North-South on U.S. 17 and East-West on U.S. 70.

At the New Bern intersection of U.S. 70-U.S. 17, DOT registers traffic flow counts in four directions totaling 26,000, 21,000, 18,000, and 13,000 daily---or an estimated 40,000 vehicles passing through that specific intersection every day of the year. That amounts to 14,600,000 vehicles annually, with a large proportion of them from out-of-state.

Recognizing that New Bern is located on U.S. 70, the main artery to the Carteret County-Morehead-Beaufort-Atlantic Beach resort area (and ferry departure points for the Outer Banks, as well)---and being aware that during peak periods in 1977 and again in 1978 visitors to the Atlantic Beach area have been backed up to New Bern to find lodging---New Bern seemed a logical place for more detailed investigation.

Further, the former Colonial Capital boasts an already-established tourist attraction in Tryon Palace. That attraction, although not promoted to its full potential, has demonstrated a capacity to attract visitors from many states. The prospect of a community containing both Tryon Palace and a Sea World-type facility---with a resort beach 25 miles to the east and Interstate 95 only an hour and a half's drive to the west---begged more intense scrutiny.

A fact-finding mission to New Bern disclosed:

1. On the immediate northern edge of the new U.S. 70-U.S. 17 bypass junction, there is a 30-acre peninsula bordered by the Neuse and Trent Rivers (see map, aerial photograph). About 90 percent of this land is not being used in any manner at the present time and can be purchased. On the extreme western edge of the tract is one house and a small boat dock. Purchase of this area would constitute no problem, according to Craven County Industrial Development Commission Director Tom G. Thompson.
2. There is an adjacent tract of land to the immediate south of the bypass, vacant and also available for purchase. This area could easily be used for parking with shuttle bus, auto train, or pedestrian access to the adjoining larger tract.
3. The combined two-tract area, which would appear to be an ideal area with regard to visibility, access, and traffic flow, is equal in size to two of the three Florida marine life attractions mentioned previously.

The site is already equipped with rail, water, highway, and air access, which could be an important factor in an operation that might require turnover of sea water or shipment of sea creatures

or machinery periodically or rapidly. The Neuse River is only 23 miles from the Atlantic at this location; an existing railroad runs through the property; two major highways join on the site; and the Simmons Knott Airport is located a scant several hundred yards to the south.

4. Purchase cost is estimated in the \$800,000 range by Thompson.
5. A third tract, also adjoining, is available and if combined with the two previously-mentioned tracts could offer approximately 60 acres of property for eventual expansion or related facilities. (Maps of all three tracts are included in this report.)
6. The peninsula site is further enhanced by the fact that it is located directly across the junction of the Trent and Neuse Rivers from the newly-modernized waterfront area of New Bern and within view of Tryon Palace.
7. Another site, across the Trent, consisting of 80 acres, is available, but Thompson has pointed out that both construction problems and environmental problems would be greater on that site---which is a sanitary landfill area. "However," he said, "since the City of New Bern owns it, I feel reasonably certain that they would be more than happy to sell the property at a very low price or perhaps give it to the State in turn for location of the project."

Finally, there are other long-range considerations which might be noted: sources in New Bern have indicated that a major hotel chain has previously expressed an interest in placing a motor hotel in the modernized waterfront area of downtown near the Tryon Palace vicinity, but discussions were shut down when it seemed liquor-by-the-drink would not become a possibility in the state. Now that that impediment has been eliminated, the New Bern sources feel that rekindled interest on the part of the hotel chain would most certainly result in a major lodging facility if a Sea World-type of attraction were located in the area.

Lastly, it seems appropriate to consider the possibility of erecting a facility in New Bern---if further feasibility studies prove favorable and action is taken in that direction---that might be utilized to house and display the Confederate ironclad "Monitor," if and when the historic vessel can be safely raised from the bottom of the sea off the North Carolina coast. There are scientific, jurisdictional, economic, and other factors involved in the question of whether the "Monitor" can be obtained, but there seems to be no question whatever that the vessel would be an attraction of major significance, historically, educationally, and as a tourism magnet, and its incorporation into any plans for a facility at New Bern would have considerable impact on the success of plans for the area.

This report, supporting photographs and displays, and the recommendations contained therein are submitted only as preliminary findings and should be considered in that context.

William Arnold, Director
Division of Travel and Tourism
North Carolina Department of Commerce

July 14, 1978

APPENDIX F

TRAVEL AND TOURISM IN NORTH CAROLINA, 1977

FACT SHEET

Spending by all travelers in North Carolina in 1977	\$1,768,000,000
Spending by Out-of-state visitors	\$1,177,000,000
Spending by North Carolinians	\$ 591,000,000
Number of jobs in North Carolina serving the traveling public	157,960
Annual payroll	\$ 617,000,000
State taxes received from the travel business in North Carolina	\$ 448,000,000
Local taxes received from the travel business in North Carolina	93,000,000
Federal income and gasoline taxes from the travel business in North Carolina	\$ 208,000,000
Total taxes collected from the travel business in North Carolina in 1977	\$ 749,000,000
Percentage of all state taxes collected by North Carolina from the travel business	20%
Number of out-of-state visitors to or passing through North Carolina	46.7 million
Estimated number of visitors selecting North Carolina as a destination	21 million

The statistics were compiled by Dr. Lewis C. Copeland of the University of Tennessee in his report, "The Economic Impact of Travel and Tourism in North Carolina, 1977", commissioned by the Division of Travel and Tourism, Department of Commerce, Raleigh, North Carolina. The full report will be published and made available upon request shortly. Requests should be directed to the Division of Travel and Tourism, 430 North Salisbury Street, Raleigh, North Carolina 27611.

1977 TRAVEL IN NORTH CAROLINA COUNTIES

County	Travel Expenditures in \$1,000	Previous Year Totals	Percent of Retail Business	Number Of Firms	Number of Employees	Percent of State Total
Alamance	\$ 32,679	(\$23,829)	7.5	503	2,639	1.85
Alexander	2,309	(1,783)	4.1	98	371	.13
Alleghany	3,558	(1,588)	13.1	49	293	.20
Anson	2,671	(2,063)	4.4	88	427	.15
Ash	1,936	(1,495)	3.6	90	251	.11
Avery	15,621	(3,150)	50.4	79	852	0.88
Beaufort	7,939	(6,132)	5.4	192	906	.45
Bertie	1,453	(1,122)	3.6	80	202	.08
Bladen	3,817	(2,948)	5.7	144	411	.22
Brunswick	6,358	(4,911)	8.8	202	806	.36
Buncombe	108,200	(63,641)	14.5	798	5,315	6.12
Burke	14,881	(10,179)	7.4	325	1,209	.84
Cabarrus	15,168	(11,715)	4.6	364	1,579	.86
Caldwell	13,707	(9,787)	6.4	271	1,026	.78
Camden	561	(433)	12.4	21	77	.03
Carteret	15,200	(11,007)	11.5	298	1,556	0.86
Gaswell	924	(714)	4.5	32	98	.05
Catawba	36,324	(25,463)	7.6	450	3,314	2.05
Chatham	3,918	(3,026)	5.2	147	509	.22
Cherokee	2,325	(1,796)	5.1	97	409	.13
STATE TOTAL	\$1,768,000	(\$1,280,000)	9.4	25,960	157,960	100.00

Chowan	\$ 1,923	(\$ 1,485)	4.8	48	202	0.11
Clay	341	(263)	3.3	17	55	.02
Cleveland	13,591	(10,497)	5.3	328	1,534	.77
Columbus	7,581	(5,855)	4.8	253	870	.43
Craven	12,883	(9,950)	5.9	252	1,639	.73
Cumberland	64,645	(49,929)	8.3	890	6,418	3.66
Currituck	2,619	(2,023)	21.1	52	174	.15
Dare	24,700	(21,080)	39.3	248	1,440	1.40
Davidson	21,053	(15,446)	6.8	473	1,860	1.23
Davie	2,504	(1,934)	4.9	95	401	.14
Duplin	4,142	(3,199)	4.3	179	510	0.23
Durham	43,513	(32,835)	6.6	594	4,498	2.46
Edgecombe	9,421	(7,276)	6.5	229	988	.53
Forsyth	117,427	(83,235)	10.5	1,070	9,283	6.64
Franklin	2,479	(1,915)	4.0	103	329	.14
Gaston	47,013	(36,311)	8.3	649	3,785	2.66
Gates	489	(378)	4.1	25	89	.03
Graham	0,600	(7,484)	42.0	22	72	.55
Granville	3,544	(2,737)	4.9	122	458	.20
Greene	854	(660)	4.6	35	121	.05
Guilford	141,338	(91,793)	9.0	1,416	10,979	7.99
Halifax	10,847	(8,378)	5.6	221	1,255	.61
Harnett	8,147	(6,292)	5.0	233	1,050	.46
Haywood	17,019	(11,055)	10.6	289	1,418	.96
Henderson	15,190	(11,732)	8.6	269	1,734	.86
Hertford	5,134	(3,965)	6.9	113	846	0.29
Hoke	1,126	(570)	4.0	52	189	.06
Hyde	1,643	(1,269)	21.2	30	65	.09
Iredell	19,777	(12,755)	7.5	361	1,820	1.12
Jackson	5,029	(3,884)	9.0	113	769	.28
Johnston	12,059	(9,314)	5.7	354	1,419	0.68
Jones	985	(761)	8.0	35	114	.06

Lee	9,704	(7,495)	6.4	186	977	.55
Lenoir	13,142	(10,150)	5.2	275	1,441	.74
Lincoln	5,114	(3,950)	4.1	164	569	.29
Macon	\$ 7,551	(\$ 5,832)	11.8	146	522	0.43
Madison	3,733	(1,023)	17.5	58	317	.21
Martin	5,359	(4,139)	7.9	114	558	.30
McDowell	6,021	(4,650)	6.1	163	716	.34
Mecklenburg	279,621	(215,966)	11.9	1,967	18,982	15.82
Mitchell	2,859	(2,208)	5.9	74	232	0.16
Montgomery	2,179	(1,683)	4.1	93	401	.12
Moore	23,593	(18,222)	16.2	261	2,460	1.33
Nash	22,421	(17,317)	7.5	322	3,129	1.27
New Hanover	53,619	(38,819)	10.9	593	4,255	3.03
Northampton	2,248	(1,736)	6.5	77	299	0.13
Onslow	22,264	(17,196)	7.4	444	2,344	1.26
Orange	14,940	(11,539)	7.9	247	2,116	.95
Pamlico	871	(673)	6.6	33	137	.05
Pasquotank	5,662	(4,373)	4.6	149	783	.32
Pender	2,403	(1,856)	6.6	91	275	0.14
Perquimans	817	(631)	3.9	44	111	.05
Person	3,876	(2,994)	4.7	127	460	.22
Pitt	14,996	(11,582)	5.2	335	2,287	.85
Polk	2,635	(2,035)	7.6	80	307	.15
Randolph	14,329	(10,181)	5.7	379	1,854	0.81
Richmond	9,171	(6,311)	5.4	227	971	.46
Robeson	16,680	(12,883)	5.6	383	1,531	.94
Rockingham	13,999	(10,507)	5.5	421	1,795	.79
Rowan	20,368	(13,495)	6.7	382	2,416	1.15
Rutherford	10,005	(7,727)	6.2	294	1,094	0.57
Sampson	4,541	(3,507)	3.8	198	663	.26
Scotland	4,690	(3,622)	4.6	94	556	.27
Stanly	7,275	(5,619)	4.7	211	1,052	.41
Stokes	2,685	(2,074)	6.2	115	298	.15

Surry	\$ 10,751	(\$ 8,304)	4.8	317	1,403	0.61
Swain	10,302	(7,243)	26.4	166	1,154	.61
Transylvania	6,008	(4,640)	9.4	96	523	.34
Tyrrell	344	(266)	4.8	16	63	.02
Union	8,584	(6,630)	4.8	237	1,040	.49
Vance	9,159	(6,302)	6.1	182	840	0.46
Wake	121,014	(92,683)	9.0	1,222	10,747	6.84
Warren	1,796	(1,387)	5.3	68	279	.10
Washington	1,327	(1,025)	3.4	57	205	.08
Watauga	24,174	(9,869)	19.6	175	1,416	1.37
Wayne	17,212	(13,294)	5.4	391	2,098	0.97
Wilkes	7,630	(5,803)	4.8	228	981	.43
Wilson	18,010	(13,909)	6.9	322	2,032	1.02
Yadkin	3,392	(2,620)	4.4	149	463	.19
Yancey	1,551	(1,198)	5.3	60	183	.09

