



# Memorandum

**TO:** NEIGHBORHOOD SERVICES AND EDUCATION COMMITTEE **FROM:** Jon Cicirelli

**SUBJECT:** Happy Hollow Park and Zoo **DATE:** May 27, 2025  
**Status Report**

Approved

Date:

6/4/2025

## **RECOMMENDATION**

Accept the status report on Happy Hollow Park and Zoo's accomplishments, challenges, and plans for the future.

## **BACKGROUND**

Happy Hollow Park & Zoo (HHPZ), a cherished institution in the Bay Area since 1961, is a facility of the City of San José's Department of Parks, Recreation & Neighborhood Services (PRNS). HHPZ's mission is to connect people to nature through play by incorporating the pillars of conservation, education, and play into all programs, exhibits, activities, and operations. It offers a unique blend of family rides, a Puppet Castle Theater, nature-themed play areas, and a zoo accredited by the Association of Zoos and Aquariums (AZA). Supported by the nonprofit partner, Happy Hollow Foundation (HHF), HHPZ is committed to providing enriching experiences that foster a love for nature and wildlife.

Open to the public in March 1961, HHPZ has since become a premier destination in the City of San José. On its 16-acre property, HHPZ provides the following array of programming and experiences:

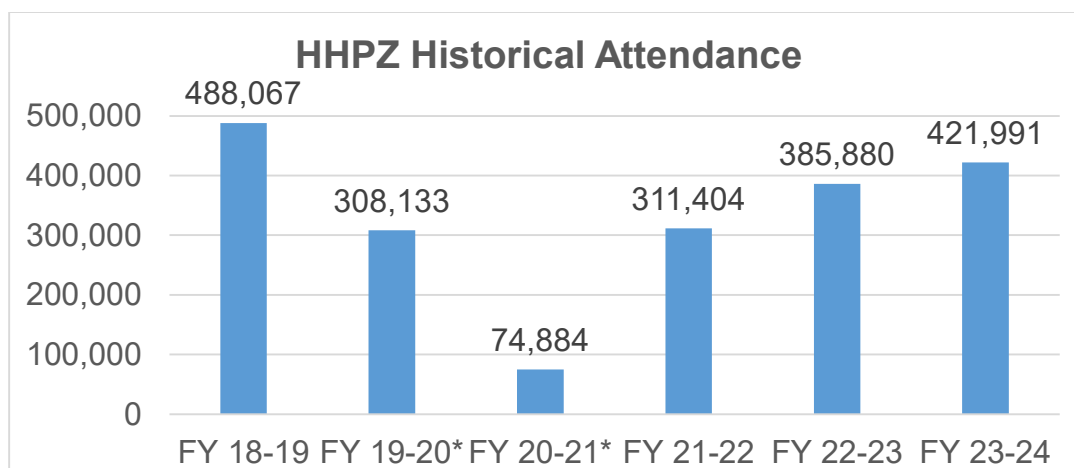
- 109 animals in its animal collection, that includes iconic animals like jaguar, giant anteater, and American alligator, with 75% of these animals in their geriatric years;
- Zoo education programs that offer camps, classes, school assemblies with animal encounters, workshops, overnight sleepovers, and special activities to all ages;

- Admissions, memberships, and group programs, including the HHPZ Access for All program; Nine amusement park rides and nine play areas;
- Food and beverage services through the Picnic Basket restaurant;
- Daily shows at the Puppet Castle Theater;
- Seven uniquely themed celebration areas to host parties;
- Face painting program; and
- Parking program for Kelley Park.

## **ANALYSIS**

### **Attendance and Membership: Recovery from the COVID-19 Pandemic Closure**

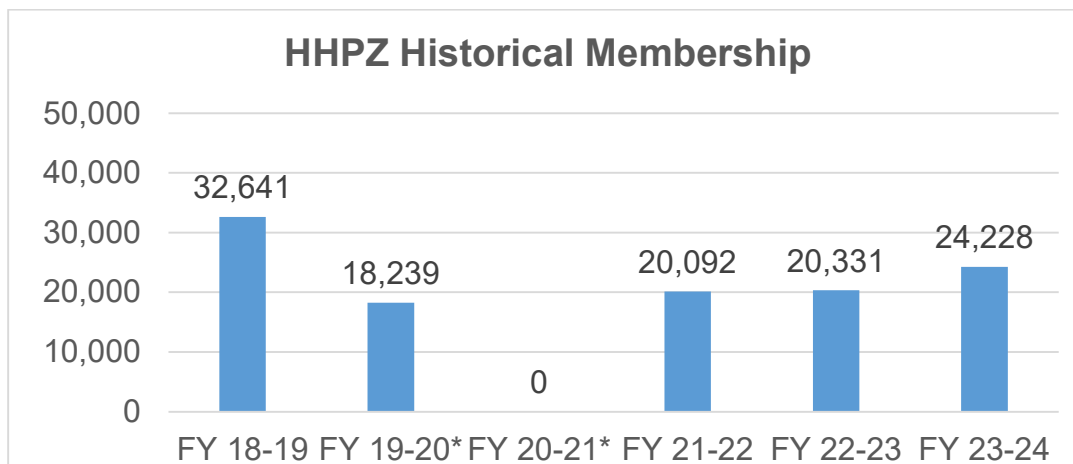
Attendance at HHPZ has steadily increased over the past three years but has not yet fully recovered to pre-pandemic levels due to several factors. No new attractions have been added since before the COVID-19 pandemic and several animal exhibits have been closed due to multiple years of construction. Additionally, shifting family demographics in the area, reflected in the closure of local schools, may be contributing to the slower recovery. In the 2023-2024 fiscal year (FY 23-24), HHPZ experienced a resurgence in visitor numbers, welcoming approximately 422,000 guests. This represents a significant recovery from the pandemic's impact and highlights HHPZ's successful efforts in re-engaging the community. HHPZ has focused on enhancing the visitor experience and broadening HHPZ's appeal. Attendance for the current fiscal year (FY 24-25) is tracking similarly to last year. As of April 30, 2025, year-to-date attendance stands at 308,345.



\* HHPZ closed mid-March 2020 due to the COVID-19 pandemic and fully reopened mid-July 2021.

Memberships have also seen growth, reflecting the community's renewed interest and support. The park has implemented several membership promotional campaigns, program branding, and highlighted exclusive benefits and experiences to members.

These efforts have increased membership numbers and have also fostered a sense of community and belonging among members, encouraging repeat visits and long-term engagement. In the Fiscal Year 23-24, 24,228 memberships were sold, which was the most sold since Fiscal Year 18-19.



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HHPZ's ability to adapt and innovate has been key to its success. By providing a diverse range of programs and events tailored to various interests and age groups, HHPZ has cultivated a vibrant, inclusive atmosphere that attracts a wide audience, boosts attendance, and encourages guest membership. Special events, such as seasonal festivals and educational workshops, have been particularly effective in attracting diverse groups of visitors and enhancing their experience.

Marketing efforts have played a crucial role in driving attendance and membership growth. The park has leveraged social media, community partnerships, and targeted advertising to reach new audiences and re-engage past visitors. For example, HHPZ was voted "best place to take your kids to play" in the Mercury News's Best of Silicon Valley 2025 and ran a paid advertising campaign as part of the announcement. Collaborations with local organizations and businesses, such as Broadway San Jose, San Jose Barracuda, San Jose Giants, and Cirque du Soleil have also helped to increase visibility and attract new visitors.

The introduction of new attractions and the enhancement of existing facilities are expected to further contribute to HHPZ's growing popularity. Although construction temporarily hinders visitor levels, the Danny the Dragon ride is scheduled for reopening this summer with a completely reimagined ride experience. In addition, the new exhibit upgrades that enhanced the fossa, jaguar, and red panda habitats will provide a fresh experience for returning guests and draw new visitors.

HHPZ's rides continue to be popular with over 300,000 riders in FY 23-24 on the most popular ride, the Keep-Around Carousel. Expectations are that after the Danny the

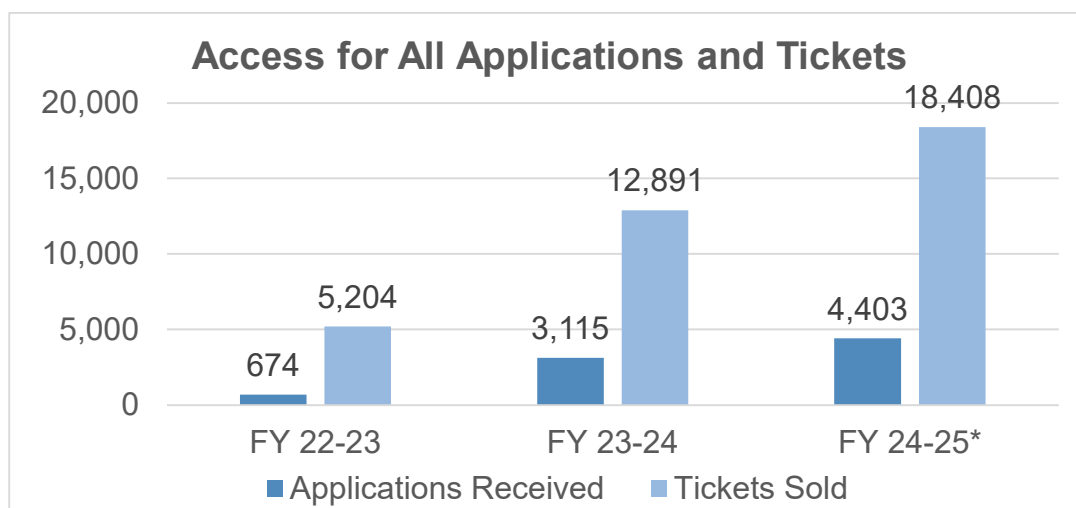
Dragon's scenes are renovated and the ride reopens this summer, it will bypass its historic place from the second-most used ride to the most popular ride. HHPZ also features the Picnic Basket and Redwood Refreshments for concessions with over 18,000 chicken strip meals and 19,000 baskets of French fries purchased in FY 23-24.

HHPZ's birthday party program, called Celebrations, hosted 440 parties in FY 23-24. The Puppet Castle theater hosts daily puppet shows, some of which are classic stories, as well as in-house stories and productions. All props, backdrops, and puppets are made in-house. Twenty percent of park guests make it to the theater to catch a show throughout the year.

### Progress of the Access for All Program

The Access for All program, launched in 2022, has been instrumental in making HHPZ accessible to financially disadvantaged families. The program offers deeply reduced admission prices – about 25% of the cost of regular admission - to eligible San José residents and families, providing them with the opportunity to experience HHPZ's attractions and educational programs. The program is partially funded by a 25-cent donation from each admission ticket sold, which is set aside to offset some of the costs of the tickets.

In Fiscal Year 23-24, over 17,000 Access tickets were sold, demonstrating the program's success in reaching underserved communities. As of April 30, 2025, 18,408 Access tickets have been sold so far in Fiscal Year 24-25. This initiative aligns with HHPZ's mission to ensure that everyone, regardless of financial status, can enjoy the benefits of nature and play.



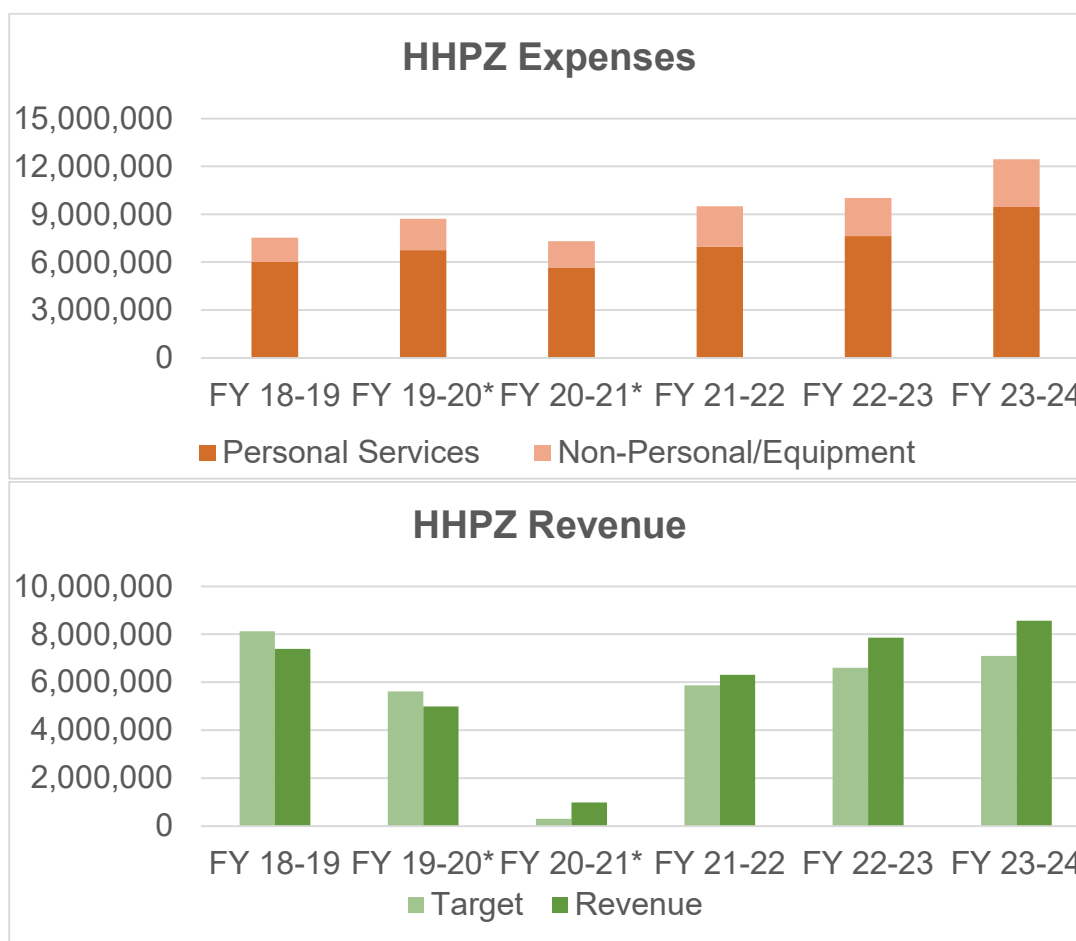
\* FY 24-25 applications received and tickets sold are through April 30, 2025.

By removing financial barriers, the Access for All program has enabled more families to connect with nature and participate in conservation efforts. The growth in applications

and tickets sold speaks to the community's demand for accessible recreational opportunities.

### Financial Overview: Revenue and Cost Coverage

HHPZ's revenue has been steadily increasing, nearing the point of covering operational costs. In FY 23-24, HHPZ's expenses were \$12.4 million, which it offset with revenue of \$8.57 million. Through strategic planning and cost management, HHPZ is on track to lower expenses in FY 24-25. HHPZ has met or exceeded revenue estimates in several fiscal years.



\* HHPZ closed mid-March 2020 due to the COVID-19 pandemic and fully reopened mid-July 2021. Note: Through the end of March, year-to-date expenses were \$8.57 million and revenue was \$4.84 million in FY 24-25 compared to expenses of \$8.76 million and revenue of \$5.17 million in FY 23-24.

HHPZ's financial strategy focuses on maximizing revenue through diverse income streams, including admissions, memberships, food and beverage, and special programs. The park strives to manage expenses and optimize operations, but HHPZ has had difficulties keeping up with rising costs for goods and services, labor rates, and

aging infrastructure. The team prioritizes expenses with a focus on animal and guest safety and welfare, while also trying to invest in the future of the facility and programs. HHPZ also ensures that it operates safely, efficiently, and effectively by maintaining accreditation with the AZA and complying with regulatory standards for animal exhibitory from the United States Department of Agriculture and the California Department of Occupational Safety and Health Amusement Ride and Tramway Unit. Historic data and industry trends show that park attendance will plateau unless there are new rides, attractions, or exhibits built. HHPZ is progressing with animal exhibit and facility improvements through ongoing capital projects. While construction over the past few years has affected attendance rates, attendance is expected to improve once HHPZ completes projects outlined below.

### **Challenges and Constraints**

HHPZ has largely recovered from the pandemic and introduced the Access for All program despite facing significant challenges. The need for adequate staffing, maintenance of infrastructure, and rising operational costs require careful financial planning. Inflation has driven the real-time cost of goods higher, faster than the HHPZ budget has grown. Many areas of the park require upgrades or repairs, but these must be addressed using the same budget allocated for general operations.

### **Mature Animal Population**

A significant portion of the zoo's animal population is in its mature years, requiring additional veterinary care and habitat modifications to provide the necessary care and enrichment to maintain their quality of life. This presents a challenge in terms of both financial resources and staff expertise but is a testament to the high level of animal care and wellbeing to which HHPZ is committed and proud to showcase. Ensuring the wellbeing of these geriatric animals often requires cross-departmental cooperation between the zoo and maintenance teams on unique projects, such as designing and creating specialized "furniture" for our aging jaguar, Sophia, to allow her to reach her favorite spots in her habitat despite her arthritis. While these projects can stretch the HHPZ team and resources, they are critical to our commitment to AZA's gold standard of animal care and allow us to educate the public about the critical work that HHPZ does. Staff is in frequent communication with the AZA's Species Survival Plan Program to receive new animals when habitat renovation and capacity allows HHPZ to welcome more animals safely and effectively to its collection. In recent years, HHPZ has welcomed a new capybara, tenrecs, sheep, fennec foxes and peccaries from other zoos and baby lemurs and wallabies were also born at HHPZ.

### **Facility Modernization Needs**

HHPZ's infrastructure, much of which dates back to its original construction, requires ongoing maintenance and modernization. This includes essential repairs to animal

habitats, visitor facilities, and infrastructure. Capital investment in these areas is critical to ensure safety, enhance the visitor experience, and support HHPZ's long-term sustainability. The last significant renovation of the park and upper zoo took place in 2009, funded by \$70 million from Measure P. However, the lower zoo area was not included in that renovation and its aging infrastructure requires continuing repairs and renovation. PRNS has continued to make investments in the park as funds are available in its Capital Budget or from private donations secured by HHF. Securing funding for these projects is essential to maintaining HHPZ's competitive edge and ensuring it remains a vibrant and engaging destination for visitors. The table below includes a snapshot of recent and current capital projects.

<b>Project Name</b>	<b>Start Date</b>	<b>Completion Date</b>
Jaguar, Red Panda and Fossa Exhibit Poles Replacement Project	2017	Fall 2024
Fossa Night House (Design and Construction)	2015	Estimated Fall 2025
Lower Zoo Electrical Replacement (Phase 1 of 3)	May 2025	Estimated October 2026
Danny the Dragon Ride Scenery Remodel	September 2024	Estimated July 2025
Bent Bridge Concrete Repair	Estimated August 2025	TBD

## **Strategies to Continue Improving and Achieve Goals**

### Strengthening Community Engagement

Community engagement remains a cornerstone of HHPZ's strategy. By expanding educational programs and volunteer opportunities, it aims to deepen its connection with the community and foster a culture of conservation and stewardship. Programs such as the volunteer ZooTeens for ages 14-18, adult Docents, and Keeper Aides provide valuable opportunities for individuals to get involved and contribute to HHPZ's mission. In FY 23-24, HHPZ had 94 volunteers provide 6,699 hours of service.

HHPZ also collaborates with local schools and organizations to offer educational workshops and events, promoting environmental awareness and conservation action. In FY 23-24, 11,938 students and chaperones enjoyed 274 classes and assemblies about conservation education. Through funding from the HHF, the HHPZ Education Department was able to provide 58 programs (17 classes and 41 assemblies) valued at almost \$15,000, to 5,822 students and teachers at their school sites. In addition, 15 more assembly programs for local Title I schools were performed for 1,988 students, teachers, and parent chaperones on-site at HHPZ as part of another scholarship-based

opportunity for local schools funded through the HHF. HHPZ also provided 108 classes, camps and sleepover experiences for 1,273 guests.

### Partnerships

HHPZ partners with a range of organizations, including the HHF, to support conservation efforts, educational initiatives, and community programs such as Senior Safari and Title 1 School Group Field Trips—both sponsored by HHF. These collaborations play a crucial role in fundraising, resource sharing, and expanding HHPZ's programs and services. HHF's ongoing support has been instrumental in funding small-scale capital projects and enriching the guest experience. Currently, HHPZ is thrilled to be working with HHF on its first capital campaign focused on enhancing the scenery along the iconic Danny the Dragon ride. HHPZ looks forward to continuing this partnership through future capital campaigns that will further improve and support HHPZ.

HHPZ also collaborates with local businesses and organizations, such as Narrative Fermentations and Broadway San Jose, to raise awareness and garner support for its mission. Additionally, HHPZ coordinates with other zoos and conservation groups to exchange knowledge and resources; initiatives like HHPZ's Quarters for Conservation program help amplify its contributions to global conservation efforts. Through these partnerships, HHPZ can create a greater collective impact and drive meaningful change for wildlife and the environment.

### **Happy Hollow Park & Zoo: Next Steps**

HHPZ has made notable progress in boosting attendance, improving equitable access, and working toward financial sustainability following a nearly 16-month closure due to the COVID-19 pandemic. While these advancements mark a strong recovery, continued efforts to address budgetary constraints and upgrade infrastructure are vital to sustaining this momentum.

#### Immediate Future (2025)

- Reopening of the beloved Danny the Dragon ride
- Price adjustments for admissions, memberships, face painting, celebrations, and food and beverage
- Reopening of the Fossa exhibit
- Expansion of the Capybara exhibit, including a new picnic area

#### 2026 and Beyond

- Accreditation review by the AZA for the 2026–2027 cycle (marking 35 years of accreditation)



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- Introduction of a new ride or splash ground
- Development of a new animal exhibit
- Request for Proposal (RFP) for a new Point of Sale (POS) system
- RFP for upgraded parking pay stations

HHPZ's commitment to its mission and goals, combined with strategic planning and community engagement, positions it for continued growth and impact. By investing in its facilities, programs, and partnerships, HHPZ can continue to inspire and connect people to nature through play fostering a love for wildlife and conservation.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

/s/

Jon Cicirelli  
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and Neighborhood Services

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