

List of Attachments

1. Council Instructions (C.F. No. 14-0600-S223)
2. Revised LA Zoo Business and Marketing Plan
3. Marketing and Public Relations and Site Rentals and Catered Events MOU and First, Second, and proposed Third Amendments
4. GLAZA Programs Summary
5. Membership, Publications, and Volunteer Programs MOU
6. Concessions MOU
7. Financial Assistance, Special Events, and Community Affairs MOU
8. Tom Mankiewicz Conservation Carousel MOU
9. Financing Agreement for the Pachyderm Forest Exhibit

14-0600-S223

ADOPTED BUDGET RECOMMENDATION

INSTRUCT the Zoo Department to report to the Arts, Parks, Health, Aging and River Committee on all of the City's MOUs with GLAZA, such as the carousel, membership, publications, volunteers, financial assistance, special events, concessions, public relations and marketing. The CAO should include a comprehensive analysis of funding that GLAZA receives from the City (example diversion of Zoo ticket sales, membership fees, recoup factor) and any funding provided by GLAZA to the Zoo Department. The report should address the difference and the interrelationship between the Business and Marketing Plan and the Marketing MOU, the reason for the projected deficits and the interrelationship between the gate fee and membership.

(Pursuant to adoption of the Mayor's 2014-15 Budget on May 21, 2014)

MAY 21 2014 REFERRED TO ARTS, PARKS, HEALTH, AGING
AND RIVER



August 18, 2014

Arts, Parks, Health, Aging and River Committee
 c/o Adam Lid, Office of the City Clerk
 Room 395, City Hall
 Los Angeles, CA 90012

*"Nurturing
 wildlife
 and enriching
 the human
 experience"*

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John R. Lewis
 Zoo Director

Honorable Members:

On November 1, 2013, the Los Angeles Zoo transmitted for Mayor and Council approval a three-year Strategic Business and Marketing Plan (Fiscal Year 2014–2015 through FY 2016–2017) (C.F. 13-1469). The purpose of this Plan was to provide the structure by which to examine the current nature of the Zoo's business, coalesce around the existing mission and new vision for the future, and chart courses of action that will enable the Zoo to meet its goals. At the direction of the Budget and Finance Committee and Arts, Parks, Health, Aging and River Committee, the Zoo Department has updated this Plan to eliminate assumptions about the General Fund contribution in future years and assumptions regarding a blanket exemption from the managed hiring process, as well as provides additional detail to the marketing budgets included in the Plan. Further, the Zoo has updated Fiscal Year 2013-14 financial information with preliminary actual data and reflected adopted budget information for Fiscal Year 2014-15 which previously represented projections.

SUMMARY

The three-year Business and Marketing Plan essentially remains the same with the new vision statement and four key goals that were developed that focus on the Zoo campus, conservation, the community and human capital. This vision ties together actions and investments the Zoo must prioritize to stand out among American zoos in this century, as well as provide a zoo experience that evokes from visitors a sense of awe.

Vision Statement (2028)

We will leverage the diverse resources of Los Angeles to be an innovator for the global zoo community, creating dynamic experiences to connect visitors and animals.



An Equal
 Employment
 Opportunity
 Affirmative
 Action
 Employer

Accredited by the Association
 of Zoos and Aquariums

Accredited by the American
 Association of Museums

Member of the California
 Association of Zoos and Aquariums

The following four goals were established, with the supporting strategies and tactics, within the context of the Zoo's mission and operations to realize this vision:

1. **Campus:** We will upgrade the campus with a focus on habitat, sustainability and the guest experience.
2. **Conservation:** We will create model conservation programs that encourage local action in Los Angeles for the global community as well as local action in global locations where we are active.
3. **Community:** We will create dynamic experiences to connect people with wildlife.
4. **Human Capital:** Create a work environment where the Los Angeles Zoo's vision is shared and employees, docents and volunteers understand their role in attaining the vision and achieving the strategic goals and objectives.

Revenue, Budget Projections, Assumptions and Marketing Budget – Updated July 2014

The Plan discusses the Zoo's operating budget by both reflecting on its history, and making projections for the future. Important to this discussion is the General Fund contribution to the Zoo which has varied greatly over the years, with the contribution decreasing by over 97 percent during the last eight years. In the 2013 Plan initially submitted, the budget projections assumed a 10 percent contribution from the General Fund for each of the next three years. In the July 2014 Plan, the Zoo has restated this assumption as follows: *“As a result, the budget projections represent the Zoo's goal of minimizing its reliance on the General Fund and makes no assumption regarding annual appropriations which are determined by the Mayor and Council annually as part of the City's budget process.”*

The 2013 Plan contained various assumptions and critical success factors including the statement that the Zoo must be exempt from the managed hiring process in order to maximize the ability to achieve the Plan's attendance and revenue projections. In the July 2014 Plan, the Zoo has restated this critical success factor as follows: *“the Zoo Department will seek support and approval of an annual hiring plan that facilitates filling positions within a fiscally responsible framework and through sound budget management.”*

The Marketing Plan includes a market analysis, utilizes market research, identifies primary and secondary target audiences and examines the “share of voice” and the Zoo's competitors which informed the development of the four key marketing goals below that are supported by strategies and tactics. The 2013 Plan included a lump sum marketing budget which represents the significant investment and commitment that GLAZA is making in support of the Zoo's marketing, public relations, site rentals and catered events programs. As requested, the July 2014 Plan provides details to the lump sum budget, as well as includes the cost of staffing to provide a complete financial understanding of these efforts.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, approve the Los Angeles Zoo Strategic Business and Marketing Plan Fiscal Year 2014-15 through Fiscal Year 2016-17 updated July 2014.

FISCAL IMPACT STATEMENT

Approval of this Plan provides a roadmap for strategically planning the Zoo's future which is expected to result in increased attendance and revenue which will minimize the Zoo's reliance on the General Fund.

Respectfully submitted,



John R. Lewis
General Manager and Zoo Director
Los Angeles Zoo and Botanical Gardens

Enclosure

cc: Miguel A. Santana, City Administrative Officer
Gerry A. Miller, Chief Legislative Analyst
Dov Lesel, Office of the City Attorney
Board of Zoo Commissioners
Ryan Carpio, Office of the Mayor

LOS ANGELES ZOO & BOTANICAL GARDENS

Business Plan

Updated August 2014



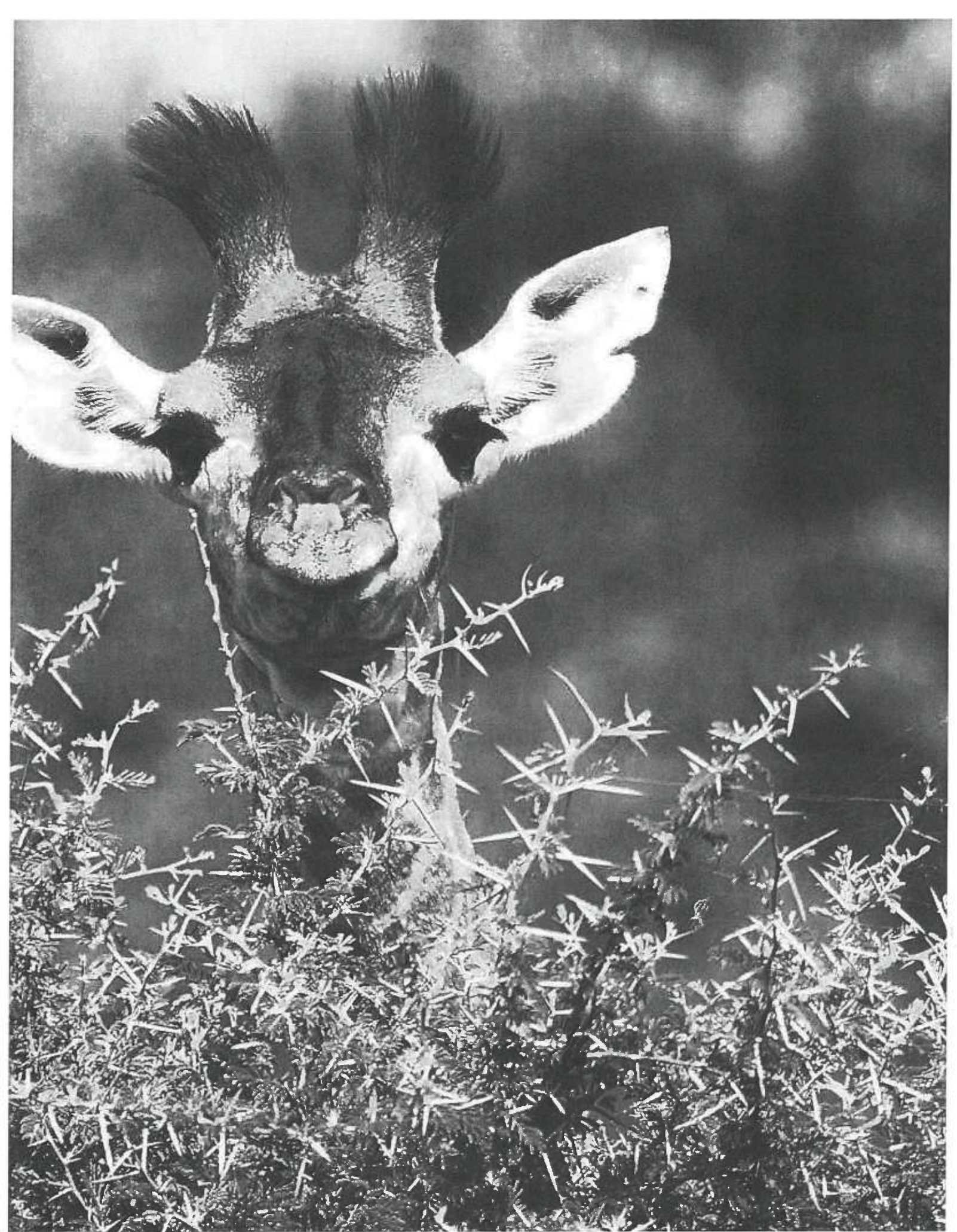
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STATEMENT OF PURPOSE

The purpose of this three-year Strategic Business and Marketing Plan is to provide the Los Angeles Zoo with the structure by which to examine the current nature of the business, develop a long-range vision for the future (15 years) and chart courses of action that will enable it to meet its goals.

This plan is intended to formulate strategies and tactics for the Los Angeles Zoo and envision a 3-year time span from Fiscal Year (FY) 2014–2015 through FY 2016–2017. Additionally, in accordance with the Ordinance that created the Zoo as an independent Council-controlled City Department, and Los Angeles Administrative Code Section 22.711, this Business and Marketing Plan “shall contain marketing and financial projections for the Department for a maximum period of five (5) years, and shall include, but not be limited to, methods to attract additional visitors and funds to the Zoo and calculations of funds anticipated to be received from fund raising, admissions (paid attendance) at the Zoo, City General Fund, membership, grants, concession(s), and other commercial enterprises.”

The key goals, strategies and objectives that are presented in this Plan will also guide the various divisions within the Zoo Department over the next three fiscal years.

These divisions include:

- Project Design, Management, and Construction staff work together to improve infrastructure and maintenance deficiencies to strengthen planning and execution of future capital projects and facility improvements.
- Administrative Services oversees admissions to the Los Angeles Zoo and guest relations, as well as internal support services including the areas of budget and finance, accounting and information technology.
- Grounds Maintenance and Custodial Services deliver essential guest services in the areas of building and landscape maintenance services.
- Public Relations promotes the Zoo’s key messages in the areas of animal welfare, conservation and education messages, as well as manages the Zoo’s crisis communications function.

- Education creates dynamic educational opportunities that demonstrate biodiversity; introduces a conservation ethic; creates a developmentally appropriate learning environment for guests of all ages; and observes the highest formal science standards.
- Animal Care provides optimal husbandry and care to the Zoo's animal collection and manages the animal collection plan and animal conservation and research programs.
- Animal Health provides veterinary care through medical care, specialized diets and medical research.

The Los Angeles Zoo also receives support from the Greater Los Angeles Zoo Association (GLAZA) in accordance with the 25-year Operating Agreement between the City of Los Angeles and GLAZA approved by the City Council (C.F. 94-0989-S1) and executed in September 1997.¹ GLAZA was established as a California nonprofit charitable corporation formed for the purpose of assisting the City in establishing, developing, beautifying and improving the Los Angeles Zoo.

Under the terms of the Operating Agreement, the Zoo and GLAZA are authorized to enter into a Memorandum of Understanding (MOU) which is an agreement that, "reasonably identifies the subject matter of the contract, indicates that the parties have agreed to perform or promised to perform the subject matter of the contract, identifies the consideration to be exchanged between the parties and states with reasonable certainty the essential terms of the performance required." The Operating Agreement identifies MOUs to be entered into for the following: (1) the annual goals and details of fund raising; (2) terms and conditions of membership in

GLAZA and the distribution of membership funds between the Zoo and GLAZA; and as appropriate, (3) activities, other than fund raising, to be performed by GLAZA. Each MOU, which is limited to a maximum term of three years, shall conform with and carry out the objectives and strategies in the Business and Marketing Plan as approved and adopted by the Mayor and City Council. Historically, the Zoo and GLAZA have executed MOUs in the following areas:

- Financial Assistance, Special Events and Community Affairs
- Membership, Publications and Volunteer Programs
- Concessions
- Marketing, Public Relations, Site Rentals, Catered and Special Events²

The goals, strategies and tactics that are presented in this Plan are based on a set of key assumptions relating to funding, operations, attendance and the development of the next phase of the Zoo Master Plan. Continued growth and improvement, as well as support from key strategic audiences, is critical for the Zoo to accomplish that which is set forth in this Plan.



¹ The Operating Agreement expires September 29, 2022.

² This MOU is new and became effective May 3, 2013.



EXECUTIVE SUMMARY

In accordance with the Ordinance that created the Zoo as an independent Council-controlled City Department, and Los Angeles Administrative Code Section 22.711, the Los Angeles Zoo has developed a three-year Strategic Business and Marketing Plan (Fiscal Year 2014-2015 through FY 2016-2017) to provide the structure by which to examine the current nature of the business, coalesce around the existing mission and new vision for the future, and chart courses of action that will enable us to meet our goals. The four vision goals listed below were developed with the participation of Zoo and GLAZA senior management, and are further supported by strategies and tactics.

- 1. Campus:** We will upgrade the campus with a focus on habitat, sustainability and the guest experience.
- 2. Conservation:** We will create model conservation programs that encourage local action in Los Angeles for the global community as well as local action in global locations where we are active.
- 3. Community:** We will create dynamic experiences to connect people with wildlife.
- 4. Human Capital:** We will create a work environment where the Los Angeles Zoo's vision is shared and employees, docents and volunteers understand their role in attaining the vision and achieving the strategic goals and objectives.

This Plan is intended to be a fluid and dynamic document such that if any of the assumptions presented herein change, or if there is a major environmental impact to the Zoo, then this document will be adjusted to reflect future impact and implementation. Therefore, the potential exists for goals, strategies and tactics to be modified, as appropriate.

This Plan examines the Zoo's various strengths and weaknesses that must be taken into account when planning the long-term future of the Zoo. The strengths and weaknesses presented in this Plan are those that were most frequently mentioned from recent visitor exit interviews, as well as from recently completed internal surveys from Zoo employees.

Strengths identified include admission value, cleanliness and employee courtesy. Weaknesses included quality of exhibits and overall satisfaction from an entertainment experience perspective.

The Plan discusses in detail Zoo attendance projections, admissions revenue and other forms of earned revenue in the context of the Memorandum of Understanding (MOU) with GLAZA for Public Relations, Marketing, Special Events and Catering and Site Rentals.

A significant element to the Plan is agreement by both organizations that a membership and admissions pricing strategy needs to be instituted, and that the recoup factor, the cost of admission against the cost of membership to see how many visits it would take to “recoup” the membership investment, needs to stay at least at 1.9 which is based on industry standards. As a result of this coordinated pricing strategy, it has been mutually agreed that the admission rates and membership rates will be increased each of the next three years.

The Plan discusses the Zoo’s operating budget by both reflecting on its history, and making projections for the future. Important to this discussion is the General Fund contribution to the Zoo which has varied greatly over the years, with the contribution decreasing by over 97 percent during the last eight years. The Zoo recognizes the financial challenges that the City has faced, along with competing City priorities and core services. The Zoo also believes that it provides a community benefit that is central to the quality of life of our visitors. It is important for thriving communities like Los Angeles to provide quality recreational and cultural facilities and attractions. As a result, the budget projections

represent the Zoo’s goal of minimizing its reliance on the General Fund and makes no assumption regarding annual appropriations which are determined by the Mayor and Council annually as part of the City’s budget process.

The Plan includes a market analysis, utilizes market research, identifies primary and secondary target audiences and examines the “share of voice” and the Zoo’s competitors which informed the development of the four key marketing goals below that are supported by strategies and tactics. The Plan projects that attendance will be 1.81 million visitors by the end of Fiscal Year 2016-17.

The Zoo hopes that this Plan has provided a better understanding and appreciation of the Zoo, its mission and long-term vision and that the City will continue to invest in the Zoo at a sustained level which will serve as the foundation for our future growth. The Zoo is at a point where defining its future and charting the course is critical to its success, and its operations must ensure the highest standards of animal care and welfare, and the guest experience must be commensurate with the pricing philosophy put forth in the Plan.

MISSION STATEMENT

To serve the community, the Los Angeles Zoo will create an environment for recreation and discovery; inspire an appreciation of wildlife through exhibitry and education; ensure the highest level of animal welfare; and support programs that preserve biodiversity and conserve natural habitat.

VISION STATEMENT for 2028

We will leverage the diverse resources of Los Angeles to be an innovator for the global zoo community, creating dynamic experiences to connect people and animals.

THE LOS ANGELES ZOO

A DESCRIPTION

The Los Angeles Zoo and Botanical Gardens has remained a safe, affordable family destination for the Los Angeles community for almost 47 years, and has served over 71 million visitors since it opened its doors in L.A.'s popular Griffith Park. As a community asset and integral part of the quality of life of Angelenos, the Los Angeles Zoo strives to be a leading educational and recreational destination, but also one that competes with the region's theme parks, cultural facilities and other tourist attractions.

The 2013-14 Fiscal Year will see the completion of a \$172 million decade-long Capital Improvement Program, which has provided improvements to the Zoo, along with hundreds of jobs to the greater Los Angeles area. The Zoo is accredited by the Association of Zoos and Aquariums (AZA) and was granted its most recent five-year AZA accreditation in March 2012 - a designation that signifies excellence in, and commitment to, such things as animal care, conservation and education. The Los Angeles Zoo has achieved significant accomplishments over the last several years and is poised for ongoing success.

HISTORICAL TIMELINE OF THE LOS ANGELES ZOO

The Los Angeles Zoo and Botanical Gardens, owned and operated by the City of Los Angeles, opened at its current Griffith Park location on November 28, 1966. Prior to the Los Angeles Zoo, the privately operated Selig Zoo opened in downtown L.A. in 1885. In 1912, the Griffith Park Zoo - primarily a collection of former circus animals - superseded the Selig Zoo. By 1956, citizens of the City of Los Angeles voted in favor of a \$6.6 million bond measure to help build a new zoo for the city.

A 113-acre site in Griffith Park was selected for the new zoo, and in 1964 a private, nonprofit organization, GLAZA, was created to support the new effort. During the two years prior to the grand opening, this volunteer group had trained docents, produced issues of Zoo View, and begun raising funds and acquiring animals for the Los Angeles Zoo. When the Zoo opened, it became the first major zoological park in the United States to prohibit guests from feeding the animals.

During the 1970s, the Zoo was active in constructing additional buildings and new exhibits and launching new programs, such as the Andrew Norman Education Center and ZooMobile, a program that takes animals to schools.

The 1980s saw a number of milestones reached as well as changes implemented along the way. The replacement value of the Zoo's animal collection was valued at \$4 million, and the Ahmanson Koala House opened. In 1984, Los Angeles hosted the Summer Olympics and the Zoo became a temporary home for two giant pandas.

The 1990s brought an increase in educational programs, a turnaround of the Zoo and new exhibits. New educational programs were developed including Wild About Science, Dreams Come True at the Zoo, Zoo Discovery Kits, and Critters 'n' Kids to help children better experience the Zoo. In 1992, the education function was transferred by the City of Los Angeles from GLAZA to the Zoo to be under the direct supervision and management of the Zoo Director.

In the mid-1990s, the Zoo was in a state of crisis since it had not received sufficient resources to maintain existing facilities nor had it experienced sufficient support in terms of capital improvements or new exhibits to appropriately house and exhibit animals. In a committed effort to address the various issues confronting the Zoo, the City Council created a separate Council-controlled City Department of the Zoo and appointed a new director. The new City Department then established the leadership and vision to guide the Zoo's future. During the next year, more than 530 improvements were accomplished and the AZA granted reaccreditation for another five years.

In 1998, the Zoo opened Chimpanzees of Mahale Mountains; the one-acre habitat was lauded by world-renown primatologist Jane Goodall as one of the finest zoo habitats, and is home to one of the largest troops of chimpanzees in the United States.

In 2000, the City increased its commitment to the Zoo's education programs by providing additional resources to expand onsite and community outreach programs. Also in 2000, the Red Ape Rain Forest opened as a state-of-the-art habitat for the Zoo's orangutans. In 2001, the Winnick Family Children's Zoo opened, which provides young children the opportunity to learn about animals.



TIMELINE OF RECENT NOTABLE EVENTS (2002-2014)

- In April 2002, the Los Angeles Zoo received accreditation as a botanical garden facility by the American Association of Museums. This designation is the result of an extensive two-year self-study and comprehensive application process.
- In June 2002, the new \$13.4 million Gottlieb Animal Health and Conservation Center was dedicated, marking the beginning of a new era in caring for the exotic wildlife at the Zoo. This new 29,000 square foot facility provides state-of-the-art animal medical treatment rooms, laboratories for clinical research, a quarantine holding facility and the animal commissary.
- In June 2005, the Zoo opened the Children's Discovery Center (\$13.4 million), a new two-story structure adjacent to the entrance of the Zoo. The facility includes classrooms, the Witherbee Auditorium and education and volunteer offices.
- In June 2005, the Zoo opened its new multi-level Front Entrance Plaza and Sea Life Cliffs exhibit (\$20.9 million). This exhibit, which replicates a California rocky cove, has two large pools with varied depths and a beach area for animal haul-outs.
- In November 2007, the Zoo opened the new Campo Gorilla Reserve exhibit (\$11.9 million). This new state-of-the-art gorilla exhibit provides visitors with a rainforest immersion experience via up-close encounters with the gorillas through a viewing glass.
- In November 2010, construction was completed on the Proposition O Zoo Parking Lot project. This \$5.7 million project removes trash and other pollutants in urban runoff before discharging into the Los Angeles River through stormwater Best Management Practices (BMPs) that include bio-retention cells, landscape that uses California native/drought tolerant plants and permeable pavement.
- In December 2010, the Zoo opened the new \$41.4 million state-of-the-art Elephants of Asia exhibit, a six-acre site that includes 3.8 acres of elephant yard space. Exhibit features include a waterfall, two pools, various natural surfaces and topographic changes and a 16,600 square foot, two-story barn.
- In March 2012, the Zoo introduced its newest exhibit to Zoo visitors. The \$12 million Living Amphibians, Invertebrates, and Reptiles exhibit, also known as The LAIR, encompasses over 60 species of amphibians, invertebrates, and reptiles and provides habitats for various unique and endangered species.
- In the first quarter of 2014, the Zoo will open the \$22 million Rainforest of the Americas project, expanding the visitor footprint of the Zoo to 2.1 acres of land that was previously undeveloped. The exhibit will provide a rainforest immersion experience for visitors with lush vegetation and exhibits featuring over 20 different animal species.



BOND & CAPITAL IMPROVEMENT PROGRAM

Over the past decade, the Los Angeles Zoo and Botanical Gardens has been undergoing a transformation with the investment of more than \$172 million of new construction projects and infrastructure improvements. With the near completion of the final project in this Capital Improvement Program, this is a very exciting time for the Zoo as it charts its next phase and future course. The Zoo Bond and Capital Improvement Program has been guided by the Los Angeles Zoo 2002 Master Plan. The capital investment has been made possible with funding provided through voter indebtedness (Propositions A-1, A-2, K and CC), City monies and funds raised by GLAZA. GLAZA funds were raised in the amount of \$42.8 million from development activities. Other City funds totaling \$31.2 million supported various exhibits and infrastructure improvements.

The following provides a brief description of the funding and highlighted projects in the program.

PROJECTS UNDER CONSTRUCTION

Rain Forest of the Americas : \$22.0 Million The new state-of-the-art Rainforest of the Americas exhibit immerses visitors in the theme "The Rainforest Is a Home." The exhibit creates an immersive experience for visitors from the canopy to the forest floor, with specific highlights of the exhibit to include amazing species from piranhas and giant otters to harpy eagles and cotton-top tamarins. Projected to open in First Quarter 2014.

COMPLETED BOND-FUNDED PROJECTS

Children's Discovery Center : \$13.5 Million The Children's Discovery Center project consists of a new two-story building adjacent to the front entrance of the Zoo. It serves as a learning facility for education programs and activities and includes six classrooms and the 250-seat Witherbee Auditorium. Opened January 2005.

Prop A1 and Gorilla Exhibit Artwork : \$220,000 The Percent for the Arts commitment for the Proposition A1 and Gorilla Exhibit Projects were combined to provide funding for artwork within the Children's Discovery Center project. The artwork piece is a multi-relief metal panel fence. Completed June 2005.

Zoo Entry Plaza and Sea Life Cliffs Exhibit : \$20 Million The California-themed entrance and gateway is home to the Sea Life Cliffs exhibit which replicates California's rocky coast and is home to a group of harbor seals. The habitat features two deep saltwater pools, rocky coves, above- and below-water viewing locations, and a seating area for visitors to observe the seals. Opened June 2005.

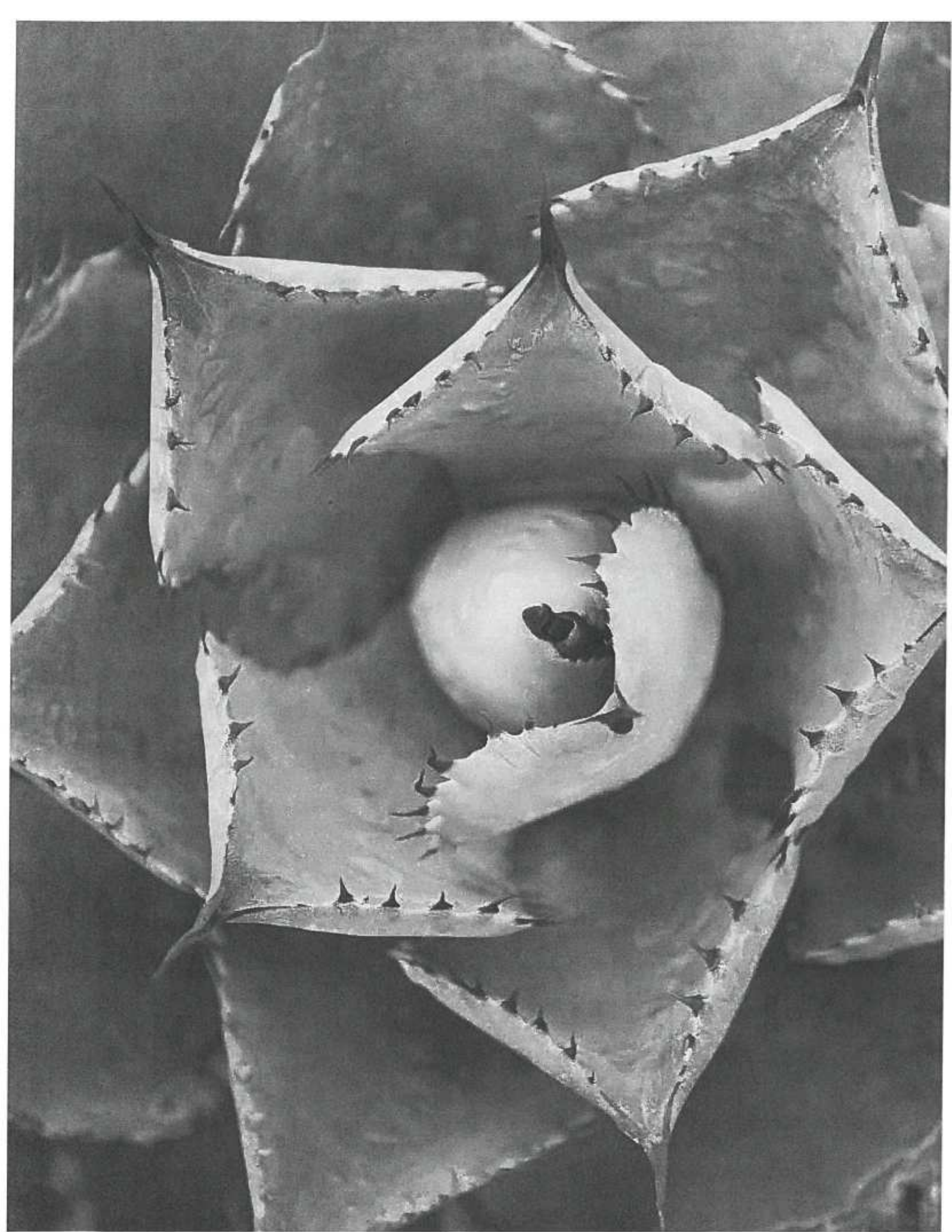
Campo Gorilla Reserve : \$17.0 Million This exhibit is home to western lowland gorillas. Zoo visitors walk along a forested pathway for views of two separate troops of gorillas, a family and a bachelor group, living among waterfalls and lush plants. Opened November 2007.

François' Langur Exhibit : \$6.6 Million The François' langur exhibit features a tea house observation area overlooking a pine forest habitat for these highly endangered species from the upper montane region of China. Opened October 2009.

Elephants of Asia : \$41.5 Million This exhibit tells the story of the Asian elephant and its place in the history and culture of four Asian countries – Thailand, India, China and Cambodia – as well as the challenges it faces in these regions. The Elephants of Asia features a waterfall, bathing pool, sandy pits, enrichment opportunities for the elephants and several distinct viewing areas for the public. Opened December 2010.

Living Amphibians, Invertebrates, and Reptiles (The LAIR) : \$14.2 Million The LAIR houses the Zoo's dynamic collection of reptiles and amphibians in themed areas including Oak Woodland Pond, Bite and Squeeze, Care and Conservation Room, Arroyo Lagarto, Crocodile Swamp and Desert LAIR. The LAIR's collection includes the Chinese giant salamander, venomous snakes, poison dart frogs, false gharial, Gila monster, Fly River turtle, radiated tortoise and much more. Opened March 2012.





PRODUCTS & SERVICES PROVIDED

BY THE LOS ANGELES ZOO

The Zoo is home to more than 1,100 mammals, birds, amphibians and reptiles representing more than 250 different species, of which 29 are endangered. In addition, the Zoo's botanical collection comprises several planted gardens and over 800 different plant species. The Zoo serves a population that normally would not have the opportunity to view such animals. Some of the unique benefits the Zoo provides include:

1) Educational exhibits, programs, and events: The Zoo allows guests the ability to see, learn about and witness behavior of species from around the world. The Zoo offers guests several world-class exhibits, programs and special events that enhance guests' educational experience.

2) A venue for family recreation: The Zoo provides guests with a unique venue for family fun that is

affordable and safe. The Zoo's park-like setting features numerous grounds for recreation on a spread of 113 acres.

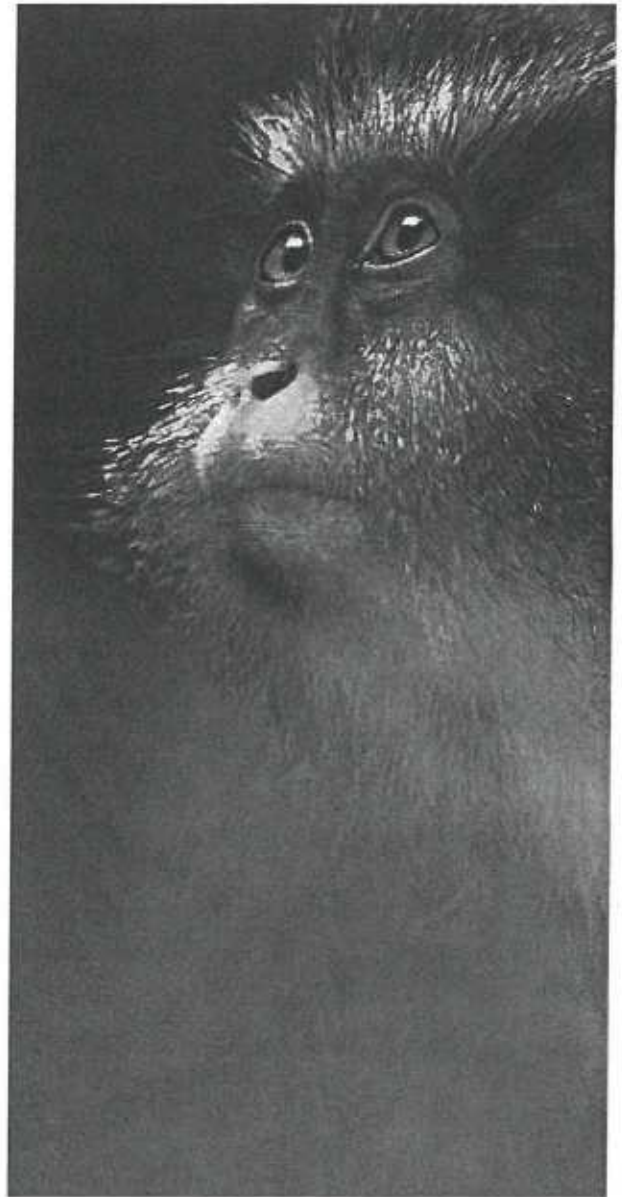
3) Conservation programs: The Zoo participates in national and worldwide conservation programs that serve as a hedge against extinction of endangered animals in the wild.



EDUCATIONAL EXHIBITS, PROGRAMS, AND EVENTS

The Zoo offers guests the ability to see and learn about amphibians, birds, invertebrates, mammals and reptiles. The exhibits replicate features of natural animal habitats to stimulate innate animal behavior. Some examples of species in each of these groups are:

- **Amphibians:** Axolotl, Couch's spadefoot toad, Sonoran toad, Vietnamese mossy toad
- **Birds:** Ostrich, Andean condor, bald eagle, lanner falcon, Chilean flamingo, red-tailed hawk
- **Invertebrates:** Giant desert centipede, Madagascar hissing cockroach, desert hairy scorpion
- **Mammals:** Chimpanzee, Asian elephant, giraffe, western lowland gorilla, jaguar, gray seal, meerkat
- **Reptiles:** American Alligator, Colombian rainbow boa, Komodo dragon, gila monster, desert tortoise
- **Unique animals:** There are dozens of unique and rare species at the Zoo. These include: the Sumatran tiger, Visayan warty pigs, yellow footed rock wallaby, Cape griffon vulture, Chacoan peccary, snow leopard, mandrill, okapi, mountain tapir, Coquerel's sifaka and California condors. The Zoo also boasts one of the largest flocks of flamingos of any zoo in the world.



SPECIAL EXHIBITS

The LAIR (Living Amphibians, Invertebrates, and Reptiles): The LAIR is the newest exhibit to open at the Los Angeles Zoo and Botanical Gardens. The facility encompasses several visually stunning areas that include habitats for various unique and endangered species. The LAIR is one of the few reptile and amphibian-focused facilities to open within the past decade in a North American zoo. Over 60 species of amphibians, invertebrates and reptiles are represented in this assortment of living jewels. Each habitat is beautifully themed with hand-painted murals of damp and misty forests, rainforest canopies, red rock formations, mountain ranges and vistas and dry arid deserts to exemplify the natural environments of the many diverse species.

Elephants of Asia: The Elephants of Asia habitat includes features dedicated to the health and welfare of the elephants such as bathing pools, sandy hills, varied topography, enrichment opportunities and a state-of-the-art barn that is capable of housing elephants of all ages. Elephants of Asia focuses on the rich connection between elephants and the cultures of Thailand, India, China and Cambodia. The exhibit familiarizes guests with the challenges Asian elephants face in the wild, including their shrinking natural habitat, and gives visitors the opportunity to directly contribute to conservation programs that support elephants in their native countries.

Campo Gorilla Reserve: Campo Gorilla Reserve is home to seven western lowland gorillas. Zoo visitors walk along a forested pathway for views of two separate troops of gorillas, a family and a bachelor group, living among waterfalls and lush plants.

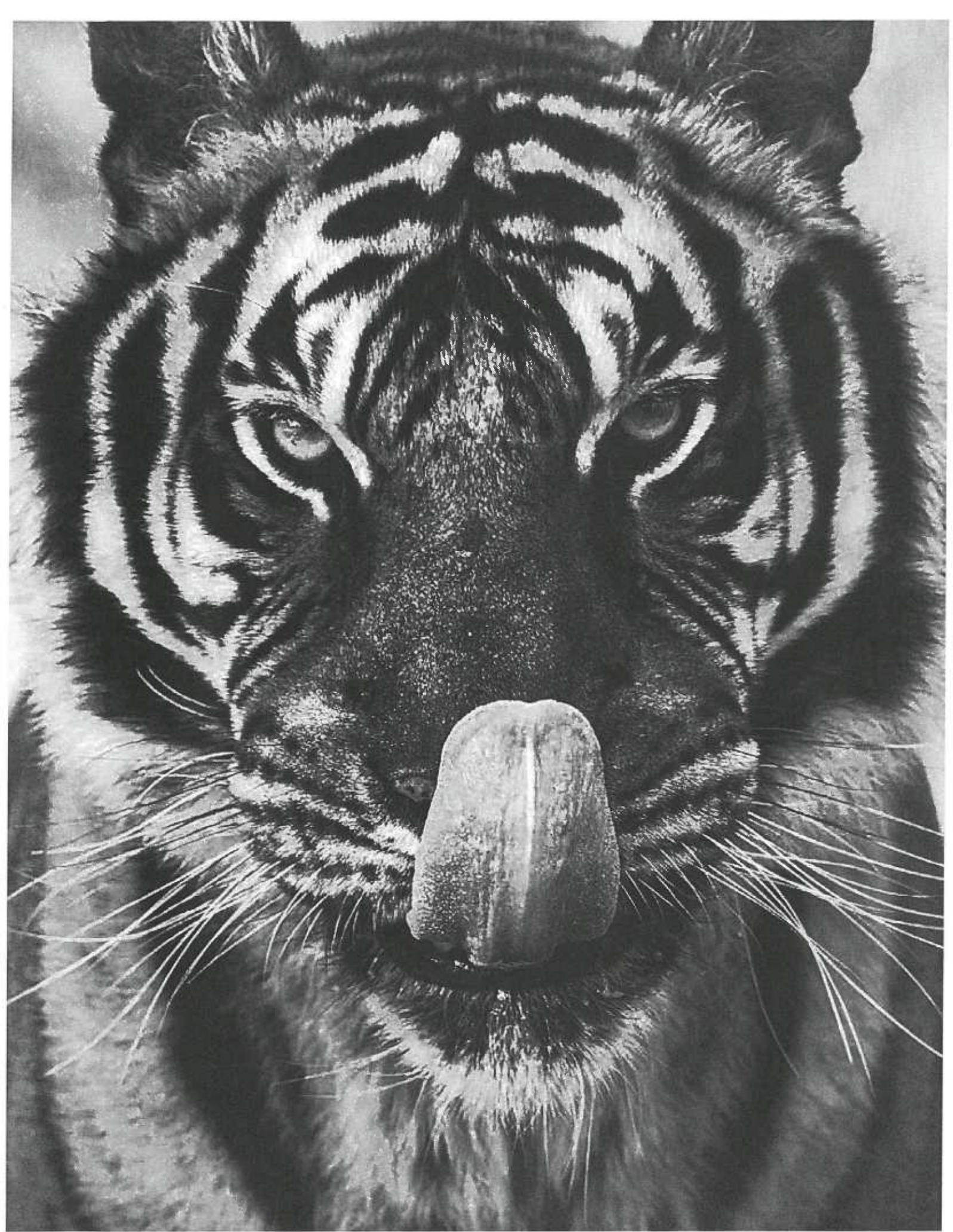
Sea Life Cliffs: This replica of California's rocky coast is home to a group of harbor seals. The habitat features two deep saltwater pools, rocky coves, above-and below-water viewing locations and a seating area for visitors to observe the seals.

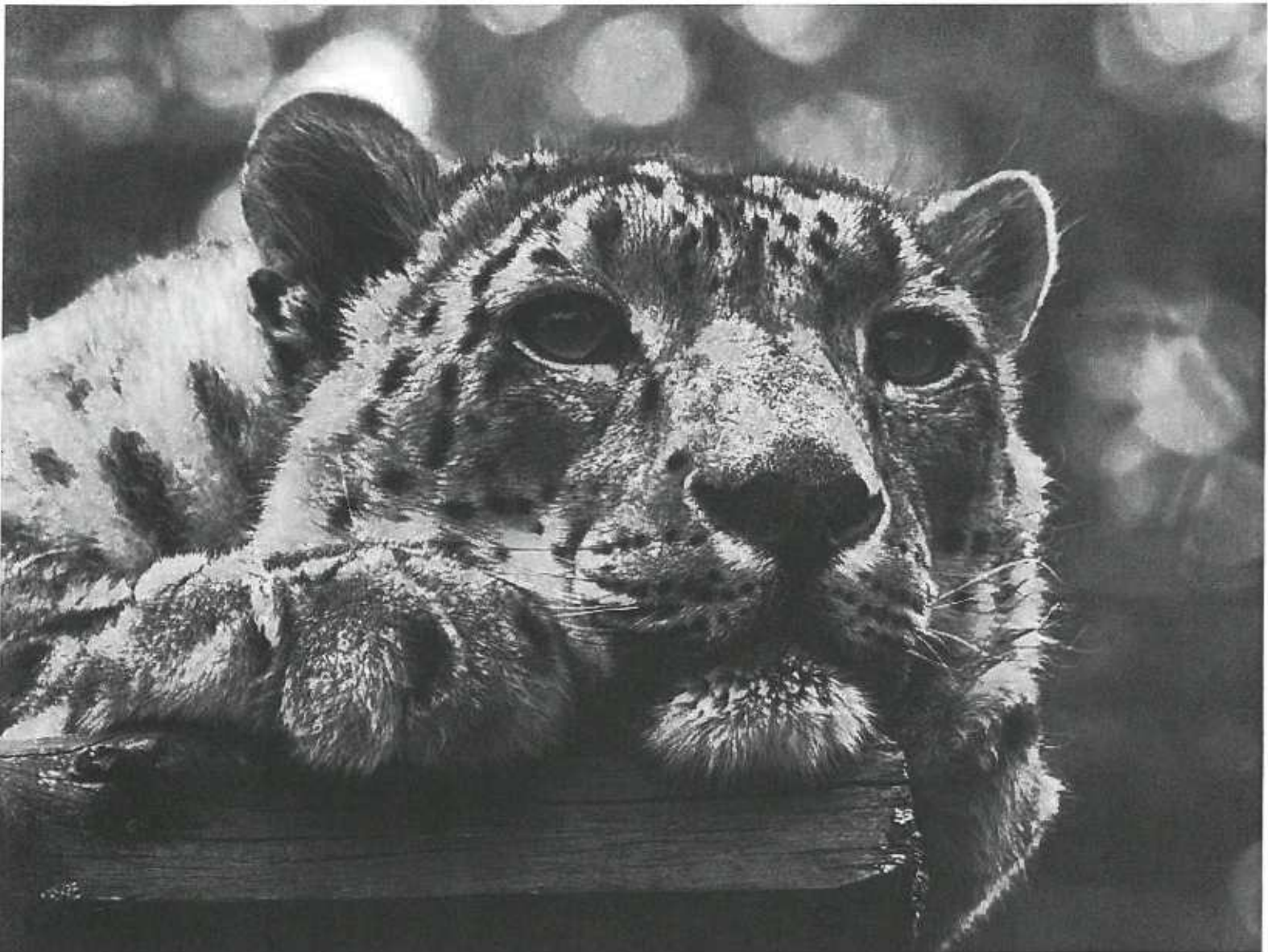
Australia: The Zoo's koalas are displayed in the Australia section of the Zoo. The Zoo is fortunate in being one of only a handful that can provide an abundance of the appropriate eucalyptus tree species needed to feed the koalas.

Chimpanzees of Mahale Mountains: The Zoo's chimpanzee exhibit is lauded by world-renowned primatologist Jane Goodall as one of the finest zoo habitats. This one-acre habitat is home to one of the largest troops of chimpanzees in the United States. It is designed to resemble the native environment of Tanzania's Mahale Mountains.

Red Ape Rainforest: The Zoo's orangutans occupy a multi-level tropical habitat where visitors can walk among the animals and be immersed in a Southeast Asian rainforest of 20-foot-tall bamboo, fruit and ficus trees. The main viewing area is a large platform that allows Zoo guests to view these arboreal apes as they climb to canopy level.

Dragons of Komodo: The Zoo is home to a pair of Komodo dragons, the world's largest lizard. The habitat design depicts the native environment on islands off the coast of Indonesia.





SPECIAL PROGRAMS AND EVENTS

There are continual special programs and events held at the Los Angeles Zoo including:

Elephant training demonstration: Zoo guests can observe a training demonstration led by Zoo animal keepers.

The California Condor Rescue Zone (CCRZ): In an exciting immersive environment, children discover what it takes to protect California condors, and the important role the Zoo plays in saving this amazing species.

Animals and You program: This program consists of animal close-ups that take place at stations in the Winnick Family Children's Zoo.

Guided tours: Guided tours are available year round for groups and families with advance reservations.

Audio tour: The Zoo offers an audio tour available in both English and Spanish.

Signature special events: The zoo holds annual signature events such as Boo at the Zoo and Big Bunny Spring Fling.

A VENUE FOR FAMILY RECREATION

Botanical Gardens: Most visitors to the Los Angeles Zoo and Botanical Gardens come to see the animals. What is often overlooked is the vital connections between the fauna and the flora. One of the fundamental principles of conservation is habitat preservation. At the foundation of every habitat on earth are plants.

There are three main groups of plants at the Zoo, many of which overlap. Often the trees that fill the landscape (acacia, eucalyptus, ficus, mulberry) also provide food for the animals, commonly known as "browse." Additionally, the Zoo's plant collection includes many intriguing specimen plants: examples of unusual or distinctive species are the Chilean wine palm, bald cypress and cycads. Zoo grounds also feature special gardens that highlight groups of plants. The native gardens present many of this region's spectacular indigenous plants, while the cactus and succulent gardens contain representatives of arid climates around the world, and the cycad garden is a living time capsule full of plant species that have been in existence since the age of dinosaurs.

The Tom Mankiewicz Conservation Carousel: Made possible by Ann and Jerry Moss, this amazing addition to the Zoo experience features 64 unique hand-carved wooden figures and a universally accessible standing chariot.

Muriel's Ranch: Zoo guests can get up-close and interact with goats and sheep in the animal contact area known as Muriel's Ranch, made possible by a generous gift from the Max H. Gluck Foundation.

Winnick Family Children's Zoo: This exhibit gives kids the opportunity to explore a cave, a desert trail or watch for prairie dogs through specially designed pop-up bubbles.

Neil Papiano Play Park: The Neil Papiano Play Park incorporates animal-themed climbing sculptures, large play structures, a toddler area, water misters, grassy landscaping and a large picnic area. It was specially designed to be accessible to all children visiting the Zoo, including those with physical challenges.

Safari Shuttle: The Safari Shuttle picks up passengers, circles the Zoo and returns to the main flamingo exhibit near the front entrance. You can get on and off the tram as often as you like at six different stops.

Food: The Zoo features a variety of eateries including Reggie's Bistro, Zoo Grill, Sweet Treats, Churro Factory, Café Pico, Mahale Café, La Casita and Gorilla Grill.

Shopping: The Zoo comes equipped with several shopping stations including International Marketplace and Safari Station.





CONSERVATION PROGRAMS

Out of the nearly two million discovered species on Earth, around 16,000 of those are endangered and facing possible extinction. As human pollution and influence in the natural world increases, the number of endangered species in the world has increased to an all-time high. But due to the conscious efforts of numerous international and regional conservation groups, some species are making a slow rebound away from extermination and their populations are returning to the natural world.

International groups, such as the International Union for Conservation of Nature (IUCN), aid the conservationist movement by reporting objective facts regarding plant and animal species' habitat, population growth and possible risks toward decline and extinction. The IUCN Red List of Threatened Species ranks plant and animal species (based upon common criteria such as population size, generation length, location and quantitative analysis) by their possibility of extinction.

The Zoo participates in over 20 conservation projects, including the Turtle Survival Alliance, the Golden Lion Tamarin Project, the Madagascar Fauna Group, the Visayan Warty Pig Project and the

Philippine Spotted Deer Program. Special attention is given to programs that target wild counterparts of animals in the Zoo's collection.

Since 2000, the Zoo has been a partner in the Peninsular Pronghorn Recovery Plan (other partners include Espacios Naturales y Desarrollo Sustentable A.C., the San Diego Zoo, Disney's Animal Kingdom, The Living Desert and the Vizcaíno Biosphere Reserve). The goal of this project is to breed the critically endangered peninsular pronghorn and release animals to the wild. As a result of the program, the peninsular pronghorn population has climbed to approximately 250 individuals and these animals are now roaming terrain where they haven't been seen in decades.

The Zoo has been a proud partner in the California Condor Recovery Program since the 1980s. The program's primary focus is the captive breeding and reintroduction of California condors to the wild, with the aim of establishing a self-sustaining wild population. The world population of California condors, once as low as 22, has climbed to over 430 individuals, with more than half of those birds living in the wild. This remarkable success story epitomizes the Zoo's commitment to conservation and provides reason to hope that other critically endangered animals can be saved from the brink of extinction.



SPECIES SURVIVAL PLANS (SSPS)

As an institution accredited by the Association of Zoos and Aquariums (AZA), the Zoo plays an active role in collaborative efforts to sustain captive populations of species from around the world to hedge against extinction.

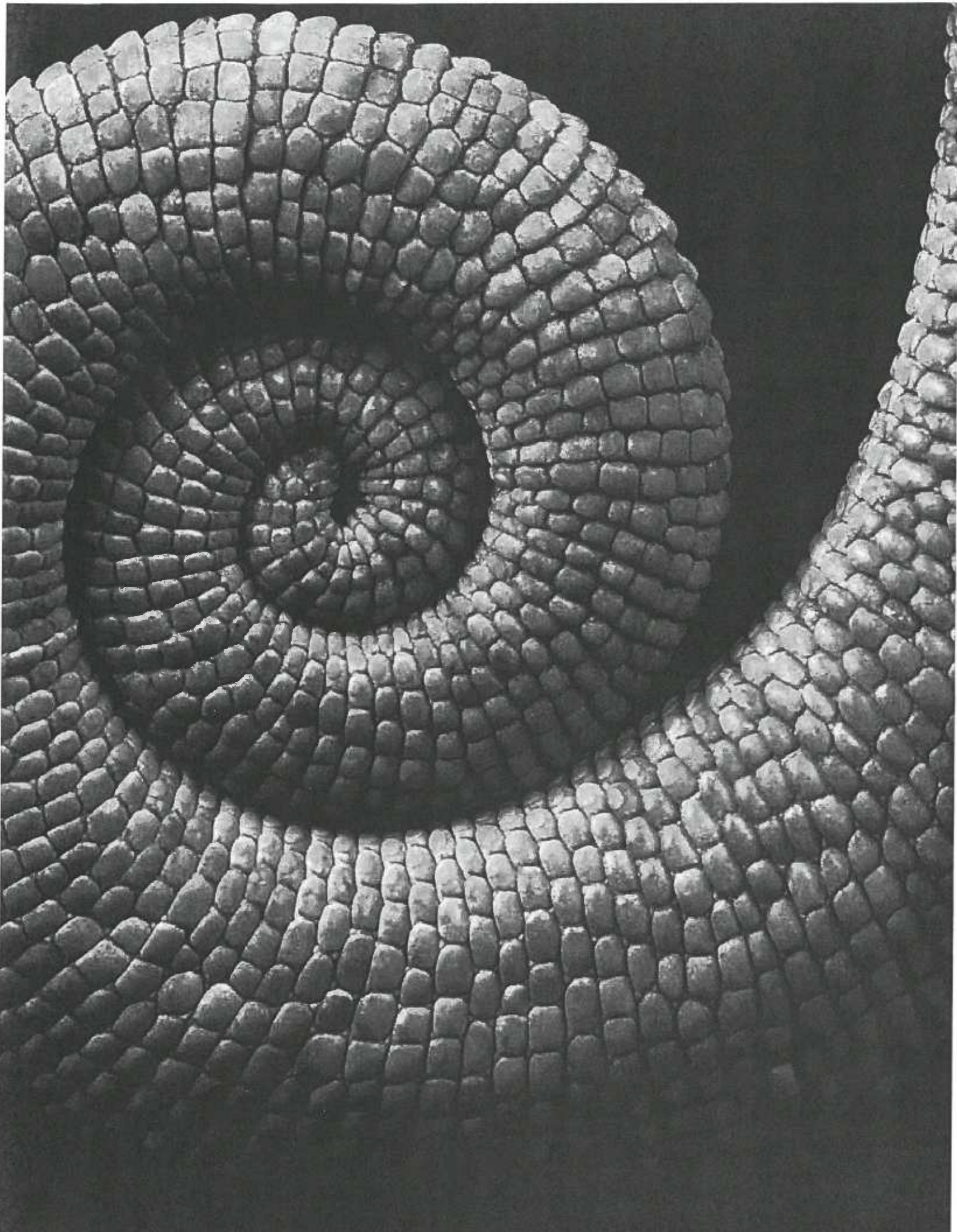
Species Survival Plans (SSPs) are programs that carefully manage species to maintain a healthy and self-sustaining captive population that is both genetically diverse and demographically stable. SSP species are often “flagship species,” well-known animals that arouse strong feelings in the public for the preservation and protection of the in-situ population and their habitat, including the California condor and lowland gorilla.

Each SSP is responsible for developing a Breeding and Transfer Plan that identifies population management goals and recommendations to ensure the sustainability of a healthy, genetically diverse and demographically varied population.

Participation includes cooperating with other institutions, increasing public awareness, conducting research and training professionals.

CONSERVATION PROJECTS AROUND THE WORLD

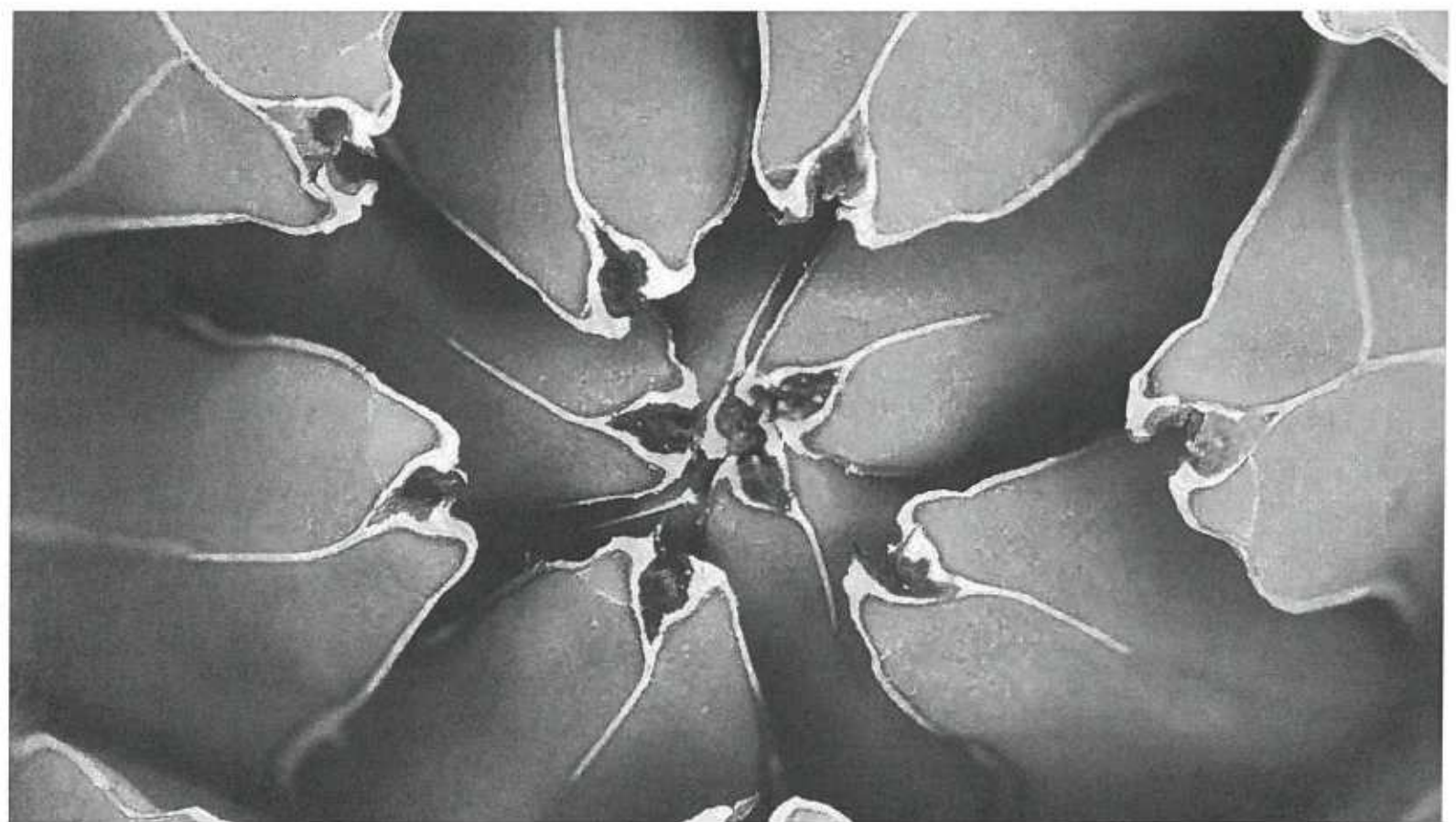
Through funding from GLAZA, the Zoo is involved in over 30 conservation projects across the planet this fiscal year alone. Through this funding the Zoo contributes personnel, husbandry expertise, project recommendations and veterinary services..



STRENGTHS & WEAKNESSES

(INTERNAL TO THE ORGANIZATION)

T *The Los Angeles Zoo possesses a variety of strengths and weaknesses that must be taken into account when planning the long-term future of the Zoo. The strengths and weaknesses presented in this section are the most frequently mentioned from a Visitors Exit Survey (616 guests interviewed) recently conducted by the Morey Group, as well as 160 completed internal surveys from Zoo employees.*



STRENGTHS

Admission value: The Los Angeles Zoo remains in a select group of affordable places for family entertainment and education. In fact, compared to other places in Southern California that compete for disposable income, the Zoo remains an affordable way for families to spend quality time outdoors and participate in programs and activities while learning about animals and conservation.

Cleanliness and employee courtesy: A clean facility and courteous staff allow visitors to fully enjoy all other aspects of the visit experience. The dedicated employees and volunteers create a high level of customer service and demonstrate their appreciation for the animals and environment.

Quality of exhibits: The Los Angeles Zoo is a quality Zoo, and has introduced a number of new exhibits in the recent past. Exit surveys indicate almost all new exhibits exceed the industry benchmark average. Animal visibility was also rated as excellent.

Few negative experiences: Only 1% of visitor respondents had a negative experience or inconvenience at the Zoo, which is exceptional. The quality of food services was in line with benchmark averages. Overall, the visitor experience can be improved, but is starting from a solid foundation.

A recent employee survey identified that over 80% of employees are proud of where they work and enjoy working at the Zoo. This is reflected in the guest experience.

WEAKNESSES

Overall satisfaction: Overall satisfaction ratings are important as they drive attendance via repeat visitation and word-of-mouth recommendations. The overall entertainment experience at the Zoo is lower than those of its competitors. Guests who attended shows and presentations rated overall satisfaction slightly lower, which is unusual.

Entertainment experience: Experiences should be delivered in an engaging manner. The Zoo's ratings in this regard are well below the benchmark average for comparable destinations. Issues such as limited entertainment experiences negatively impact ratings, by reducing the attractiveness of the Zoo as a premier attraction.

Advertising and word-of-mouth: Awareness of the Zoo is low, due in part to the saturated Los Angeles media market. No one advertising source had significant recall, and only one quarter of visitor survey respondents visited the Zoo's website prior to their visit. High advertising recall and effective public relations coverage are crucial in securing an organization's position in the marketplace. The Zoo can improve its advertising in all primary sources of information used by consumers, including the internet, word of mouth, website, local television news, newspapers and radio.

Financials: The Zoo has an over-reliance on sources of funds that are not wholly within its control. This uncertainty limits the Zoo's ability to conceptualize and execute plans for improvement and development.



OPPORTUNITIES & THREATS

(EXTERNAL TO THE ORGANIZATION)





OPPORTUNITIES

Improved employee engagement: The Zoo is in a good position to develop programs and practices that communicate its goals and strategies to employees and positively impact employee morale and motivation to see the Zoo succeed. A comprehensive staff communication strategy and more all-staff events would help foster a positive team attitude.

More animal interaction: A long-held visitor preference has been more access to animals. Satisfying this need can lead to a more involved customer base and greater participation.

Special events: A new special events area is being developed that will serve as an attraction and opportunity to facilitate new audience segments and garner positive publicity. Large-scale venues are required to facilitate events for up to 1,000 guests both during public hours and in the evenings. GLAZA and the Zoo will endeavor to: prioritize

these spaces; have at least one fully designed and cost-estimated location by March 31, 2014; develop a flexible and cost-effective program for providing animal experiences at catered events; and invest in an inventory of equipment, including such items as heaters, chairs, tables and lighting.

Education: The Los Angeles Zoo is uniquely positioned to provide guests with a large amount of knowledge. The Zoo can provide guests with increased education about animals, botanical plants, conservation and the environment and seeks to remain culturally engaged with its visitors.

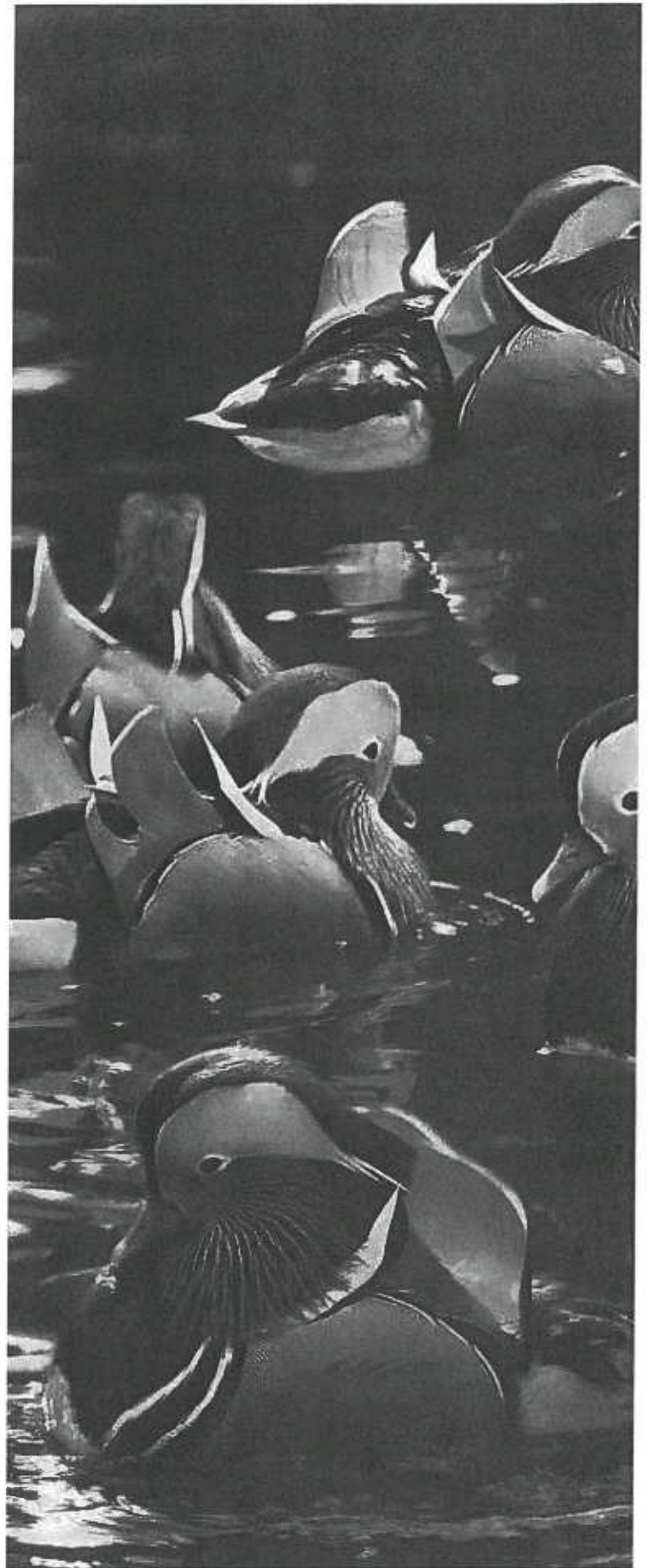
Additional target audience penetration: The Zoo has an opportunity to diversify and expand its reach beyond its traditional target audiences in Los Angeles County and households with children.

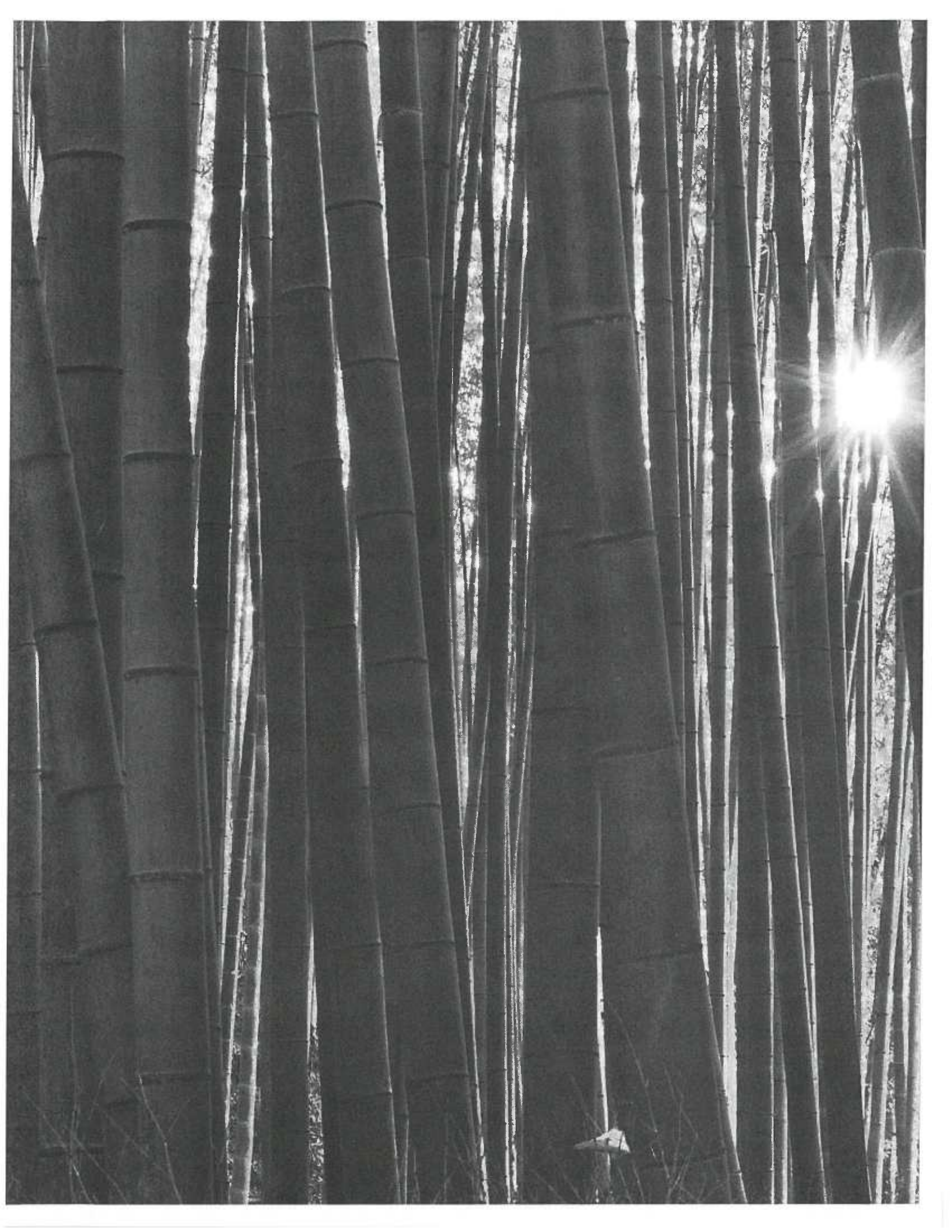
THREATS

Fiscal uncertainty: An enterprise with the organizational and logistical complexity of the Zoo must constantly be improving and investing in its infrastructure, maintenance and experience programs. Cutbacks in funding and uncertainty of revenues, financial trends and funding levels for capital improvement projects make it extremely difficult to establish long-term, consistent plans upon which the Zoo can rely and structure itself around.

Negative publicity: The public expects that we will provide appropriate husbandry and welfare to animals that are entrusted to our care. If the Zoo does not attend to this responsibility that can adversely affect the Zoo's ability to attract visitors and funding.

City constructions projects delivery model: Within the current City Charter, the Zoo cannot effectively pre-qualify general contractors that have experience meeting the Zoo's specific construction needs. This results in seriously delayed exhibit openings, lengthy building schedules and a diminished guest experience due to construction.





KEY GOALS, OBJECTIVES & TACTICS

The following definitions are important to remember when reviewing the Key Goals, Objectives and Tactics presented in this plan:

Vision - An aspirational description of what an organization would like to achieve or accomplish in the mid-term or long-term future.

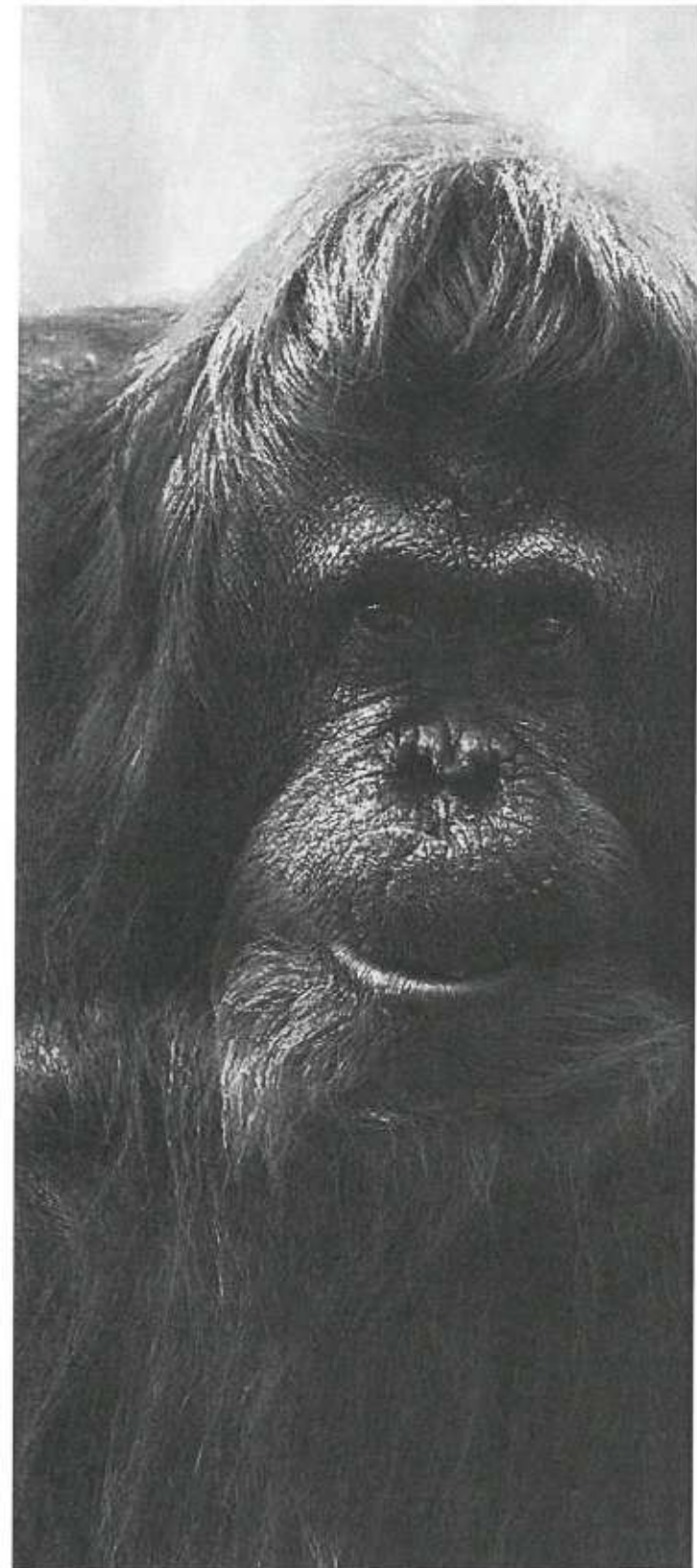
Goals - An observable and measurable end result having one or more strategies to be achieved within a more or less fixed time frame.

Strategy - A method or plan chosen to bring about a desired future, such as an achievement or a goal or solution to a problem.

Tactic - an action to achieve a specific end

In the spring of 2013, GLAZA and the Los Angeles Zoo formed a Long Range Planning Committee to develop a distinctive vision for the Zoo, in an effort to tie together actions and investments the Zoo must prioritize to stand out amongst American zoos in this century, as well as provide a zoo experience that evokes from visitors a sense of awe.





VISION STATEMENT (2028)

We will leverage the diverse resources of Los Angeles to be an innovator for the global zoo community, creating dynamic experiences to connect visitors and animals.

The Zoo's Los Angeles metropolitan location is replete with innovators leading advancements in many fields, from technology to science and medicine, from entertainment to architectural design. This advantage affords the Los Angeles Zoo special - if not unique - opportunities to connect with forward thinkers in reimagining key aspects of the traditional zoo experience.

After arriving at the vision statement, the Los Angeles Zoo and GLAZA established four goals within the realm of the Zoo's mission and operations to realize this vision:

- 1. Campus:** We will upgrade the campus with a focus on habitat, sustainability and the guest experience.
- 2. Conservation:** We will create model conservation programs that encourage local action in Los Angeles for the global community as well as local action in global locations where we are active.
- 3. Community:** We will create dynamic experiences to connect people with wildlife.
- 4. Human Capital:** We will create a work environment where the Los Angeles Zoo's vision is shared with employees, docents and volunteers, and ensure that they understand their role in attaining the vision and achieving the strategic goals and objectives.

GOAL ONE

CAMPUS

We will upgrade the campus with a focus on habitat, sustainability and the guest experience that:

- Replaces remaining aging exhibits with facilities that support a deepening and broadening appreciation of our animal collection while making optimal use of the Zoo's prime real estate for animal exhibits
- Promotes an experience that provides entertainment with the broadest exposure to the greatest number of animals, layered with viewing and learning opportunities that are participatory and active
- Incorporates planning for non-public areas for animal support
- Focuses on improved way finding and access to animal viewing as well as enhanced circulation and transportation routes

1. Short Term Strategy – Develop and implement a wide range of measures to create immediate improvements to the Zoo experience. Develop an inventory or priority list with potential low cost and high impact in-house areas of need or improvement. Specifically, look at areas to improve circulation and enhance the visitor experience.

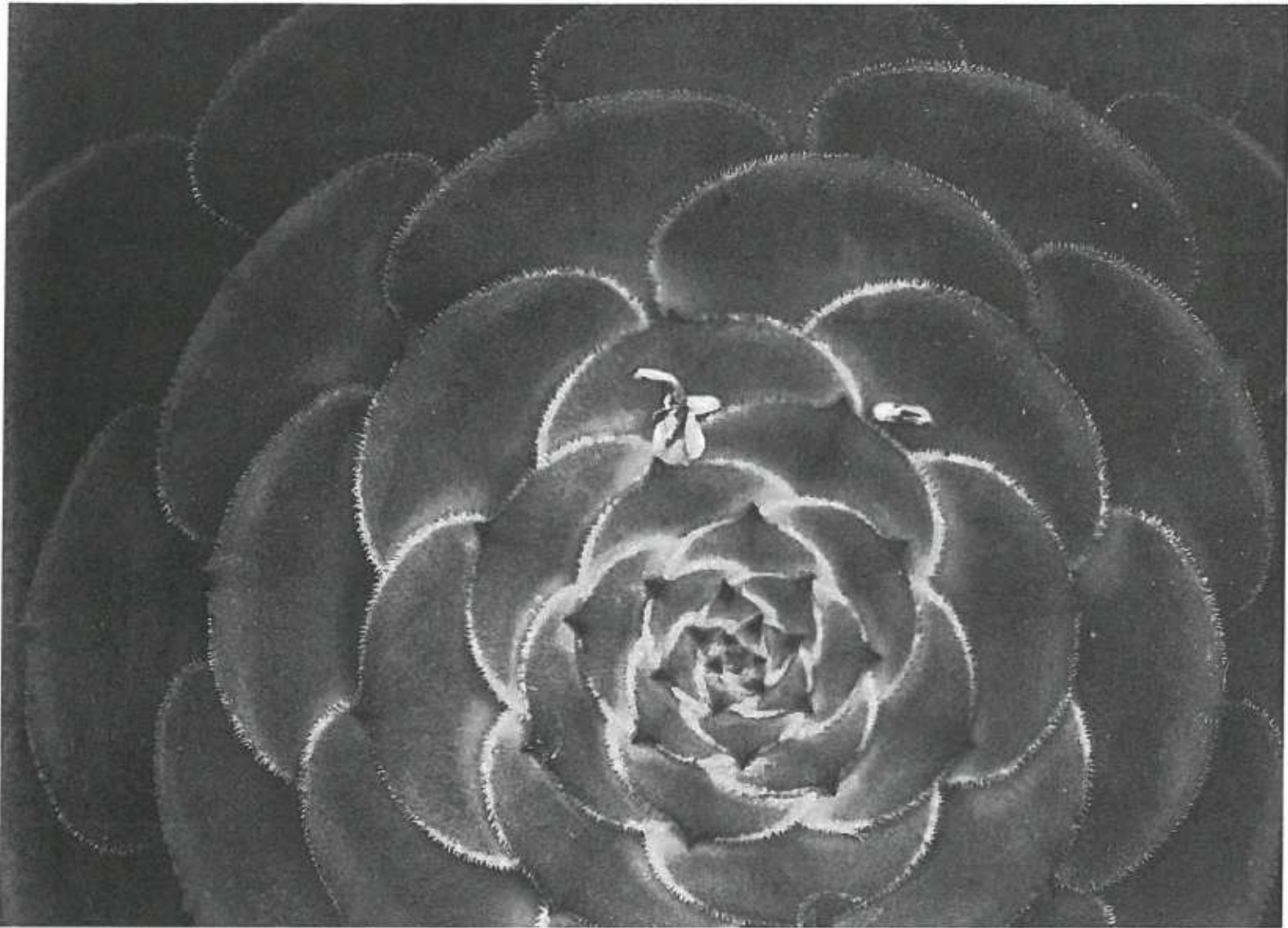
Tactics:

- Create a private space(s) for entertaining
- Create public space(s) for respite
- Provide campus-wide wireless access
- Establish the process for identifying short and mid-term improvements that must be planned, budgeted and achieved
- Determine the barriers to entry and potential capacity restrictions
- Identify maintenance practices that enhance the aesthetics of the facility as well as the visitor viewing experience (e.g., custodial practices/procedures, landscape maintenance)
- Develop a team approach for each project, with the goal of incorporating a more holistic approach to in-house projects

2. Mid Term Strategy – Continue to implement measures to improve aging infrastructure and exhibits, to improve overall Zoo experience.

Tactics:

- Address, plan for, budget and execute mid-term improvements to the facility and exhibits that improve the visitor experience



3. Long Term Strategy - Develop a Master Plan for the campus that demonstrates the focus on conservation and sustainability, innovation and engagement activities, and exemplary facility design and maintenance. Engage thought leaders in Los Angeles to weave the Zoo into the larger cultural fabric of Southern California.

Year One Tactics:

- Funding for Master Plan formulation and preparation secured
- Selection of master plan consultant with focus on innovation

Year Two Tactics:

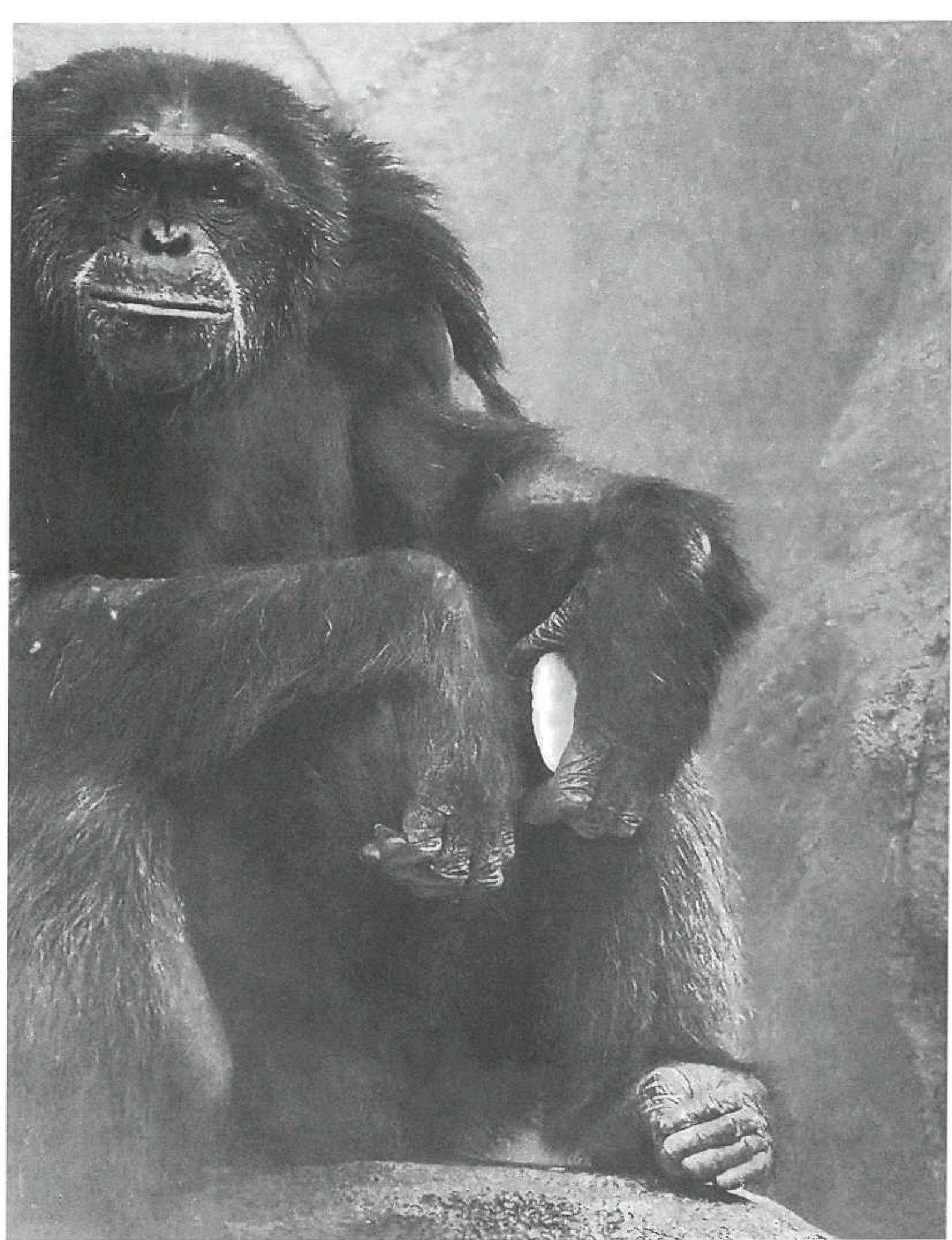
- Master Plan is completed and transmitted

Year Three Tactics:

- Mayor and Council approval obtained
- GLAZA Fundraising plan formalized
- Public support plan is identified and developed

Year Five Tactics:

- Public support secured
- Private fundraising secured
- Groundbreaking plans in place



GOAL TWO

CONSERVATION

We will create model conservation programs that encourage local action in Los Angeles for the global community as well as local action in global locations where we are active. Conservation and collections will focus on:

- Science and research
- Animal Collection
- Plant Collection
- Sustainability

1. Short Term Strategy – In partnership with like-minded organizations, we will develop a think tank of conservation experts to focus on the preservation of selected species and their habitats locally, regionally, nationally and internationally to develop a comprehensive Conservation Program and Conservation Communication Plan.

Tactics:

- Inform staff on conservation efforts so they can better understand and more effectively communicate the Zoo's efforts
- Identify and recruit peer organizations, partners and sponsors
- Identify and outline internal conservation efforts that can be developed, enhanced and leveraged
- Outline one-of-a-kind programs (conservation education, learning series and/or travel experiences) that allow visitors, members and donors to take part in conservation efforts

- Develop a plan to educate vendors and partners about our conservation efforts to enlist support and inspire like behavior

2. Mid Term Strategy – We will develop a Conservation Program Master Plan to direct our field research operations serving selected species and habitats, as well as an on-call team of experts who would respond to other organizations who are in need of field help.

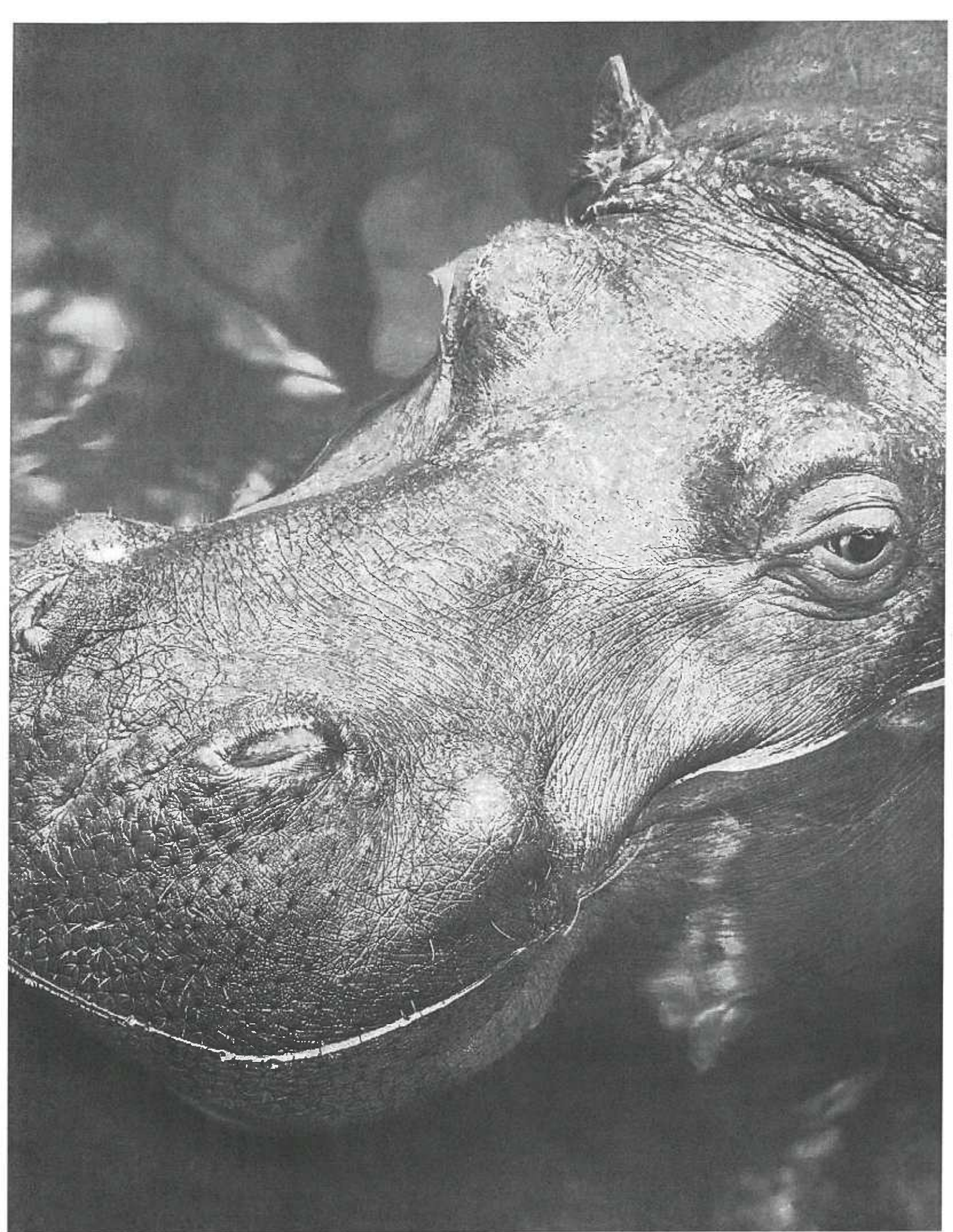
Tactics:

- Identify and develop an on-call team of experts
- Identify and exemplify our science and methodology of conserving species
- Identify endangered species that the Zoo can make a deep and long-lasting commitment to their preservation

3. Long term Strategy – We will have primary research operations underway serving each of the selected species/habitats. We will develop a comprehensive strategy for intervention, stabilization investigation and propagation of critically endangered species on the Zoo's list.

Tactics:

- Identify what can be done to prevent extinction
- Identify what can be done to manage colony and population
- Provide off-exhibit holding space that provides a transparent 360-degree view to Zoo conservation efforts



GOAL THREE

COMMUNITY

Will create dynamic experiences to further connect our audiences with wildlife.

1. Short Term Strategy - Take animal interactions from 1 to 10 in next 3 years.

Tactics:

- Establish a range of “Keeper Talks,” from informal to formal
- Add programming “Adventure Theater”
- Develop VIP personal experiences that can accommodate larger groups in concert with the Development Department
- Establish, expand and enhance animal shows
- Develop and implement animal feeding opportunities
- Enhance the programming schedule to maximize the use of existing spaces
- Expand current program animal collection
- Develop a communications and marketing plan to highlight these features for patrons to “Design Their Zoo Day”

2. Short Term Strategy - Optimize guest experience by leveraging technology and improving owned assets.

Tactics:

- Identify and implement Zoo-wide guest experience and customer service

- Address current signage and way-finding issues for clarity, consistency and optimization
- Evaluate interpretive signage for relevance, impact, education and maximum accessibility
- Develop a Zoo app allowing guests to customize their experience for maximum engagement
- Assess feasibility of installing webcams for online viewing and engagement

3. Short-Term Strategy - Coordinate programs to engage elected officials and the public and provide opportunities to share major successes.

Tactics:

- Increase and improve the penetration of success stories communicated to elected officials and key stakeholders
- Identify and extend outreach programs that provide dynamic experiences to elected officials and others who may not be able to visit the Zoo

4. Mid Term Strategy - Build an onsite evaluation program to align staff and partners to the mission statement.

Tactics:

- Develop “Before Your Visit” and “After Your Visit” programs for continuing the education, conservation and entertainment experience

GOAL FOUR

HUMAN CAPITAL

Create a work environment where the Los Angeles Zoo's vision is shared and employees, docents and volunteers understand their role in attaining the vision and achieving the strategic goals and objectives.

Strategy 1 – Develop a Communication Plan.

Tactics:

- Utilize the all-Zoo staff meeting to roll out the Plan
- Create an internal communication strategy to collect and disseminate relevant information sharing throughout the institution in a timely manner, such as provide continued updates and information via the employee bi-weekly newsletter (Gnus) and the daily employee e-bulletin
- Educate all staff on the mission and vision, and what their role is
- Develop our own internal cooperative Zoo community where each entity (City, GLAZA, Visitor Services) knows their role and how they fit into the mission/vision and plan

Strategy 2 – Develop a Resource Plan.

Tactics:

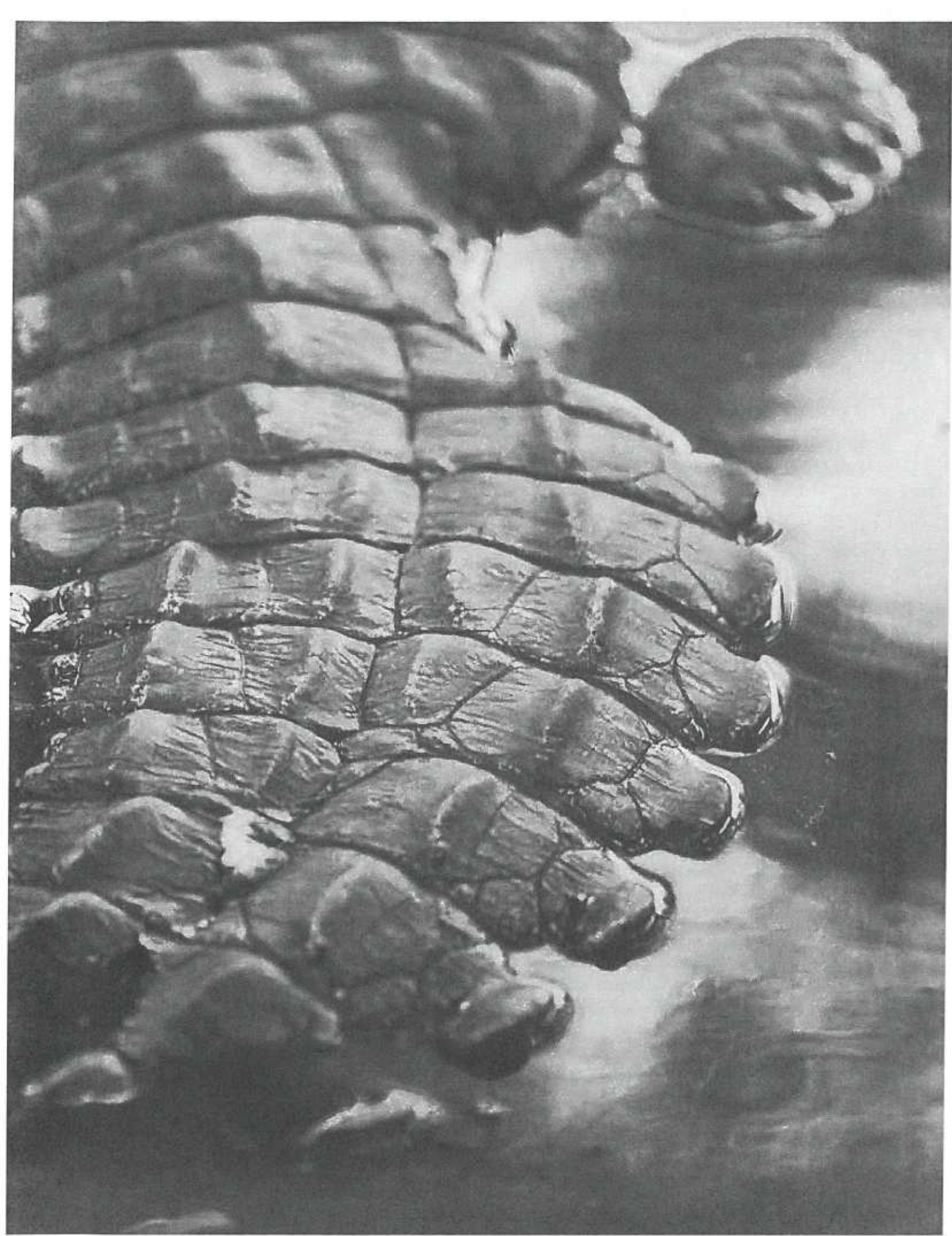
- Identify the tools necessary to facilitate this goal
- Provide mission-based/culture training
- Provide customer service training
- Provide job-related training
- Provided technology improvements/tools to improve operations
- Engage employees to participate in providing ideas for new guest experiences

Strategy 3 – Develop an Evaluation Plan.

Tactics:

- Continue periodic employee feedback surveys





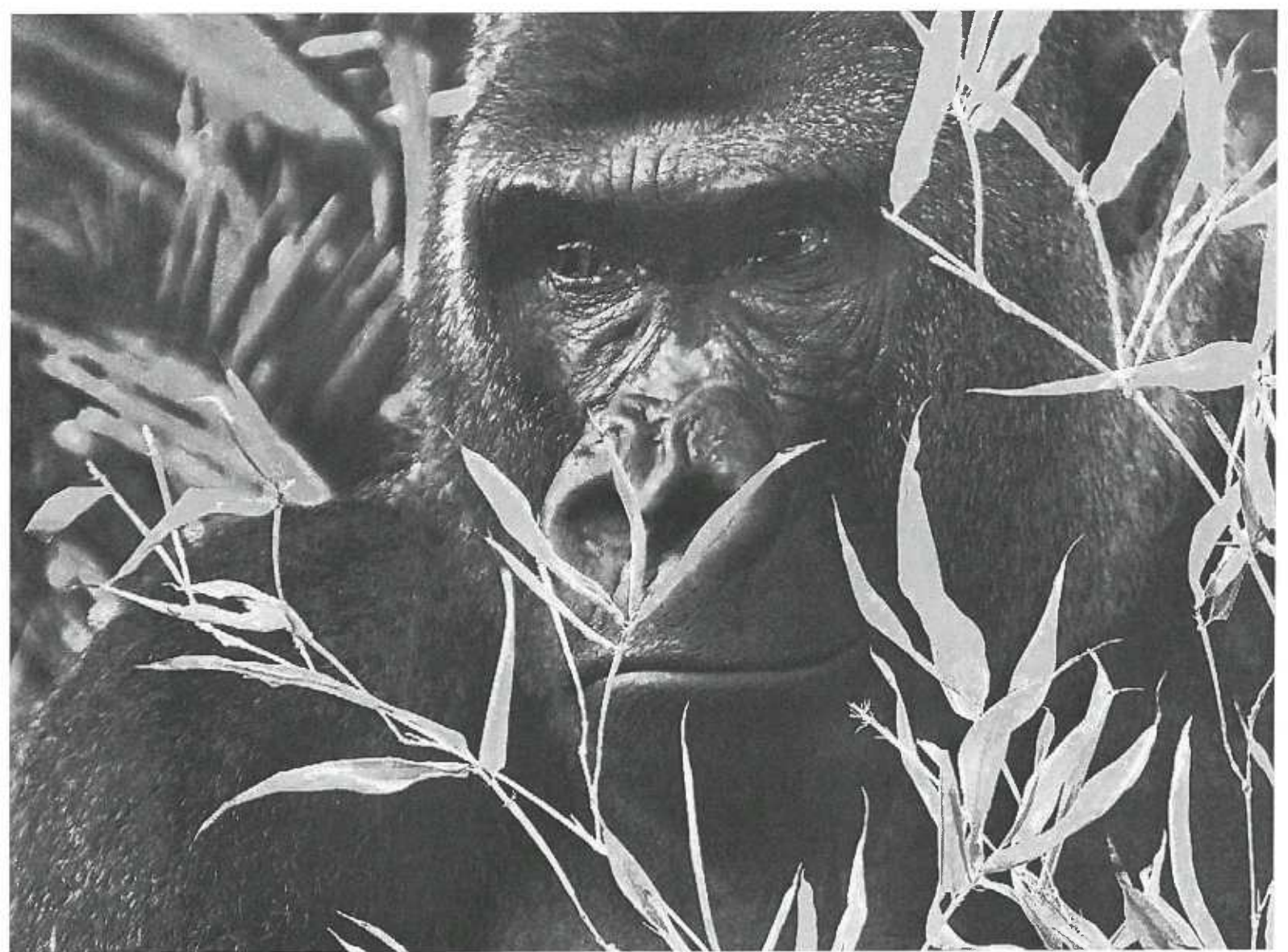
CRITICAL SUCCESS FACTORS

The following items must be considered mandatory for the Zoo to successfully reach its gate attendance and revenue goals, as detailed in this plan. They can be seen as crucial cornerstones in laying down the foundation of the next 10 years and beyond.

- A creative long-term financial stability plan must be developed to ensure the Zoo's future growth for both operations and continued capital investments.
- An annual operating budget that facilitates progress towards implementing the tactics presented in this plan.
- Elected officials must be engaged in our conservation efforts of the Zoo's.
- Due to the importance of the Zoo's entire operations as it relates to caring for live animals and delivering a quality guest experience, the Zoo Department will seek support and approval of an annual hiring plan that facilitates filling positions within a fiscally responsible framework and sound budget management.
- The City Council must recognize the Zoo as a community resource in all council districts.
- Communications must be consistent and thorough both internally among all employees and volunteers, and externally with members and prospective guests.
- GLAZA will continue to support the Zoo at the projected levels.
- Customer service will remain top-of-mind and every employee and volunteer at the Zoo will be committed to delivering superior customer service to our guests and to each other.



PROJECTIONS, BUDGETS, & FINANCIALS





PLANNING ASSUMPTIONS

In May 2013, the City and GLAZA executed a Memorandum of Understanding (MOU) for Marketing and Public Relations and Site Rentals and Catered Events. This MOU transfers the responsibility of expanding public awareness of the Zoo and increasing Zoo attendance, admissions revenue and other forms of earned revenue under the following terms:

GLAZA will

- Invest over \$2,000,000 annually in the Marketing and Public Relations program
- Generate a total of more than \$6,000,000 of new funding for the Zoo
- Increase the Zoo's market penetration of its Metropolitan Statistical Area by a total of 12%
- Increase the Zoo's paid attendance by 5% annually
- Increase the Zoo's total admissions revenue by 11% annually

- Increase the Zoo's other earned revenue (increased concessions and membership) by 21% over the term
- Replenish and grow the marketing and public relations budget annually

The assumptions used for developing the following attendance, pricing structure and revenue projections are all predicated on the MOU and GLAZA achieving the deliverables, milestones and metrics listed above.

ATTENDANCE

The Zoo attendance is grouped into two main categories, unpaid and paid attendance.

Unpaid Attendance - includes three groups:

- **LAUSD Free Admission** - The Los Angeles Zoo does not charge the Los Angeles Unified School District (LAUSD) and federally registered Head Start schools for children attending the Zoo as part of a school/class field trip. Additionally one chaperone per 10 children is free. The City of Los Angeles Recreation and Parks recreation center groups are also gratis.
- **Children Under Two** - When accompanied by an adult.
- **Other** - Includes items such as complimentary and employee guest passes.

GLAZA Membership - There are a variety of categories ranging from individual members to family memberships. While membership benefits vary from category to category, all memberships include unlimited admission to the Zoo, discounts in shops and restaurants, free subscriptions to the award-winning *Zooscape* newsletter and *Zoo View* magazine, discounts to lectures, discounts on educational programs such as ZooCamp, education classes and Zoo overnights, discounted admission to more than 170 zoos and aquariums, members-only events, members-only docent-led walking tours and discounts on special evening events such as Roaring Nights.

Because memberships are sold year round, membership numbers can vary significantly month to month. Therefore beginning in FY 2013-2014, GLAZA has begun tabulating annual membership as a 12-month average.

HISTORICAL AVERAGE ANNUAL MEMBERSHIP		
FISCAL YEAR	# OF MEMBERS	% CHANGE
1999-1999	40,821	
1999-2000	41,057	0.57%
2000-2001	43,389	5.37%
2001-2002	47,695	9.03%
2002-2003	54,259	12.10%
2003-2004	57,762	6.06%
2004-2005	60,868	5.10%
2005-2006	66,888	9.00%
2006-2007	65,955	-1.41%
2007-2008	61,575	-7.11%
2008-2009	63,086	2.40%
2009-2010	67,132	6.03%
2010-2011	68,184	1.54%
2011-2012	67,307	-1.30%
2012-2013	65,691	-2.46%
2013-2014	59,267	-9.78%

A membership price increase scheduled for July 1, 2015 was instead implemented July 17, 2013, the fifth membership price increase, representing a 57% increase over 5 years. With the recent increases, GLAZA is experiencing a short-term price resistance and has decreased the expected membership households in upcoming years.

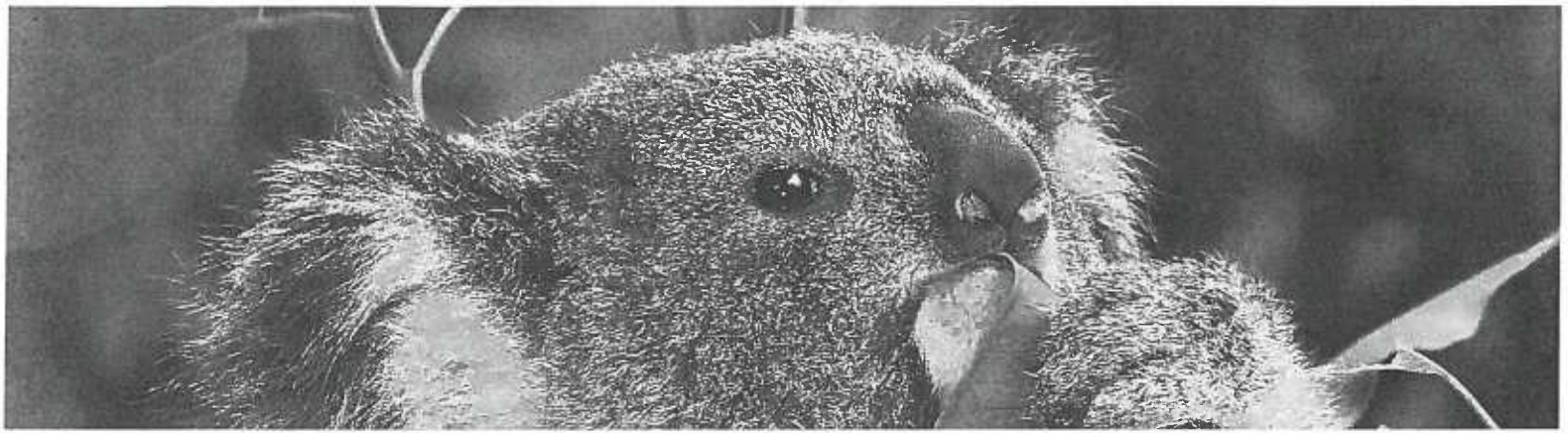
It is GLAZA's belief that despite an increase in gate attendance, another membership price increase (scheduled for August 2014) will result in a potential loss of additional members. However, this will assist in reallocating the ratio of members to paid attendance.

General Attendance: General attendance also has multiple subcategories such as:

- **General Admission** - Regular paid attendance, whether it is at the front gate or pre-purchased online and is good during regular business hours.
- **Special Event Admission** - These include special events within the annual marketing plan designed to bring new audiences to the Zoo.
- **Group Admission** - Includes parties of 15 or more and tickets are prepaid. Included in these numbers are private and large-scale events.

PROJECTED AVERAGE ANNUAL MEMBERSHIP		
FISCAL YEAR	# OF MEMBERS	% CHANGE
2014-2015	61,520	3.80%
(Price Increase)		
2015-2016	57,232	-6.97%
(Potential Price Increase)		
2016-2017	57,283	0.09%
(Potential Price Increase)		
2017-2018	58,809	2.59%





Over the course of the last decade, ratios in pricing, attendance, membership rates and recoup factors have shifted significantly. Paid attendance has decreased by nearly 20% over the course of the

last decade. Based on historical data from the Zoo Department and GLAZA, the following data was compiled:

HISTORICAL GATE ATTENDANCE								
FISCAL YEAR	GLAZA MEMBERS	% OF ATTENDANCE	OTHER FREE	SPECIAL EVENTS	GENERAL ADMISSION ¹	% OF ATTENDANCE	TOTAL ATTENDANCE	CHANGE IN TOTAL ATTENDANCE
2001-2002	298,276	20%	163,509	Data not tracked separately	1,055,581	70%	1,517,366	-1.3%
2002-2003	374,356	25%	160,956	Data not tracked separately	980,755	65%	1,516,067	-0.09%
2003-2004	343,198	25%	140,139	Data not tracked separately	906,302	65%	1,389,639	-8.34%
2004-2005	407,080	29%	127,931	18,080	843,447	60%	1,396,538	0.50%
2005-2006	495,368	33%	107,764	37,207	883,130	58%	1,523,469	9.09%
2006-2007	492,274	31%	101,656	38,284	932,460	60%	1,564,674	2.70%
2007-2008	506,512	32%	121,886	41,144	932,628	58%	1,602,170	2.40%
2008-2009	525,818	34%	103,023	23,615	903,706	58%	1,556,162	-2.87%
2009-2010	542,632	37%	93,546	23,220	799,682	55%	1,459,080	-6.24%
2010-2011	599,628	39%	84,874	33,395	825,335	53%	1,543,232	5.77%
2011-2012	662,125	40%	74,791	23,290	900,244	54%	1,660,450	7.60%
2012-2013	588,878	39%	82,459	17,249	817,688	54%	1,506,274	-9.29%
2013-2014	619,154	40%	71,012	37,692	822,485	53%	1,550,343	2.93%

¹ General admission data includes paid group attendance.

Projected attendance for the following years, assumes that GLAZA will realize its commitment to increase paid attendance an average of 5% annually through

the over \$2,000,000 annual marketing investment. Gate attendance for the next three fiscal years are projected as follows:

PROJECTED GATE ATTENDANCE									
FISCAL YEAR	GLAZA MEMBERS	% OF ATTENDANCE	OTHER FREE	GENERAL ADMISSION	% OF ATTENDANCE	GROUP ADMISSION	SPECIAL EVENTS	TOTAL ATTENDANCE	% CHANGE
2014-2015	578,288	35%	80,968	855,543	51%	121,976	30,006	1,666,781	7.50%
2015-2016	537,981	31%	82,587	922,743	54%	134,174	36,008	1,713,493	2.80%
2016-2017	564,754	31%	84,239	977,380	54%	147,591	36,728	1,810,692	5.67%

A Note About Base Year Attendance, Future Attendance and Membership Projections

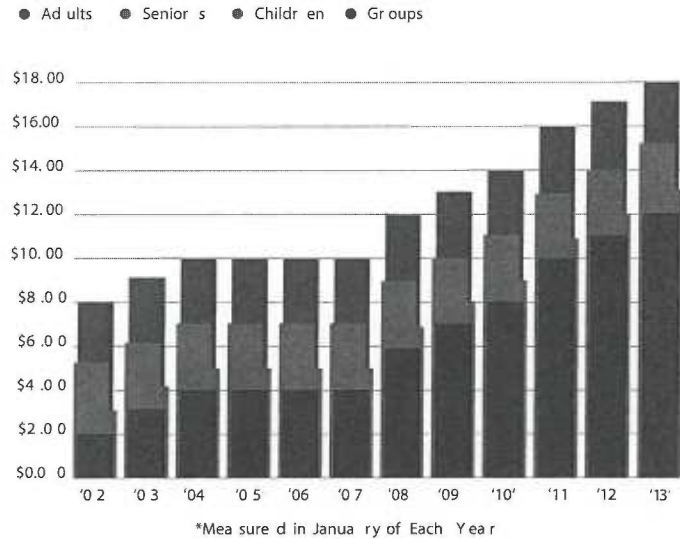
Included in the MOU was a detailed budget, labeled Exhibit B, of proposed growth in attendance and admissions revenue, as well as increases in other revenue sources. This Exhibit B was based on the Zoo's 2012-13 Budget, which projected attendance at 1,600,000 and admissions revenue at \$11,600,000. However, the 2012-13 actual attendance of 1,506,274 and admissions revenue of \$10,826,962 was significantly less than the projected attendance and admission revenue. Therefore the Zoo and GLAZA have agreed that the 2012-13 actual attendance numbers will now serve as the basis of analysis of GLAZA's performance in subsequent years, and that the most recent actual data will be used in the formulation of the Zoo's budget projections of attendance and admissions revenue for future years.

PRICING AND RECOUP RATIOS

Historically, the pricing strategy employed by the Los Angeles Zoo has been to maintain an affordable ticket price that ensures the Zoo remains accessible to as broad a spectrum of the community as possible, while generating a portion of the revenue required by the Zoo's operating budget. As such, pricing was one of the greatest advantages the Zoo offered its guests when compared to alternative activities.

However, over the course of the last 5 years that has changed dramatically. Rather than being able to rely on a consistent level of City support from the General Fund and thereby have the opportunity to employ a strategic pricing strategy, the Zoo has simply responded to the budget shortfalls and increased pricing annually to account for the budget gap. The Zoo is faced with the tough decision every year - either to raise its ticket prices or cut programs and services which ultimately impacts the overall visitor experience.

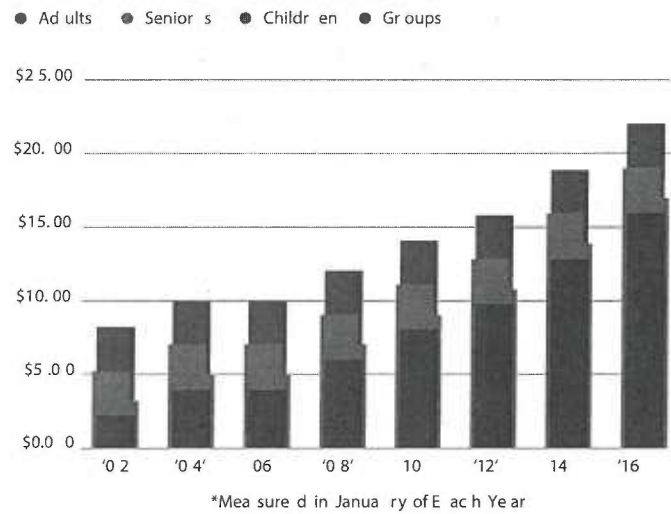
Historical General Admission Pricing



HISTORICAL GENERAL ADMISSION PRICING				
FISCAL YEAR	ADULTS	CHILDREN	SENIORS	GROUP RATE
July-02	\$8.25	\$3.25	\$5.25	\$2.25
July-03	\$9.00	\$4.00	\$6.00	\$3.00
July-04	\$10.00	\$5.00	\$7.00	\$4.00
July-05	\$10.00	\$5.00	\$7.00	\$4.00
July-06	\$10.00	\$5.00	\$7.00	\$4.00
July-07	\$10.00	\$5.00	\$7.00	\$4.00
July-08	\$12.00	\$7.00	\$9.00	\$6.00
July-09	\$13.00	\$8.00	\$10.00	\$7.00
July-10	\$14.00	\$9.00	\$11.00	\$8.00
July-11	\$16.00	\$11.00	\$13.00	\$10.00
July-12	\$17.00	\$12.00	\$14.00	\$11.00
July-13	\$18.00	\$13.00	\$15.00	\$12.00

Furthermore, with the recent MOU entered into with GLAZA, the Zoo is required to continually increase its rates \$1.00 per annum for the next three years, to help fund the \$2,000,000 marketing investment.

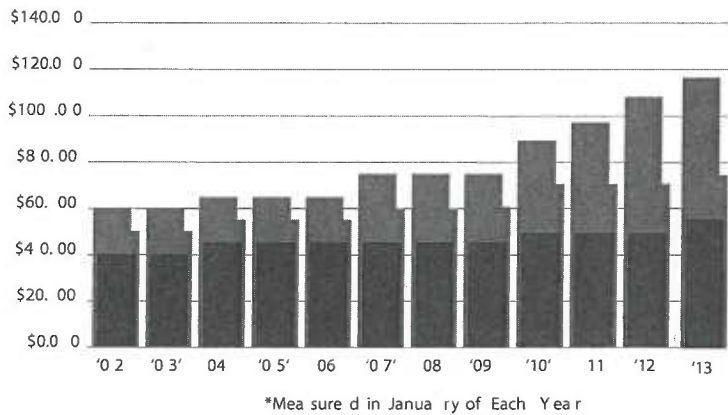
Projected General Admission Pricing



PROJECTED GENERAL ADMISSION PRICING				
FISCAL YEAR	ADULTS	CHILDREN	SENIORS	GROUP RATE
July-02	\$8.25	\$3.25	\$5.25	\$2.25
July-03	\$9.00	\$4.00	\$6.00	\$3.00
July-04	\$10.00	\$5.00	\$7.00	\$4.00
July-05	\$10.00	\$5.00	\$7.00	\$4.00
July-06	\$10.00	\$5.00	\$7.00	\$4.00
July-07	\$10.00	\$5.00	\$7.00	\$4.00
July-08	\$12.00	\$7.00	\$9.00	\$6.00
July-09	\$13.00	\$8.00	\$10.00	\$7.00
July-10	\$14.00	\$9.00	\$11.00	\$8.00
July-11	\$16.00	\$11.00	\$13.00	\$10.00
July-12	\$17.00	\$12.00	\$14.00	\$11.00
July-13	\$18.00	\$13.00	\$15.00	\$12.00
July-14	\$19.00	\$14.00	\$16.00	\$13.00
July-15	\$20.00	\$15.00	\$17.00	\$14.00
July-16	\$21.00	\$16.00	\$18.00	\$15.00
July-17	\$22.00	\$17.00	\$19.00	\$16.00

Historical Membership Pricing

● Individual ● Couple ● Family



Because the Zoo and GLAZA did not have a coordinated pricing strategy, GLAZA's price increases did not keep the pace of the Zoo's. GLAZA has had to make bigger incremental increases over the course of the last five years.

HISTORICAL MEMBERSHIP PRICING

YEARS	INDIVIDUAL	COUPLE	FAMILY
1998-1999	\$40	\$50	\$60
1999-2000	\$40	\$50	\$60
2000-2001	\$40	\$50	\$60
2001-2002	\$40	\$50	\$60
2002-2003	\$40	\$50	\$60
2003-2004	\$40	\$50	\$60
2004-2005	\$45	\$55	\$65
2005-2006	\$45	\$55	\$65
2006-2007	\$45	\$55	\$65
2007-2008	\$45	\$60	\$75
2008-2009	\$45	\$60	\$75
2009-2010	\$45	\$60	\$75
2010-2011	\$49	\$70	\$89
2011-2012	\$49	\$70	\$99
2012-2013	\$49	\$70	\$114
2013-2014	\$55	\$75	\$119

Historical Membership Fees were prepared for analysis by the Chief Legislative Analyst reviewing the Memorandum of Understanding: Marketing and Public Relations and Site Rentals and Catered Events. Those fees were compiled shortly after our long-time Director of Membership went out on an unexpected medical leave. Further review has determined that some membership fee changes during the period 2007-2010 occurred at different times. The spreadsheet above reflects the most accurate review of the Historical Membership Fees.

While zoos and zoological associations are reciprocal partners in their objectives, if there is not alignment and consistency in pricing, the two organizations can arguably be competitors as they are selling the same product but packaged and priced differently.

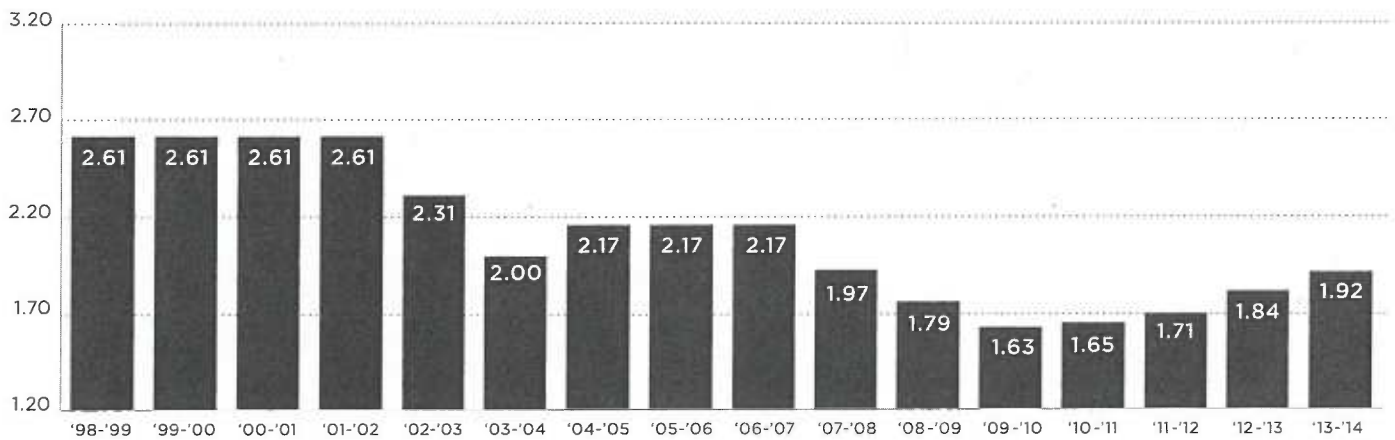
As such, the industry looks at the cost of admission against the cost of membership to see how many visits it would take to “recoup” the membership investment. For families, industry experts recommend that the ratio be between 1.9¹ and 2.1².

¹ *Schultz & Williams, AZA Membership Review and Comparisons*

² *Morey Group, Striking the Right Balance: How to Maximize Revenue from Marketing & Membership*

Additionally, while the recoup factor for the Los Angeles Zoo has been decreasing, membership utilization has increased as member households have increased and members as a percent of the total attendance have increased. This poses a complex problem; membership serves as a foray into familiarity and fondness for the Zoo, which GLAZA endeavors to convert into donations. However, low recoup ratios and high utilization result in increased staffing expense, upkeep and maintenance costs.

Recoup Factor



With GLAZA's recent increases in membership pricing, the ratios have been slowly normalizing back to a balanced state.

However, to be in compliance with the current Marketing and Public Relations MOU, the Zoo is required to increase general admission prices \$1.00 per year.

It has been agreed upon by both organizations that a membership and general admissions pricing strategy needs to be instituted, and that the recoup factor needs to stay at least at 1.9. As a result, GLAZA will be increasing their membership pricing to achieve this goal.

HISTORICAL PRICING (FAMILY) & RECOUP RATIOS			
YEARS	FAMILY COST ADMISSION	FAMILY MEMBERSHIP	RECOUP FACTOR
1998-1999	\$23.00	\$60.00	2.61
1999-2000	\$23.00	\$60.00	2.61
2000-2001	\$23.00	\$60.00	2.61
2001-2002	\$23.00	\$60.00	2.61
2002-2003	\$26.00	\$60.00	2.31
2003-2004	\$30.00	\$60.00	2.00
2004-2005	\$30.00	\$65.00	2.17
2005-2006	\$30.00	\$65.00	2.17
2006-2007	\$30.00	\$65.00	2.17
2007-2008	\$38.00	\$75.00	1.97
2008-2009	\$42.00	\$75.00	1.79
2009-2010	\$46.00	\$75.00	1.63
2010-2011	\$54.00	\$89.00	1.65
2011-2012	\$58.00	\$99.00	1.71
2012-2013	\$62.00	\$114.00	1.84
2013-2014	\$62.00	\$119.00	1.92

PROJECTED PRICING (FAMILY) & RECOUP RATIOS (PER PRICING STRATEGY)			
YEARS	FAMILY COST ADMISSION	FAMILY MEMBERSHIP	RECOUP FACTOR
2013-2014	\$62.00	\$119.00	1.92
2014-2015	\$66.00	\$126.00	1.91
2015-2016	\$70.00	\$134.00	1.91
2016-2017	\$74.00	\$141.00	1.91

With a consistent pricing strategy between single ticket, group ticket and membership prices, membership attendance is expected to adjust down to industry norms of 30% of total attendance.

This plan also acknowledges there is a lack of data around member types and their attendance, spend-

ing, and usage patterns. As such, GLAZA has recently installed scanners to provide additional insight on membership statistics. It has been agreed between the Zoo and GLAZA that preliminary results will be jointly reviewed after 6 months of collection (starting approximately May 2014) to begin outlining a longer-term pricing strategy for the two organizations.



FUNDRAISING

Unrestricted fundraising programs include Membership, Beastly Ball, Business Partners, Safari Society, General Donations, Year-End Appeals, Commemorative Bench and Tile Programs.

Funds from membership are transferred to the Zoo for general support, while funds from other fundraising programs support the Zoo Assistance Fund, which provides money for the Zoo's worldwide conservation programs, conservation and institutional memberships, and behavioral enrichment and research programs. In addition, they support the publications program (quarterly Zoo View, monthly Zooscape, internal Zoo Gnu, and the lazoo.org website) and the volunteer program, which recruits, trains and manages 900 docents and volunteers who provide over 80,000 hours of support to the Zoo's education, animal care, behavioral enrichment and research and community activities and outreach programs, all at no cost to the Zoo.

Unrestricted revenues also support the special events department, which assists the Zoo in hosting conferences, community and marketing events, fundraisers and managing the Zoo's travel program. Finally such support helps to cover the costs of raising money for education, conservation and other ongoing Zoo programs, as well as funds for equipment and capital improvements, especially Phase I of the Zoo's Master Plan, as well as improvements and renovations to existing facilities.

Restricted programs relate to capital needs as well as programs generally associated with the Education Division, conservation programs, animal ADOPT and NAME programs, Gottlieb Animal Health and

Conservation Center medical equipment, vital animal behavioral enrichment funds, and any other projects related to general exhibit improvements at the Zoo.

Until a new Phase 2 Master Plan is envisioned, restricted capital fundraising goals have been set to include the following initiatives:

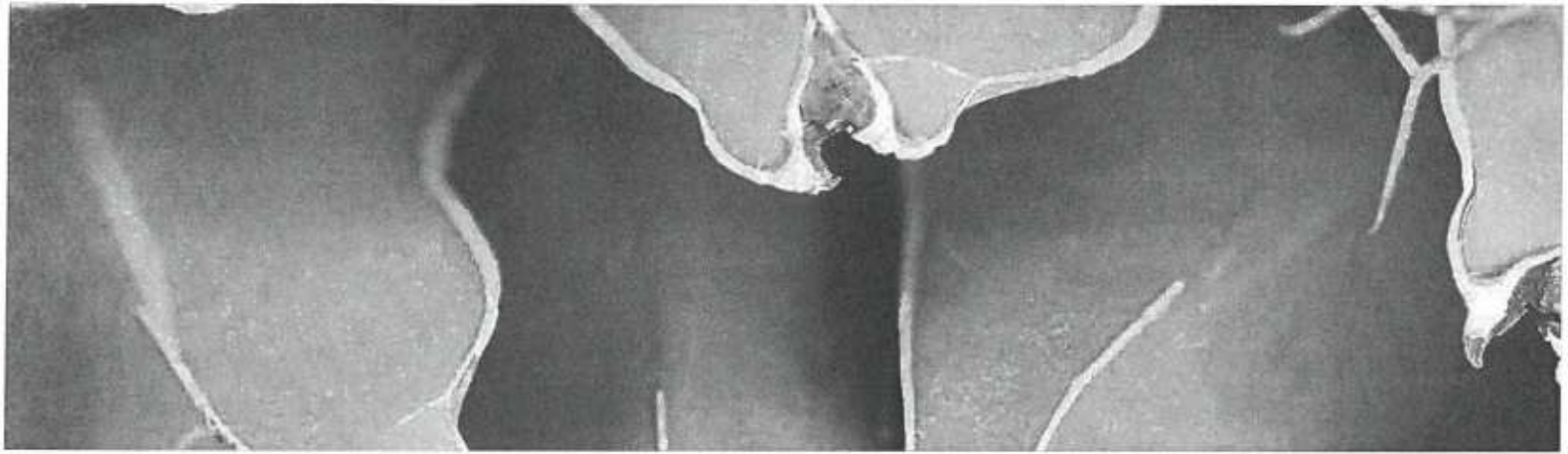
- **Development of a park/event space behind the Children's Discovery Center** – With the loss of Zoo Meadow some years ago, the Zoo lost one of its largest open spaces to host its own events, corporate events and other opportunities for the community to utilize the Zoo for celebrations of various kinds that brought in revenues for the Zoo. The area behind the Children's Discovery Center would make an ideal space to accommodate a number of activities. It is likely that a full renovation of the park will be somewhere between \$1 M and \$1.5 M.
- **Development of a pavilion for Treetops Terrace events** – While outdoor space is important, having a covered pavilion to host events in the heat of summer or if there is inclement weather is also a great need for the Zoo. A pavilion adjacent to the carousel would provide another layer of event space and greater revenue opportunities for the Zoo. The cost of a pavilion will likely be in the \$1 M to 1.2 M range.
- **Upgrading visitor experiences** – Animal encounters such as giraffe feedings are necessary to improving the visitor experiences as described earlier in this document. Amenities must be designed and built to accommodate some of these experiences. Additionally, specific programming monies for enhancing the existing performance spaces in the Zoo will be a priority.

- **Improving technology needs for the Zoo including visitor experience** - Development monies for the development of mobile apps or webcams that can be streamed live will require an upgrade to the technology infrastructure of the Zoo. Additionally, the investment in a Customer Relations Management System (CRM) will be a priority funding initiative within the technology spectrum. There will be a focus on identifying donors who have a passion for technology and who will want to invest in the future of the Zoo in this area.

- **Specific large-scale animal needs (orangutan mesh)** - Improvements to existing animal habitats are an ongoing need for the Zoo. Even with habitats built during the last 15 years, new needs have been identified that must be addressed to keep these habitats vibrant. For example, the orangutan habitat requires new mesh as the current mesh is worn by the constant climbing and use by its inhabitants. Shade cloths and other animal amenities as identified by the Zoo Director will be included in the restricted fundraising priorities each year.

FUNDRAISING PROJECTIONS					
Fiscal Year	Membership	Restricted Capital (\$)	Restricted Programs (\$)	Unrestricted (\$)	Details
2013-2014 Preliminary Actuals	\$5,510,868	\$1,394,976	\$617,508	\$2,438,464	3% increases in Unrestricted and Beastly Ball
2014-2015 Adopted Budget	\$6,337,368	\$1,731,000	\$269,000	\$2,607,750	3% increases in Unrestricted and Beastly Ball
2015-2016	\$6,398,106	\$2,000,000	\$375,000	\$2,725,812	3% increases in Unrestricted and Beastly Ball
2016-2017	\$6,066,617	\$2,000,000	\$400,000	\$2,807,585	3% increases in Unrestricted and Beastly Ball

*The above figures represent a 3% increase in Unrestricted and Beastly Ball.



BUDGET

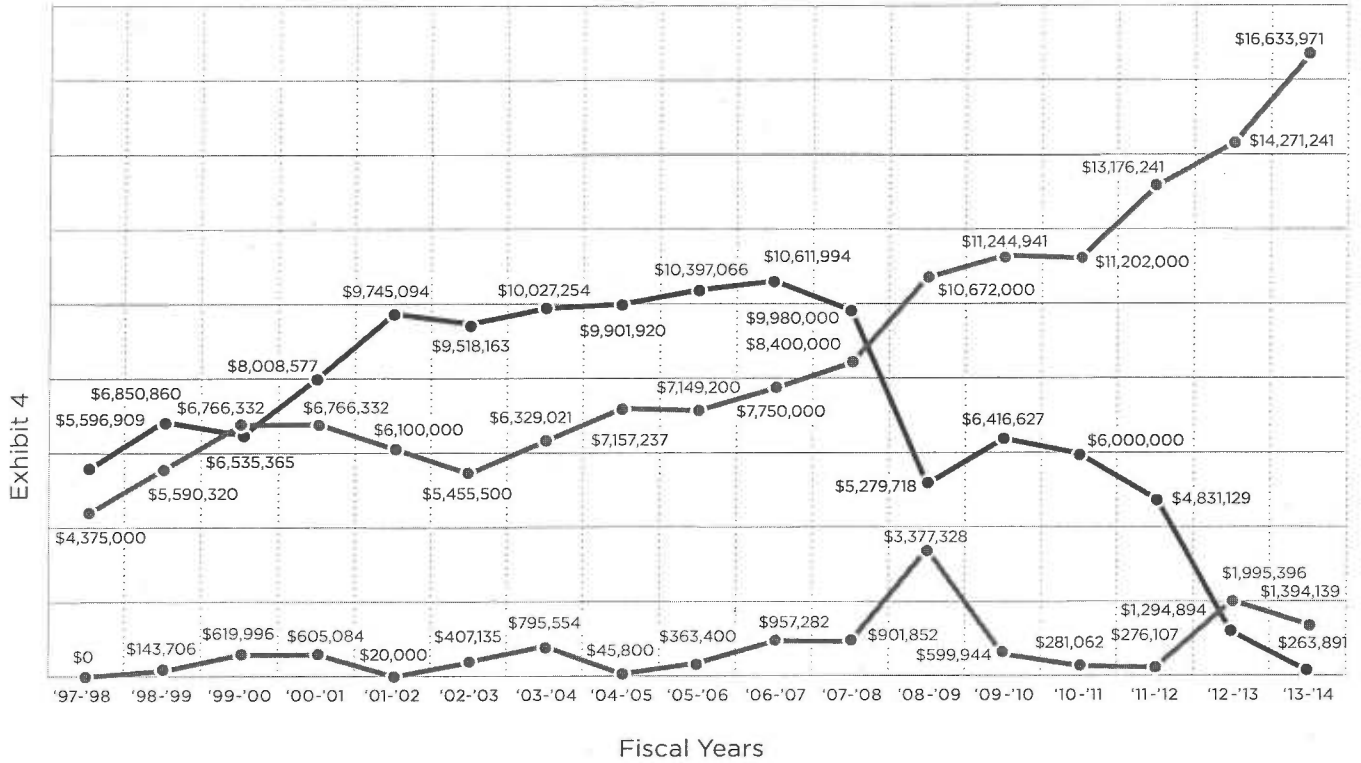
The Zoo Department was created by Ordinance No. 171636 and the Los Angeles Administrative Code Section 22.700 effective June 19, 1997. As part of the Los Angeles Administrative Code, Sec. 22.714, entitled Zoo Enterprise Trust Fund, was created. This section specifically states the following:

"All revenues derived from the operation of the Department or activities at the Zoo, including the proceeds from any rental or lease thereof, all other revenues or monies received by the Department, and all appropriations made to the Department shall be deposited into a special interest earning trust fund to be designated as the 'Zoo Enterprise Trust Fund' which fund is hereby established within the Treasury of the City of Los Angeles. Said fund is hereinafter referred to in this Chapter as the 'Fund.' All interest and earnings which accrue from the investment of monies in the Fund shall accrue and be deposited to the credit of the Fund. All costs and expenses incurred in the operation, management, maintenance and control of the Department or related thereto, shall be paid solely from the Fund. The monies deposited in the Fund shall be expended solely for the purpose set forth herein and shall not revert to the General Fund."

The 1997-98 Fiscal Year represented the Zoo's first operating budget with an appropriation of \$9.97 million and 189 authorized positions. The General Fund appropriation was \$6.6 million, with the balance of \$4.37 million coming from Zoo admissions, concessions and membership. Much has changed since this original budget was established: the Zoo embarked on a \$172 million capital program, opening several state-of-the-art exhibits and facilities, and attendance went from a low of 1.24 million visitors to a record high of 1.66 million visitors in the 2011-12 Fiscal Year. The Zoo's budget has also changed dramatically during this time with funding reaching an all-time high in Fiscal Year 2006-07 with an operating budget appropriation of \$19.3 million and 263 authorized positions: General Fund, \$10.6 million; Zoo revenues, \$7.75 million; and Zoo Enterprise Trust Fund and reimbursements, \$0.95 million. However, as the City experienced unprecedented fiscal impacts due to a severe downturn in the economy, the Zoo likewise saw its fiscal support from the City dramatically reduced as well. The following charts show the Zoo's historical budgets and authorized positions from 1997-98 through the current fiscal year:

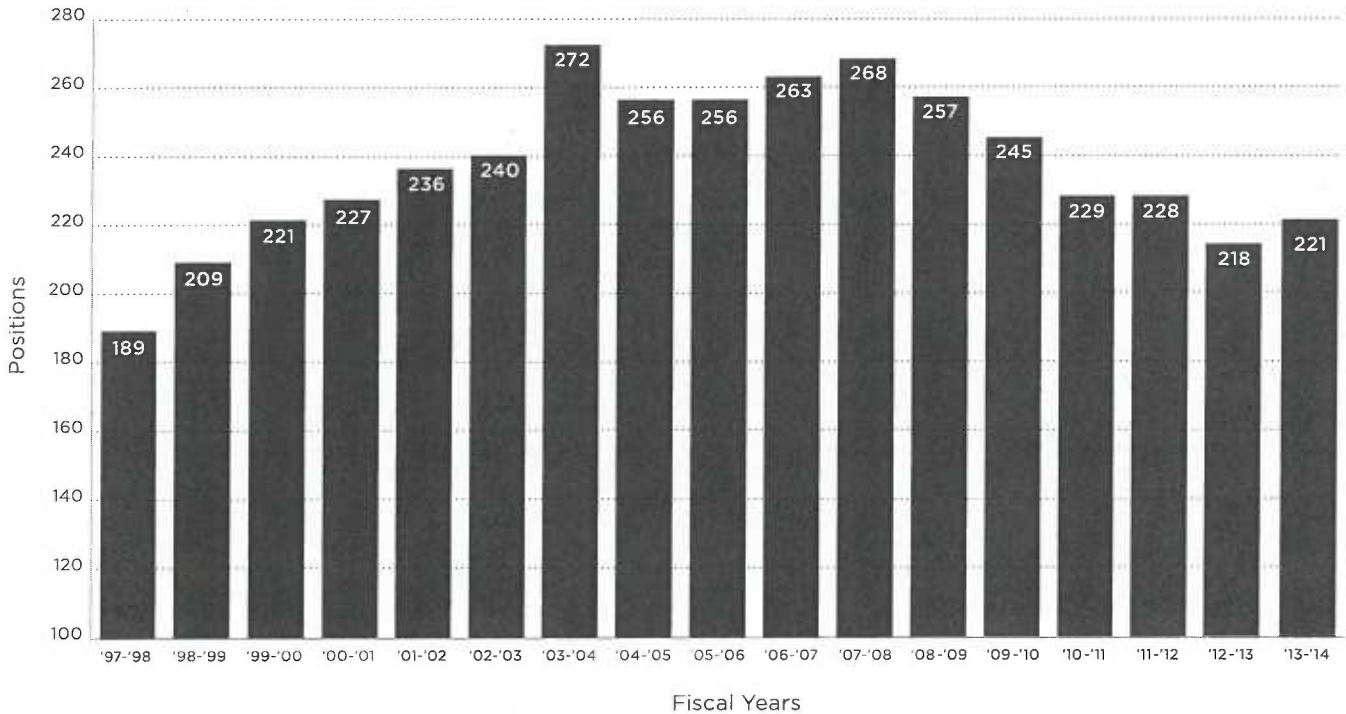
Zoo Department Direct Budget Source of Funds

● General Fund ● Zoo Receipts ● Other Zoo Funds



*During the last eight years the general fund contribution has decreased over 97%

Zoo Department Authorized Positions (Fiscal Years 1997 - 1998 through 2013 - 2014)



The Department's revenue largely consists of receipts from admissions, concessions and membership. In the 2014-15 Budget, these receipts represent 87 percent of the total zoo budget. The Department has a revenue sharing arrangement with the GLAZA for all three categories of revenues as follows:

Admissions

Admissions revenue is generated through ticket sales for admission through the gate. This includes regular full-priced admissions, all discounted admissions, paying groups (15 or more) and paying school groups (non-LAUDS \$3/student; colleges and universities \$5/student). Admissions is the largest revenue generator at the Zoo and is based on the Mayor and Council-approved admissions rates and the total number of paying visitors. All admissions revenue is collected by the Zoo and deposited in the Zoo Enterprise Trust Fund and is used to fund the operating budget.

With the execution of the Marketing and Public Relations and Site Rentals and Catered Events MOU with GLAZA, the Zoo agreed that GLAZA will receive a portion of the admission revenue as part of its annual marketing investment. The MOU includes the financial arrangement that the Zoo will increase its admission rates by up to \$1 annually during the three year term, and that GLAZA will receive a portion of the revenue from the increased admissions rate and increased attendance. The chart below reflects the admissions revenue sharing arrangement for fiscal years 2013-14 through 2016-17:

Concessions

The 1981 Concessions Agreement between the City and GLAZA provided that GLAZA would remit to the City 10 percent of the gross revenue. The operating agreement authorized GLAZA to contract for the concessions at the Zoo and also extend the term to February 2016. The Memorandum of Understanding: Marketing and Public Relations and Site Rentals and Catered Events provided that during the three-year term of the MOU, that all revenues from Site Rentals and Catered Events would remain with GLAZA, and be exempt from the 10% transfer to the City and the surplus transfer to the Zoo Surplus Development Fund. GLAZA would use all of these revenues as well as additional GLAZA funds to staff and market a much more aggressive site rental and catering program. At the end of the current MOU period, it is anticipated that site rentals and catered events will revert to the former financial arrangement. The chart below represents the distribution of the annual commission revenue over the next three years, which will be detailed and documented in the MOU for concession services with GLAZA.

ZOO & GLAZA ADMISSIONS REVENUE SHARING				
	2013-14 BUDGET	2014-2015 BUDGET	2015-2016 PROJECTIONS	2016-2017 PROJECTIONS
Admissions Revenue	\$12,941,000	\$14,458,872	\$16,088,290	\$17,886,239
GLAZA Marketing Refund	(\$591,000)	(\$1,358,872)	(\$2,238,290)	(\$2,886,239)
Net Revenue to the Zoo	\$12,350,000	\$13,100,000	\$13,850,000	\$15,000,000

DISTRIBUTION OF CONCESSION COMMISSIONS

	2013-2014 PRELIMINARY ACTUALS	2014-2015 ADOPTED BUDGET	2015-2016 PROJECTIONS	2016-2017 PROJECTIONS
Concessions Revenue	\$9,705,137	\$10,725,193	\$12,887,725	\$14,551,771
Commissions & Fees	\$1,884,559	\$2,137,067	\$2,664,648	\$3,060,664
Transfer to City	\$942,600	\$1,201,907	\$1,294,004	\$1,473,107
GLAZA Admin Fee	\$298,969	\$334,342	\$494,698	\$576,092
Balance to ZSD Fund	\$641,185	\$754,254	\$943,579	\$1,085,628

The Zoo receives 10 percent of the commissionable revenue as identified annually in the budget, GLAZA retains 3 percent of the commissionable revenue for administering the concessions agreement and the balance is deposited into the Zoo Surplus Development Fund (ZSDF) within GLAZA for priorities as established by the Zoo Director. The funds support priority projects, programs and activities that have never historically been funded by the City. This includes expenses that support animal care and health equipment items and supplies, in-house maintenance projects, employee training, signage and graphics and other items that are one-time costs. Effective with the 2014-15 budget process, the Zoo will identify funds from the ZSDF as an off-set to one-time costs requested in the proposed budget.

Membership

The Operating Agreement between the City and GLAZA provides the following: 1) GLAZA may retain 25 percent of membership revenue to administer the membership program; 2) GLAZA will remit to the City 25 percent of the membership revenue; and 3) the remainder of the monies shall be deposited into the Zoo Enterprise Trust Fund unless the Zoo and GLAZA enter into MOUs for GLAZA to provide additional services. The chart below represents the distributions of the membership revenue over the next three years, along with the additional services required of GLAZA that will be documented in subsequent MOUs.

DISTRIBUTION OF MEMBERSHIP REVENUE

	2013-2014 PRELIMINARY ACTUALS	2014-2015 ADOPTED BUDGET	2015-2016 PROJECTIONS	2016-2017 PROJECTIONS
Membership Revenues*	\$5,032,272	\$6,239,868	\$6,066,586	\$6,186,560
Membership Expenses	\$2,643,829	\$3,011,756	\$3,307,794	\$3,342,125
Publications Support	\$764,464	\$832,626	\$812,697	\$837,254
Volunteer Support	\$342,898	\$397,501	\$429,448	\$460,541
Transfer to City	\$1,366,459	\$1,584,334	\$1,516,647	\$1,546,640
Working Capital Support of Marketing & Public Relations Program	Information not yet available	\$535,518	-	-

*This represents the membership revenue that is subject to the 25% transfer to the City.



Additional Revenue

In addition to admissions, concessions and membership revenue, the Zoo also generates and/or receives revenue from other on grounds programs and activities including education classes, camps and overnights, the Tom Mankiewicz Conservation Carousel, preferred parking, filming and parking lot rentals and grants and miscellaneous reimbursements. Lastly, as part of the 2013-14 Budget, the Zoo proposed the installation of a 4-D Theater and related revenue. As a result of the Request for Proposals process, the Zoo is in the contract negotiation phase with the goal of preparing a transmittal to the Mayor and Council for approval during the 2014-15 Fiscal Year.

General Fund

As reflected in the historical budget chart, the General Fund contribution to the Zoo budget has varied greatly over the years. During the last eight years the contribution has decreased over 97%. The Zoo recognizes the financial challenges that the City has faced, along with competing City priorities and core services. The Zoo also believes that it provides a community benefit that is central to the quality of life of our visitors. It is important for thriving communities like Los Angeles to provide quality recreational and cultural facilities and attractions. As a result, the budget projections represent the Zoo's goal of minimizing its reliance on the General Fund and makes no assumption regarding

annual appropriations which are determined by the Mayor and Council annually as part of the City's budget process.

Zoo Enterprise Trust Fund

As described above, the Trust Fund was established as an Enterprise Fund to allow the Zoo to retain all funds that are appropriated to the Fund and all revenue derived from operations and activities at the Zoo. As a result, the Fund has the ability to have unexpended cash available remaining on a year-to-year basis. These funds can't be expended without prior Mayor and Council approval and appropriation to the proper account; however, these funds have not been used with the intent of growing the Zoo's operations, or supporting new business enterprising growth opportunities, or deferred maintenance projects or for the purposes of a reserve fund for uncertainty. Instead, the Fund has been used as an offset to the budget, thereby reducing the General Fund contribution.

The Zoo hopes that this Plan has provided a better understanding and appreciation of the Zoo, its mission and long-term vision and assumes that the City will support the use of the Zoo Enterprise Trust Fund as it was originally envisioned which will support our future growth.

All of the Zoo's direct operational costs and corresponding revenues and support are reflected in the chart on the following page.

**2014 - 2017 LOS ANGELES ZOO PLANNING SAMPLE BUDGETS
REVENUE BASED ON ACTUAL & PROJECTIONS**

REVENUE	2013-14 (BUDGET)	2013-2014 (PRELIMINARY ACTUALS)	2014-2015 (ADOPTED BUDGET)	2015-2016 (PROJECTIONS)	2016-2017 (PROJECTIONS)
Admissions	\$12,941,000	\$11,767,915	\$14,458,872	\$16,088,290	\$17,886,239
GLAZA Marketing Refund	(\$591,000)	-	\$(1,358,872)	\$(2,238,290)	\$(2,886,239)
Concessions	\$1,124,191	\$942,600	\$1,201,907	\$1,294,004	\$1,473,107
Membership	\$1,640,780	\$1,366,459	\$1,584,334	\$1,599,527	\$1,516,654
Education	\$300,000	\$415,323	\$315,000	\$350,000	\$375,000
Carousel	\$220,000	\$243,706	\$288,536	\$316,076	\$325,606
4D Theater	\$157,000	-	\$300,000	\$310,000	\$320,000
Preferred Parking	\$111,000	\$232,730	\$116,550	\$160,000	\$180,000
VIP Tours	\$25,000	\$29,451	\$26,250	\$27,563	\$28,941
Parking Lot Rental	\$50,000	\$129,180	\$50,000	\$75,000	\$90,000
Filming	\$20,000	\$24,250	\$20,000	\$20,000	\$20,000
Reimbursements	\$910,000	\$361,324	\$295,966	\$350,000	\$360,000
Other Income	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Interest Income	\$45,000	\$49,672	\$47,250	\$49,613	\$52,093
Total	\$16,972,971	\$15,582,610	\$17,365,793	\$18,421,783	\$19,761,401
Zoo Enterprise Trust Fund	\$1,055,139	\$554,139	\$2,278,259	\$884,523	\$640,549
Zoo Surplus Development Fund	-	-	\$600,000	\$600,000	\$600,000
General Fund ¹	\$263,891	\$263,891	-	-	-
GRAND TOTAL REVENUE	\$18,292,001	\$16,400,640	\$20,244,052	\$19,906,306	\$21,001,950

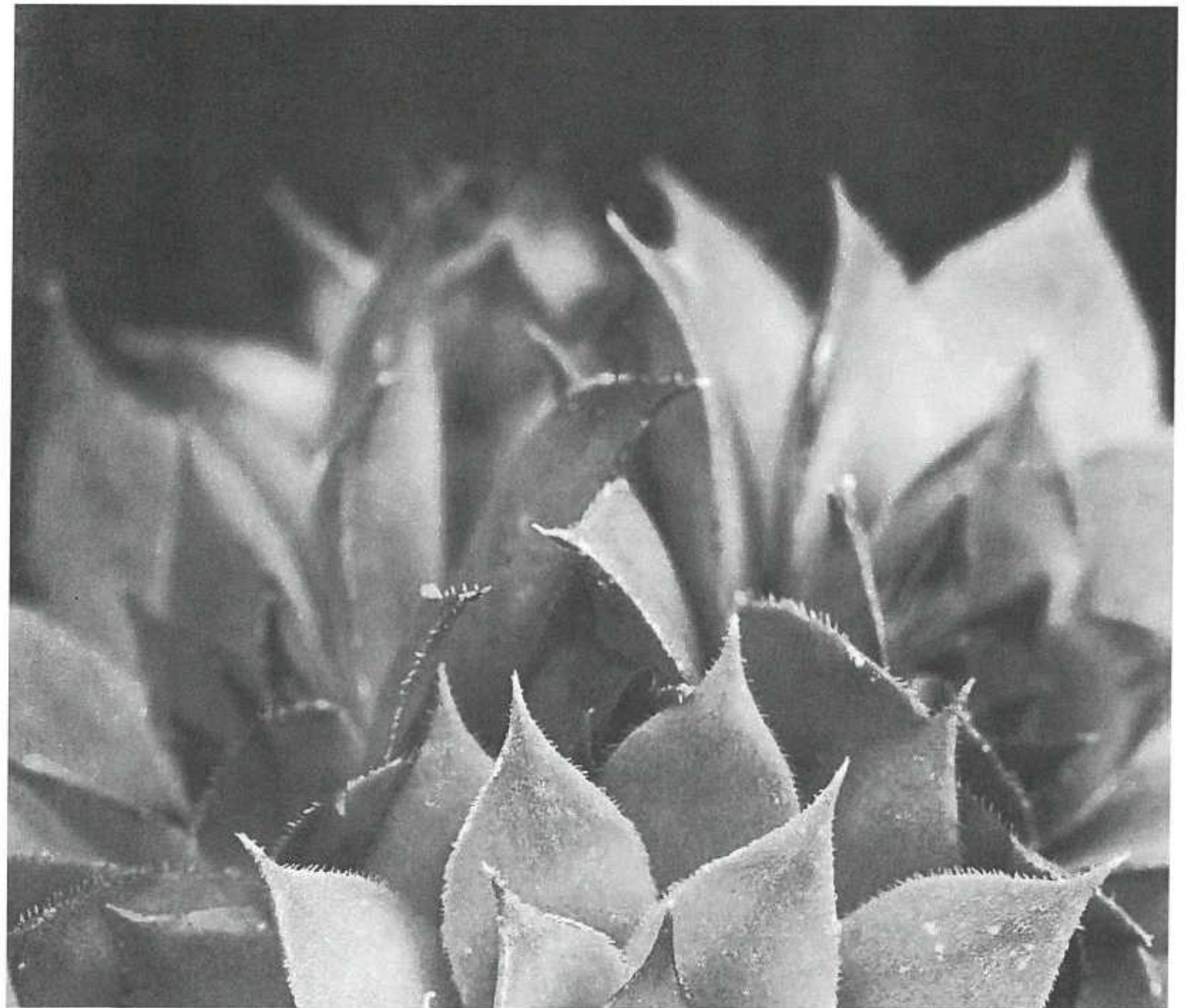
- Any General Fund appropriation is considered on an annual basis as part of the City budget process, subject to Mayor and Council approval.

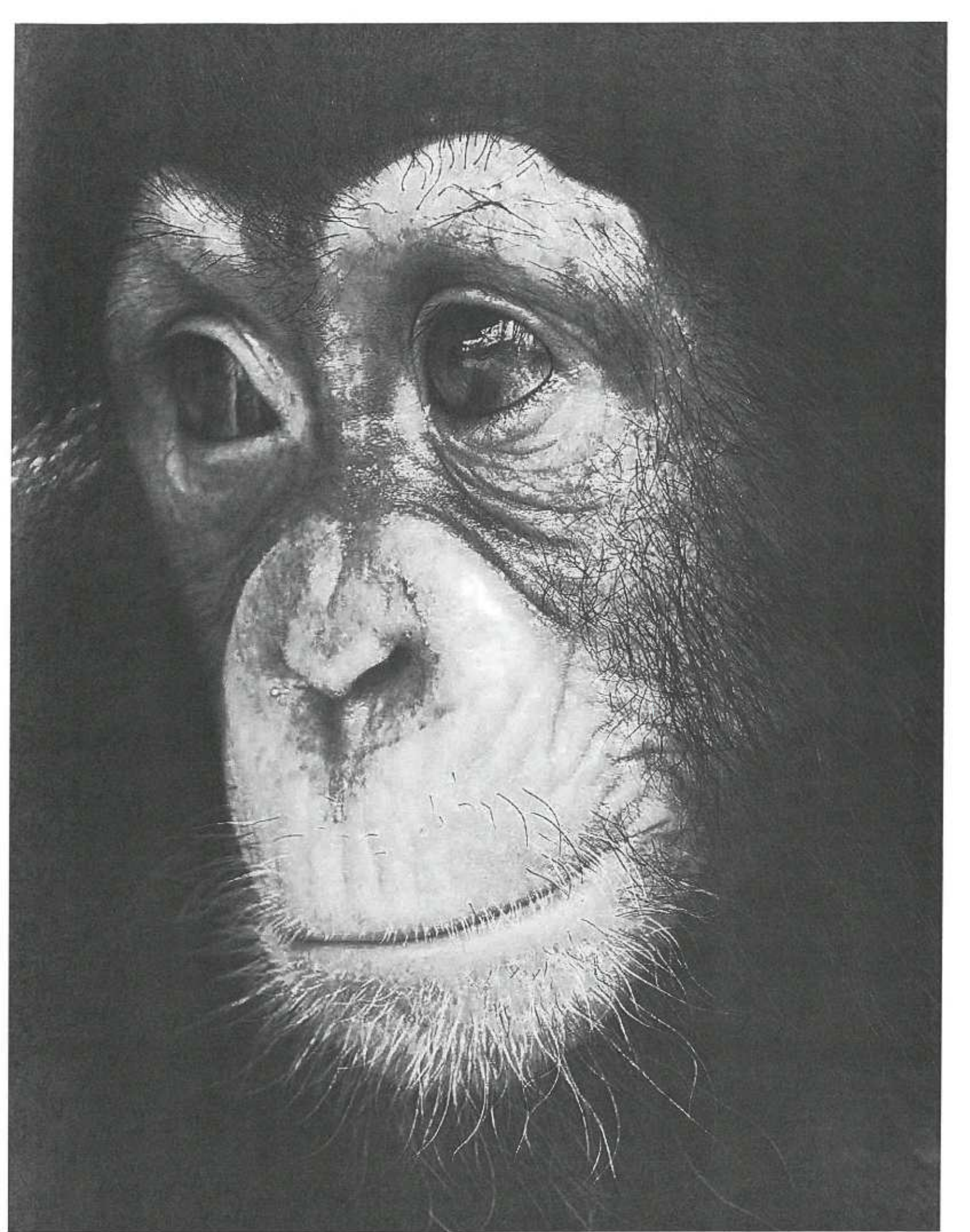
**2014 - 2017 LOS ANGELES ZOO PLANNING SAMPLE BUDGETS
EXPENSE BASED ON ACTUAL & PROJECTIONS**

EXPENSES	FY 2013 - 14		FY 2014 - 15		FY 2015 - 16		FY 2016 - 17	
	ADOPTED BUDGET	POS	ADOPTED BUDGET	POS	SAMPLE BUDGET	POS	SAMPLE BUDGET	POS
Salaries Adjustment					\$469,228		\$483,305	
General Administration & Support	\$1,775,110	19	\$1,774,044	19	-	-	-	-
Admissions	\$766,050	13	\$834,474	12	-	-	-	-
Technology Support	\$330,214	4	\$403,217	2	\$192,400	1	-	-
Grounds Maintenance	\$1,632,606	22	\$1,732,631	22	-	-	-	-
Custodial Services	\$714,295	11	\$925,830	11	-	-	-	-
Animal Care	\$7,466,228	100	\$7,464,999	102	-	-	-	-
Animal Health	\$1,163,075	13	\$1,698,958	17	-	-	-	-
Education	\$1,173,738	9	\$1,387,922	11	-	-	-	-
Planning, Development & Construction	\$2,230,763	25	\$3,197,130	26	\$385,400	2	\$250,900	2
Public Relations	\$976,031	5	\$390,131	5	-	-	-	-
Deletion of One-Time Funds	-	-	-	-	\$(570,000)	-	-	-
Total New Expenses					\$477,028		\$734,205	
Total Budget	\$18,228,110		\$19,809,336		\$20,286,364		\$21,020,569	
Total New Positions						3		2
Total Positions		221		227		230		232

The Zoo is at a point where defining its future and charting the course is critical to its success, and it is largely reliant on its fiscal support and sustainability. While the Zoo has been successful in significantly increasing its revenue through increasing its admissions rates and attendance, this approach alone cannot sustain the Zoo. As a result, a long-term

funding strategy for the Zoo needs to be developed. For the Zoo to achieve its annual attendance and revenue goals the budget must facilitate operating levels that ensure the animal care and welfare needs are achieved and the guest experience is commensurate with the pricing philosophy put forth in the Plan.





LOS ANGELES ZOO & BOTANICAL GARDENS

Marketing Plan



MARKET OVERVIEW & ANALYSIS

CURRENT LOS ANGELES ZOO VISITORS

In order to better inform the identification of our key target markets, we have undertaken an analysis of our current visitor base. We have several sources of data available to help us better understand our visitors: an exit interview conducted on-site in September 2013, 12 months of general admission zip code data, and several independent data sources which conduct general population surveys including questions about the Zoo visitation. In 2012, the Zoo had over 1.5 million visitors, including more than 500,000 school-aged children. The recent exit survey revealed the following about our visitors

- 80% of visitors are local residents
- 72% of visitors have children present in their party

- Average visitor age is 37 while 76.7% of adult visitors are between 18-49
- Gender skew is slightly female (58% to 42%)
- Median household income \$77,500
- Ethnicity of visitors is comparable to Los Angeles County. There are opportunities to grow the African American and Asian attendance, while maintaining a strong Hispanic presence.
- Distribution of visitors between Members and Non-Members
 - Members - 40% of total attendance is the loyal membership audience. This group visits an average of 2x per fiscal year.
 - Non-Members - 60% of total attendance to the Zoo

HOUSEHOLD INCOME

Less than \$25,000	7%
\$25,000-49,999	21%
\$50,000-\$74,999	21%
\$75,000-\$99,999	19%
\$100,000 +	33%

Data Source: Morey Group Exit Survey 9/2013

GEOGRAPHIC DISTRIBUTION

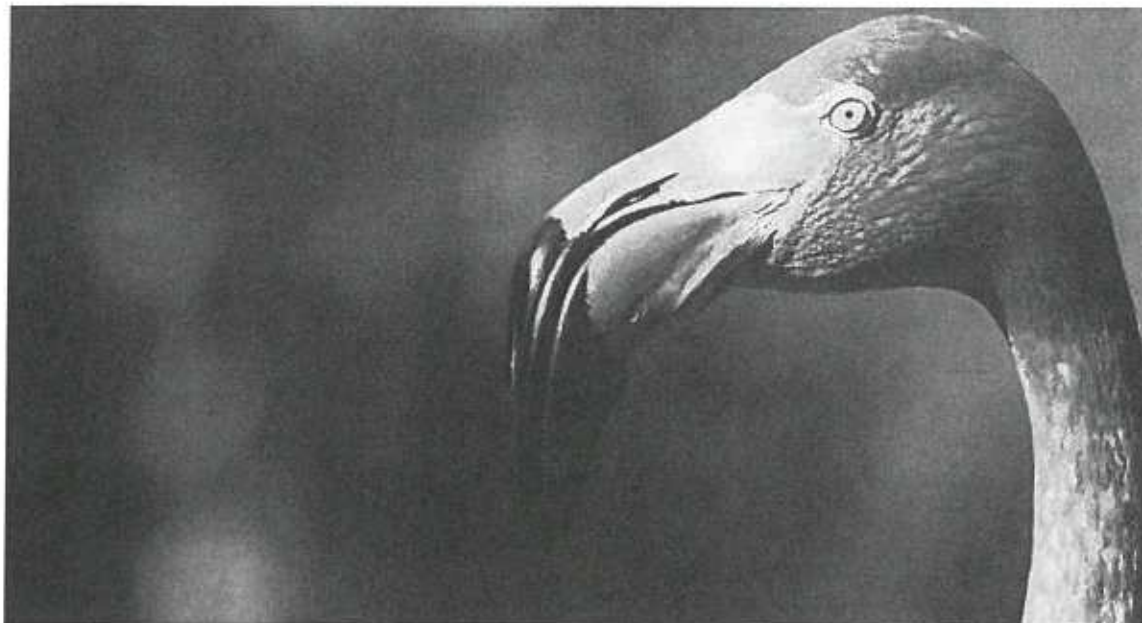
Los Angeles County	79%
California Outside LA	12%
Out of State	6%
International	3%

Data Source: Morey Group Exit Survey 9/2013

VISITOR DISTRIBUTION BY ETHNICITY & RACE

Hispanic	45%	LA COUNTY 2010 CENSUS	47.7%
White/Other	39%		30.5%
African American	6%		8.3%
Asian	7%		13.5%

Data Source: Morey Group Exit Survey 9/2013 & US Census Data 2010



Geographic distribution within LA County

With 80% of our visitors coming from Los Angeles County, it's clear there is an opportunity for expansion into neighboring counties, as well as a virtually untapped tourism industry. However, with limited budget and resources, we have to be selective in our efforts. For the past year or so, the marketing has focused on cultivating a target of women 25-44 with young children within 20 miles (or less) of the Zoo. Prior to that, there was a strong focus on the Hispanic market. This has made us successful in targeting audiences in these specific geographic regions, families with children under 12 and the Hispanic market. With a very narrow target, the result is that the audience begins to reflect the media/message strategy. These are important audiences which will continue to be cultivated while also reaching out to new audiences.

Target Audiences

Armed with data about our current visitors demographics, we can begin to identify the opportunities for attracting more visitors. Based on current market penetration numbers, there is still a lot of opportunity within the Los Angeles County

area and potential for targeting the 20-mile radius of the Zoo and other segments beyond the “moms with kids” segments. The Zoo's current market penetration is 12% of the Los Angeles Metropolitan Statistical Area (MSA) which includes Los Angeles and Orange County SCFs 900-918 for a total population of 12,828,837; the goal for the next 3 years is to increase penetration by 12% of current level.

In order to increase our penetration, we must expand our reach into new target audiences while deepening our reach into our core audiences. To achieve our financial goals, the Zoo must not only market to increase attendance but also to attract visitors who will spend more once they are on-site on food, shopping and add-on experiences. In other words, the overall customer value must also increase. With the implementation of a customer relationship management system (CRM) we will be empowered to track and evaluate the spending and visitation patterns of our current customers, optimize the available options and develop plans to attract like-minded consumers. In its absence, we will be very limited in our ability to optimize to meet consumer needs and desires.



PRIMARY TARGET AUDIENCES

- **Women** aged 25-44, presence of young children
- **Young Adults**, aged 18-34, single or married without children
- **Older Adults** with grandchildren
- **Ethnic Targets:** Consideration will be given to using earned and paid media to influence behavior in these segments
 - Asian American
 - African American
 - Hispanic
- **Geographic Targets:** As stated, the majority of the current visitors are coming from a 20-mile radius. In the next year, the focus will continue on building awareness in these locations due to the low market penetration in these areas. And the zones will expand to include Burbank/Glendale/Pasadena/Arcadia, and the San Fernando and San Gabriel Valleys.
 1. Hancock Park, Culver City, West L.A., Westwood, Malibu
 2. Silver Lake Echo Park, Griffith Park
 3. El Sereno, Glassell Park
 4. East L.A., Boyle Heights
 5. South East L.A.
 6. Downtown
 7. Burbank/San Fernando Valley
 8. Glendale/Eagle Rock/Pasadena/Arcadia (San Gabriel Valley, within the 20 mile radius)

There will be trial efforts at expanding our reach into the Orange County market, as it is part of the MSA, to test the viability of attracting this audience to the Zoo.

- Tourists
- This group includes anyone living outside Los Angeles MSA. There is strong potential for future growth and improvement in mid-week attendance numbers within this group.
- The Zoo will work to attract visitors from domestic and international locations, those with the potential to visit Los Angeles for a vacation. This includes drive markets within the Southern California area.

Factors that Affect Zoo Attendance

Over the past two years, North American cultural attraction attendance and theme park attendance have both seen growth. Zoos had the highest percentage increases: total attendance has increased by 8.4%; general admission attendance increased 6.9%; and membership increased 4.1%. The increase in attendance occurred mostly among larger organizations (those with attendance of 1 million or more). While the Zoo's general admission increased by 7.1% and membership increased by 3.4% in 2011-2012, both metrics declined in 2012-13.

While the cultural attraction category is seeing growth, there are other factors that affect the Zoos' attendance. Primary reasons for visiting cultural attractions is an interest in the subject followed by entertainment. It is important to note that more people visit cultural attractions to be entertained than to learn. This does not mean that the experience should not be educational, but rather that the educational experience should be delivered in an engaging manner.

The largest audience segment for zoos are families, and the primary motivation is recreation and education for children. Therefore, factors relating to the comfort and convenience of the family experience can have an immediate and linked positive or negative impact.

These factors include:

- **Awareness/perception** - Recent data shows that some L.A. Zoo residents are aware of this cultural attraction but have not been to visit in at least the past five years, or even pre-master plan construction (more than 10 years). The residual impression among non-visitors is that the Zoo is old and not of the quality of its competitors.
- **Competing attractions** - Other zoos and aquariums target L.A. residents, including San Diego Zoo & Safari Park, Santa Barbara Zoo, Aquarium of the Pacific and SeaWorld which are a relatively short drive away and provide a more engaging experience. Additionally, both California Science Center and Natural History Museum of Los Angeles had major new permanent exhibits open in the last fiscal year. And the close proximity of major theme parks, with significant new attractions also impacts the L.A. Zoo share of market.
- **Weather** - As an outdoor venue in a moderate climate, inclement weather has a more significant impact on attendance than other cultural institutions, and other parts of the country. As an example, in 2012-13 Los Angeles had a particular tough winter, which included more rainy days than normal for this area.
- **New exhibits** - In 2011-12, both LAIR and the Tom Mankiewicz Conservation Carousel opened. With the delay of Rainforest of the Americas, there were no major exhibit openings in 2012-13 which hindered the marketing team in providing a compelling reason for the community to visit the L.A. Zoo during that time.
- **Price** - The Zoo's admission cost remains a value at present. Perceived value impacts the decision making process making it imperative that the Zoo admission pricing stays competitive with other cultural organizations in the area. At present, the cost for a family of four to visit the L.A. Zoo is significantly less than Aquarium of the Pacific or San Diego Zoo. However, the L.A. Zoo admission pricing tops the Cultural Institution list and close to the top in the leisure activities list, outpaced only by the Dodgers'
- **Parking** - The parking lot capacity does not match demand on peak attendance days.
- **Engagement with animals** - The level of animal experience expected differs from person to person but data suggests that L.A. Zoo visitors feel that this is an area that could be improved.



COMPETITIVE ANALYSIS AND SHARE OF VOICE: WHO ARE THE ZOO'S COMPETITORS?

Based on the 2013 Morey Group report, primary research conducted by the Zoo, and input from Zoo management, a list of competitors has been developed. This includes a larger list of competitors that are recognized from a market share standpoint, market performance index and share of voice based on advertising spend.

- **Zoological Parks and Aquariums** - Include San Diego Zoo, San Diego Park, SeaWorld, Santa Barbara Zoo, Aquarium of the Pacific
- **Other Cultural Attractions** - Attractions within Southern California including Autry National Center, California Science Center, Discovery Science Center, J. Paul Getty Museum, Los Angeles County Museum of Art, Natural History Museum
- **Theme/Amusement Parks** - Include Knott's Berry Farm, Legoland, county fairs, Raging Waters, Six Flags, Universal Studios, Disneyland, Disney California Adventure
- **Leisure Activities** - Beach, public parks, movie theaters

Attendance and Family Admission Comparisons

While the Zoo is still an affordable option based on competitors' ticket prices, it is important to measure attendance based on the venue's position in the marketplace. Overall attendance growth for attractions is close to 4% in the last year, 7% overall since 2007-2008.² The majority of competitors have a variety of promotional pricing at any given time and have invested significantly in new attractions opened in the last 12 months. Promotional pricing at area attractions has been in place for more than a decade. It is driven by the economic climate over this time period and the desire to increase sales during slow periods.

Market Performance Index

The Market Performance Index (MPI) identifies the attraction's relative strength or weakness in the marketplace based on a combination of advertising awareness, market capture and ratings of overall satisfaction. An MPI of 1 or higher indicates a strong position in the marketplace, while an MPI of less than 1 indicates a weak position in the marketplace. The Zoo's low MPI may be based on low advertising awareness and/or low ratings of overall satisfaction.

Overall satisfaction for the Zoo, according to the Morey Group 2013 - Los Angeles Cultural Attractions report, is at 58%. It is recommended that ratings below 60% invest in improving the onsite experience, which could be as simple as improved employee courtesy, cleanliness performance or as in-depth as making the experience more engaging (the combination of entertainment and educational experiences.)

² Data source: 2012 Theme Index and 2012 Museum Index, Themed Entertainment Association



OVERALL SATISFACTION OF LOS ANGELES CULTURAL ATTRACTIONS

NATIONAL RANK	ORGANIZATION	MPI
24	Aquarium Of The Pacific	1.15
37	California Science Center	1.28
44	J Paul Getty Museum	1.22
52	Griffith Observatory	1.13
65	Huntington Library	1.00
67	Los Angeles County Museum Of Art	.99
75	Los Angeles Zoo and Botanical Garden	.93
77	Natural History Museum of LA County	.92
92	Skirball Cultural Center	.86
95	Museum of Tolerance	.84
102	Museum of Contemporary Art, Los Angeles (MOCA)	.81
109	Norton Simon Museum	.79
112	Los Angeles County Arboretum & Botanical Garden	.77
136	Autry National Center	.68

REGIONAL ZOOLOGICAL PARKS & AQUARIUMS PRICING

VENUE	2012 ATTENDANCE	DAYS OPEN	ADULT	CHILD	PARKING	MPI	FAMILY OF 4 + PARKING
Santa Barbara Zoo	480,000	365	\$14	\$10	\$6	N/A	\$54
Los Angeles Zoo	1,500,000	364	\$18	\$13	FREE	0.93	\$62
Aquarium Of The Pacific	1,454,000	361	\$26	\$15	\$8	1.51	\$90
San Diego Zoo	4,800,000	365	\$44	\$34	FREE	N/A	\$156
Seaworld World Parks	4,444,000	365	\$64	\$64	\$15	N/A	\$271
San Diego Zoo Safari Park	Combined With San Diego Zoo Above	365	\$44-\$84	\$34-\$74	\$10	N/A	\$156-\$326

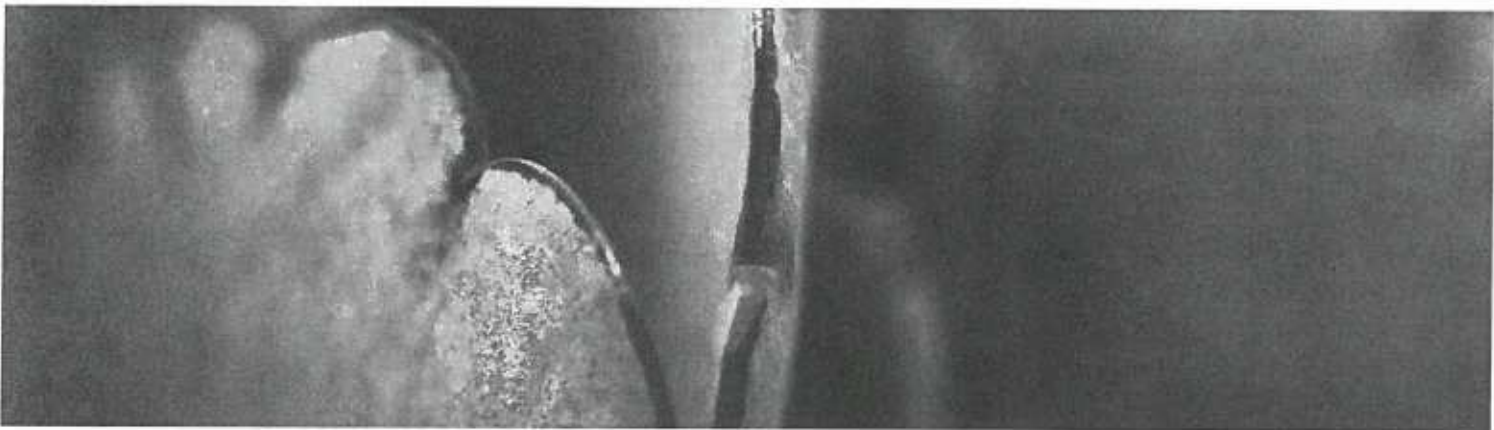
OTHER REGIONAL CULTURAL ATTRACTIONS PRICING

VENUE	2012 ATTENDANCE	DAYS OPEN	ADULT	CHILD	PARKING	MPI	FAMILY OF 4 + PARKING
Getty Center Museum & Villa	1,800,000	309	FREE	FREE	\$15	1.22	\$15
California Science Center	1,604,878	362	FREE	FREE	\$10	1.28	\$10
Autry National Center	N/A	315	\$10	\$6/\$4	FREE	0.68	\$28-\$32
Los Angeles County Museum Of Art*	1,200,000	311	\$15	Free	\$10	0.99	\$40
Natural History Museum	1,136,108	361	\$12	\$9/\$5	\$8	0.92	\$42-\$50
Los Angeles Zoo	1,500,000	364	\$18	\$13	FREE	0.93	\$62
Discovery Science Center	450,000	363	\$16	\$13	\$4	N/A	\$62

THEME PARKS/ATTRACTIONS PRICING

VENUE	2012 ATTENDANCE	DAYS OPEN	ADULT	CHILD	PARKING	FAMILY OF 4 + PARKING
Orange County Fair	1,357,335	23	\$11	\$8	\$10	\$48
Ventura County Fair	306,374	12	\$12	\$9	\$10	\$52
Los Angeles County Fair	1,492,762	24	\$12-\$19	\$8-\$12	\$12	\$52-\$74
Los Angeles Zoo	1,500,000	364	\$18	\$13	FREE	\$62
Raging Waters Water Park	N/A	107	\$36	\$27	\$15	\$141
Knotts Berry Farm Park Amusement Park	3,508,000	364	\$62/\$40	\$33/\$30	\$12	\$152-\$202
Six Flags Theme Parks	2,808,000	246	\$68/\$48	\$43	\$20	\$202-\$242
Universal Studios Theme Park	5,912,000	365	\$84	\$76	\$15	\$335
Legoland Amusement Park	9,000,000	260	\$97	\$87	\$15	\$383
Disneyland/California Adventure	23,738,000	365	\$137	\$134	\$15	\$557

OTHER LEISURE ACTIVITIES PRICING						
VENUE	2012 ATTENDANCE	DAYS OPEN	ADULT	CHILD	PARKING	FAMILY OF 4 + PARKING
Beach	52,000,000	365	FREE	FREE	\$6-\$10	\$6-\$10
Movie theaters	N/A	365	\$11.25-\$16.25	\$10.25-\$12.25	Varies	\$43-\$57
Los Angeles Zoo	1,500,000	364	\$18	\$13	FREE	\$62
Dodger Games	3,743,527	81	\$18-50	\$10-25	\$10	\$66-\$160



SHARE OF VOICE

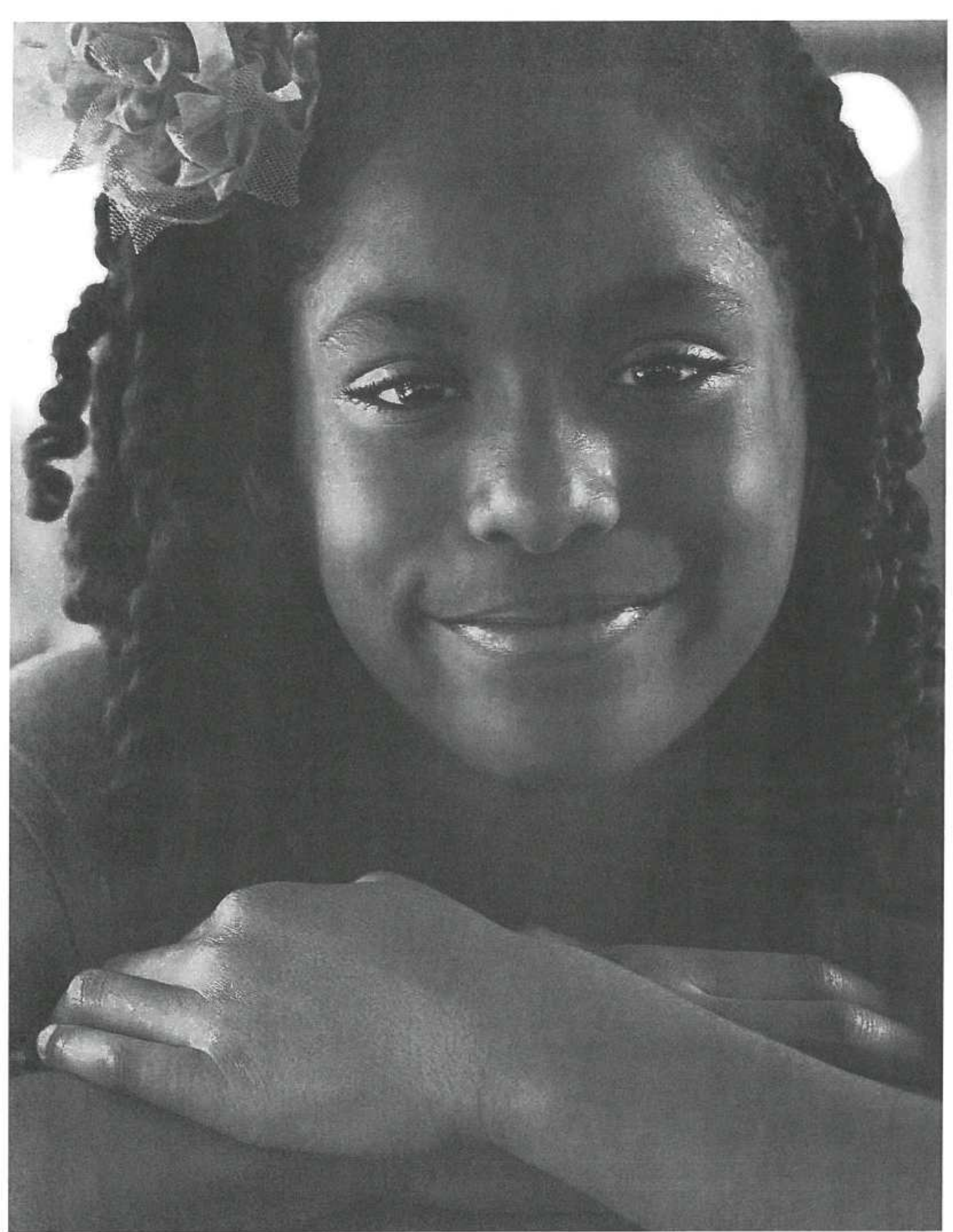
Share of Voice measures the percentage of advertising for the Los Angeles Zoo in the attraction category as compared to other brands in the same category. As a point of reference, the marketing budget and attendance levels for the Zoo have remained largely unchanged over the past 20 years.

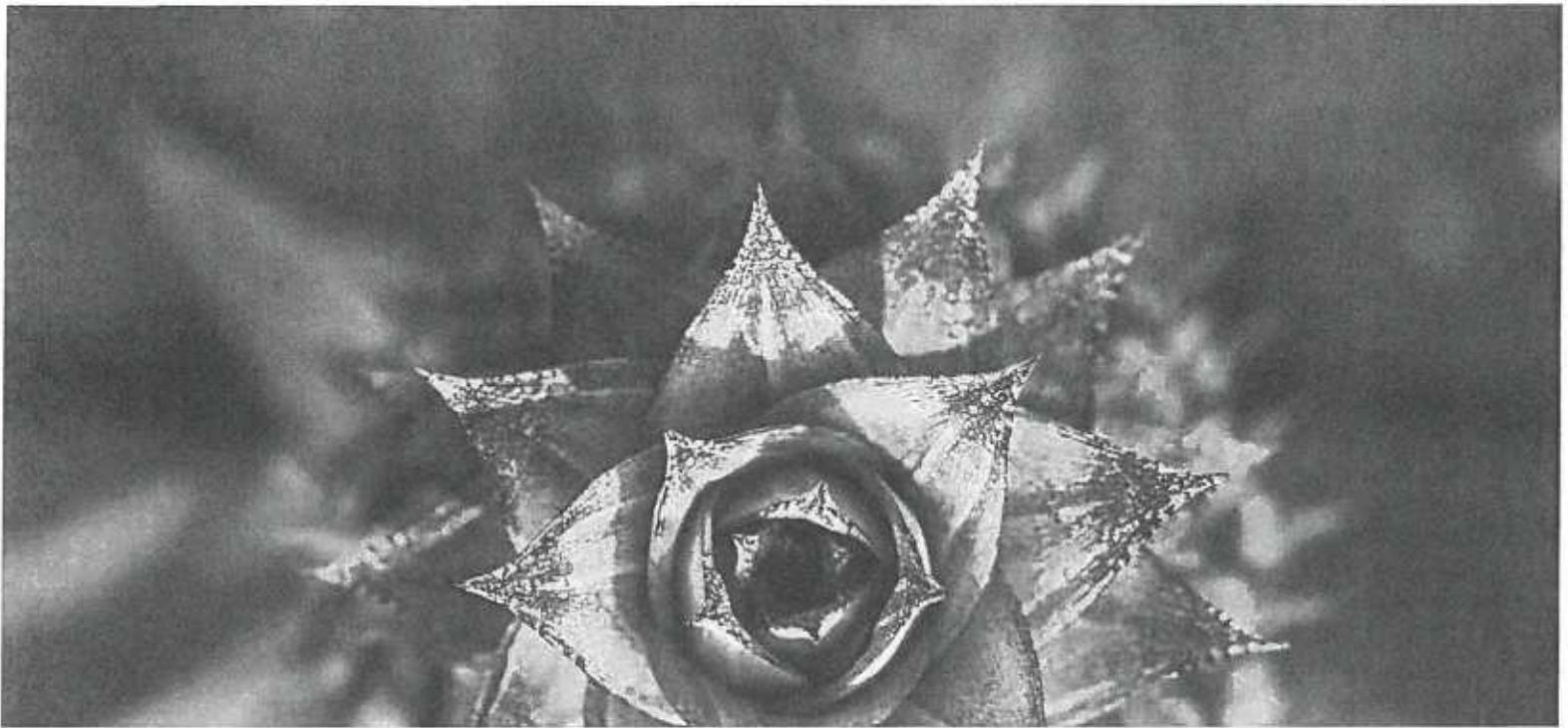
Competitive advertising reports are available through Kantar (TNS) for 2012. This report shows estimated advertising spending within the Los Angeles market area. The most recent data indicates that the Zoo accounts for .02% of the total advertising spending in this category.

It is important to note that this information is not definitive but merely illustrative. Some venues, such as the San Diego Zoo and Disneyland, represent their total attendance from visitors coming from all over the country, if not the world. On the other hand, the reported advertising spend is based on what has been observed only in the Los Angeles market. The result is that the spend per visitor does not accurately reflect what is spent to attract a Los Angeles area visitor, presumably a fraction of the overall attendance for a destination attraction.

COMPETITIVE ATTRACTIONS SHARE OF VOICE

VENUE	ADVERTISING	TOTAL 2012 SPEND	ATTENDANCE	AD SPEND PER VISITOR
Zoological Parks and Aquariums				
Los Angeles Zoo	TV, Newspaper, Radio, Online, Outdoor	\$844,624	1,500,000	\$0.56
San Diego Zoo Safari Park : Zoo	TV, Newspaper, Radio, Online, Outdoor	\$1,485,691	4,800,000	\$0.31
Seaworld World Parks	TV, Radio, Online, Outdoor	\$3,766,211	4,444,000	\$0.85
Other Cultural Attractions				
Autry National Center	TV, Newspaper, Radio, Online	\$22,219	N/A	N/A
Bowers Museum	TV, Newspaper, Online	\$66,542	N/A	N/A
California Science Center	TV, Mags, Newspaper, Online	\$1,115,024	1,604,878	\$0.69
Discovery Science Center	TV, Newspaper, Radio, Online, Outdoor	\$325,624	450,000	\$0.72
Getty Center Museum	TV, Mags, Newspaper	\$226,104	1,800,000	\$0.17
J Paul Getty Trust	Mags, Radio	\$76,912	Combined above	N/A
Los Angeles County Museum Of Art	Mags, Radio, Online, Outdoor	\$201,010	1,200,000	\$0.17
Museum Of Contemporary Art	Mags, Online	\$70,380	N/A	N/A
Natural History Museum	TV, Newspaper, Radio, Online, Outdoor	\$357,740	1,136,108	\$0.31
Theme Parks/Attractions				
Los Angeles County Fair	Newspapers, Online, Outdoor	\$201,724	1,492,762	\$0.14
Orange County Fair	Newspaper, Radio, Online, Outdoor	\$394,724	1,357,335	\$0.29
Ventura County Fair	Newspaper, Online, Outdoor	\$30,917	306,374	\$0.10
Knotts Berry Farm Park Amusement Park	Newspapers, Radio, Outdoor, Online, TV	\$4,222,588	3,508,000	\$1.20
Legoland Amusement Park	TV, Radio, Online, Outdoor	\$4,282,216	9,000,000	\$0.48
Raging Waters Water Park	TV, Radio	\$991,813	N/A	N/A
Ringling Brothers & Barnum & Bailey Circus	TV, Radio, Mags, Online, Outdoor	\$122,438	N/A	N/A
Six Flags Theme Parks	TV, Radio, Online, Outdoor	\$7,728,044	2,808,000	\$2.75
Universal Studios Theme Park	TV, Radio, Online, Outdoor	\$6,499,273	5,912,000	\$1.10
Walt Disney Theme Parks	TV, Radio, Online, Outdoor	\$1,768,719	23,738,000	\$0.07
Total Spend 2012	Jan-Dec 2012	\$34,800,537	65,057,457	\$0.53





MARKETING OVERVIEW

This plan aligns with the business plan goals and provides specific and actionable steps on how Greater Los Angeles Zoo Association (GLAZA) and the Los Angeles Zoo management teams plan to market the Zoo for the next three years. Since the Zoo has spent the past decade improving the overall experience for visitors it is important to communicate and establish this cultural attraction within the international zoo and local community. Similar to the business plan, the marketing plan include four umbrella goals, supporting strategies and tactics that may shift year to year; the overarching goal is to support the business plan.

Marketing Goals

1. Establish the Zoo as a premier entertainment and education destination
2. Build a strong brand
3. Increase market penetration
4. Grow year over year paid gate attendance

GOAL ONE

ESTABLISH LOS ANGELES ZOO AS A PREMIER ENTERTAINMENT & EDUCATION DESTINATION

STRATEGY A

Position the Zoo as THE not-to-be-missed zoo experience in the Southern California region.

Tactics:

- Develop long-lead PR plan
- Actively market and promote the overall Zoo experience, as well as the diversity of experiences available at the Zoo including education programs, animal interactions, special events, conservation efforts and animal care
- Focus on the unique and valuable animal collection as the heart of the experience
- Leverage the entertainment and content opportunities available in Los Angeles

Evaluation:

- Monitor awareness of and attitudes about the Zoo via ongoing quantitative research
- Increase wallet/market share against competitors

STRATEGY B

Facilitate visitor engagement: informational.

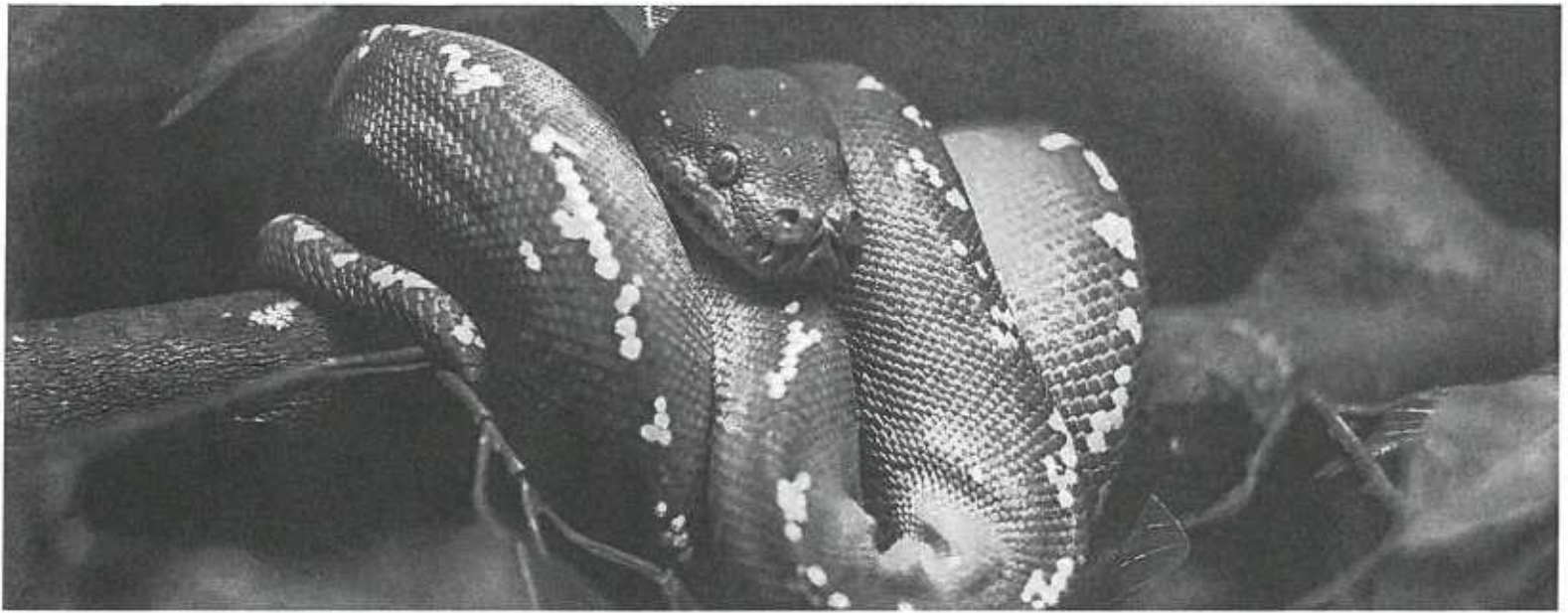
Tactics:

- Develop a Zoo app that provides visitor pre-planning, onsite way finding and deeper engagement tools
- Re-envision and rebuild the website as a dynamic, interactive, evolving, innovative source of information about all the Zoo offers
- Identify most highly trafficked web pages from mobile devices and build a mobile website
- Add mobile purchasing to current online ticketing solution
- Envision and implement innovative, engaging, educational and interactive “signage” throughout the Zoo executed by the Zoo’s education department as part of the master planning process

Evaluation:

- Improved web statistics: page views, unique visitors, length of time on site
- Usage of app
- Usage of mobile site and level of engagement as measured by page visits, time on site, mobile ticket sales
- Exit survey data





STRATEGY C

Promote visitor engagement: animals.

Tactics:

- Promote animal interactions as a key differentiator
- Offer high-value VIP experiences
- Offer low-cost, high-touch animal experiences
- Offer shows

Evaluation:

- Revenue vs. cost on added animal experiences
- Peer-to-peer recommendations on social media
- Improved guest experience as indicated by exit surveys

STRATEGY D

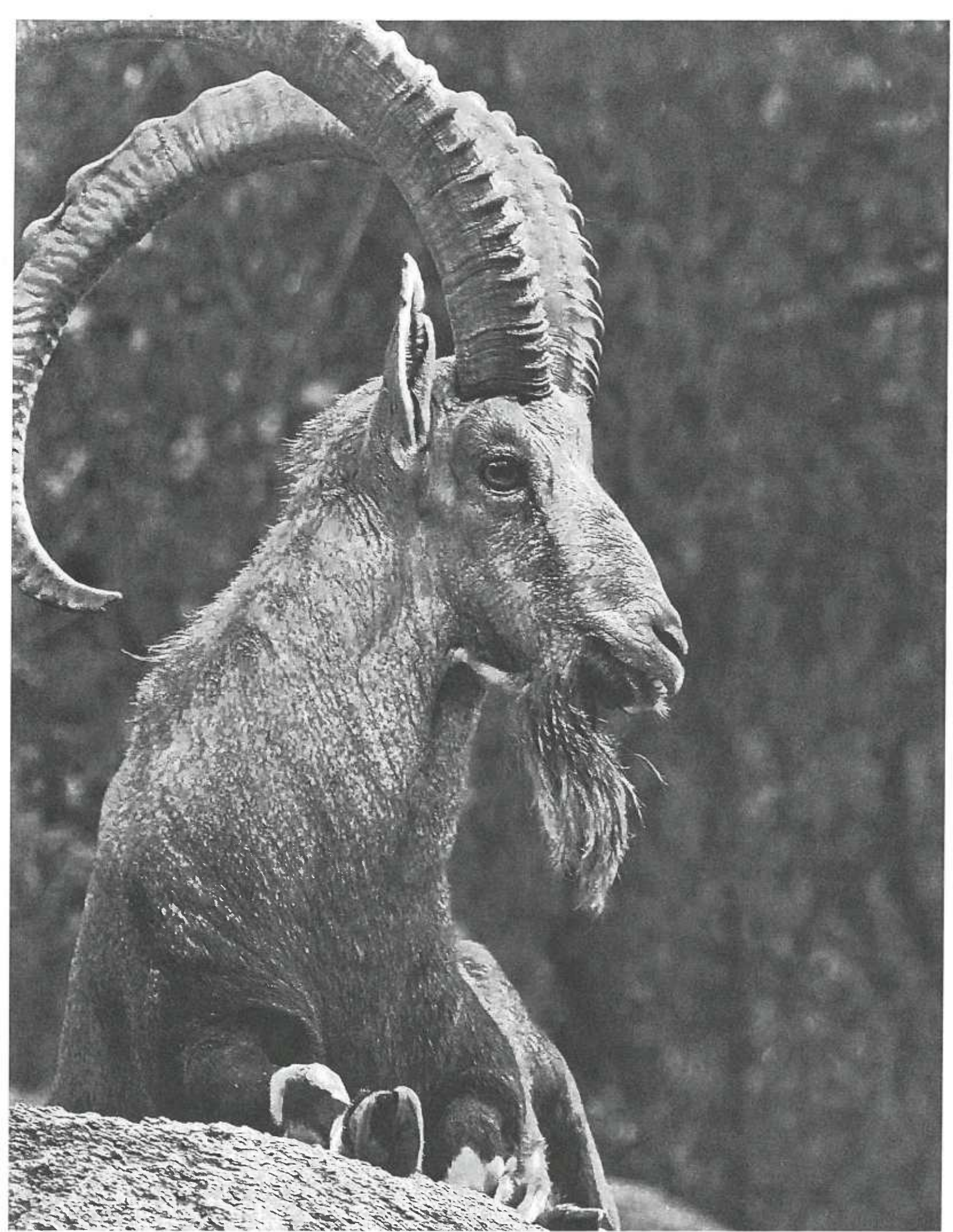
Integrate conservation, health and animal husbandry efforts and events core element of the brand.

Tactics:

- Stage public lectures by prominent field researchers and academics
- Align with local and national environmental organizations (e.g., Tree People, Nature Conservancy, Sierra Club) by hosting meetings, conferences and cross-promotions
- Create a wildlife/conservation film screening series for families
- Actively promote conservation projects in which the Zoo is engaged
- Promote activities and accomplishments in areas of veterinary health and animal husbandry

Evaluation:

- Attendance of events
- Media coverage of Zoo conservation, veterinary health and animal husbandry efforts
- Peer-to-peer recommendations on social media



GOAL TWO

BUILD A STRONG BRAND

STRATEGY A

Create and maintain a consistent and effective marketing, advertising and PR effort.

Tactics:

- Contract an advertising agency of record for term of Memorandum of Understanding (MOU)
- Contract a public relations agency of record for term of MOU
- Develop a year-round, persistent advertising/media plan and PR campaign with seasonally appropriate messaging targeting specific audience segments

Evaluation:

- Agency of Record contracts in force
- Annual marketing plan submitted to Zoo director and GLAZA president

STRATEGY B

Relaunch the Los Angeles Zoo brand.

Tactics:

- Working with agency, conduct a brand audit
- Based on the outcome of the audit, develop a brand positioning and messaging strategy
- Identify several key messages, targeting specific audiences
- Test messages before roll-out to identify those that resonate most strongly with specific audiences
- Incorporate approved messaging strategy into all marketing channels
- Establish criteria for relevant partnerships, cross-promotions and PR/community outreach that are aligned with the Zoo brand and values

Evaluation:

- Message testing research
- Pre-and post-tracking study to evaluate effectiveness of messages
- Consistency of messaging
- Relevance of events



STRATEGY C

Deliver frequent and targeted outbound communications via social and email channels.

Tactics:

- Develop a social media strategy defining the voice of the brand
- Create an annual social media calendar that incorporates varied, engaging and entertaining content
- Partner with appropriate and relevant blogs to provide content and promotion
- Use social media to facilitate discovery, research, peer-to-peer recommendations and follow-up customer service
- Develop and execute an email marketing strategy
- Test email messaging, content and segmentation using A/B methods to optimize for content that resonates most strongly with target audiences
- Grow the in-house email list

Evaluation:

- Increased social media engagement as measured by page likes, shares, post comments, reach, engagement
- Peer-to-peer recommendations on social media



GOAL THREE

INCREASE MARKET PENETRATION

STRATEGY A

Identify and target key local audience to drive new and repeat visits.

Tactics:

- Build customer segmentations based on demographics, geography, ethnicity and lifestyle using available data and research
- Target segments using relevant and compelling messages
- Develop strategic promotional discounting during slow periods
- Identify and pursue additional ticketing outlets/opportunities
- Create compelling activities and special events that motivate prospective visitors to move from consideration to visitation
- Create events that target specific target audiences.
- Ensure that events are relevant and consistent with the Zoo mission and reinforce “zoo-mindedness”
- Contract traveling exhibits and shows as needed to complement the Zoo’s programming

Evaluation:

- Increased penetration in select zip codes
- Increased penetration in targeted demographics
- Reaching general admissions goals
- Reaching special event admissions goals
- Reaching target members goals

STRATEGY B

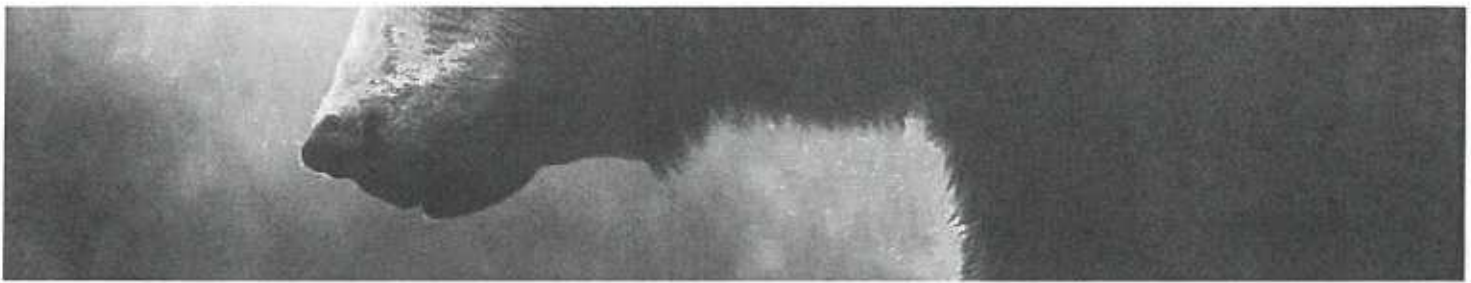
Achieve a deeper penetration in Los Angeles region and demographic audiences.

Tactics:

- Expand the media mix
- Actively cultivate relationships with local journalists to expand news coverage of programs, exhibits, events and animals by traditional media outlets and online
- Use exclusive content to engage media in ongoing exposure for the Zoo
- Offer discounted Zoo tickets and incentives to employee perk programs
- Develop communication plans to reach and engage city employees, other sister government entities and elected officials
- Join and strategically engage membership organizations such as local chambers in Los Angeles, Burbank, Glendale, Hollywood, etc.

Evaluation:

- Increased visitation across targeted zip codes
- Increased media coverage
- Content partnerships (currently none)
- Employee perks and group sales



STRATEGY C

Grow tourist visitation (from outside SoCal).

Tactics:

- Actively participate in Los Angeles Convention and Visitors Bureau
- Conduct outreach to tour operators and associations
- Implement online discounted group ticket sales technology
- Develop concierge outreach program and grow concierge referrals
- Partner with events that draw large out-of-town visitation, e.g., Rose Bowl, special-interest conventions, etc.
- Cross-promote with local tourist destinations such as Universal Studios, Warner Bros. and Disneyland.
- Cultivate long-lead travel editorial and travel blog features

Evaluation:

- Tourist visitation growth

STRATEGY D

Cultivate partnerships with institutions and organizations with similar and desirable demographics, e.g., Natural History, Aquarium of the Pacific, California Science Center, Dodgers, Annenberg Center for Photography, National Geographic.

Tactics:

- Create value-added opportunities
- Develop cross-promotions including onsite presence at appropriate events
- Provide discounts for members of partner organizations

Evaluation:

- Active partnership programs in place

STRATEGY E

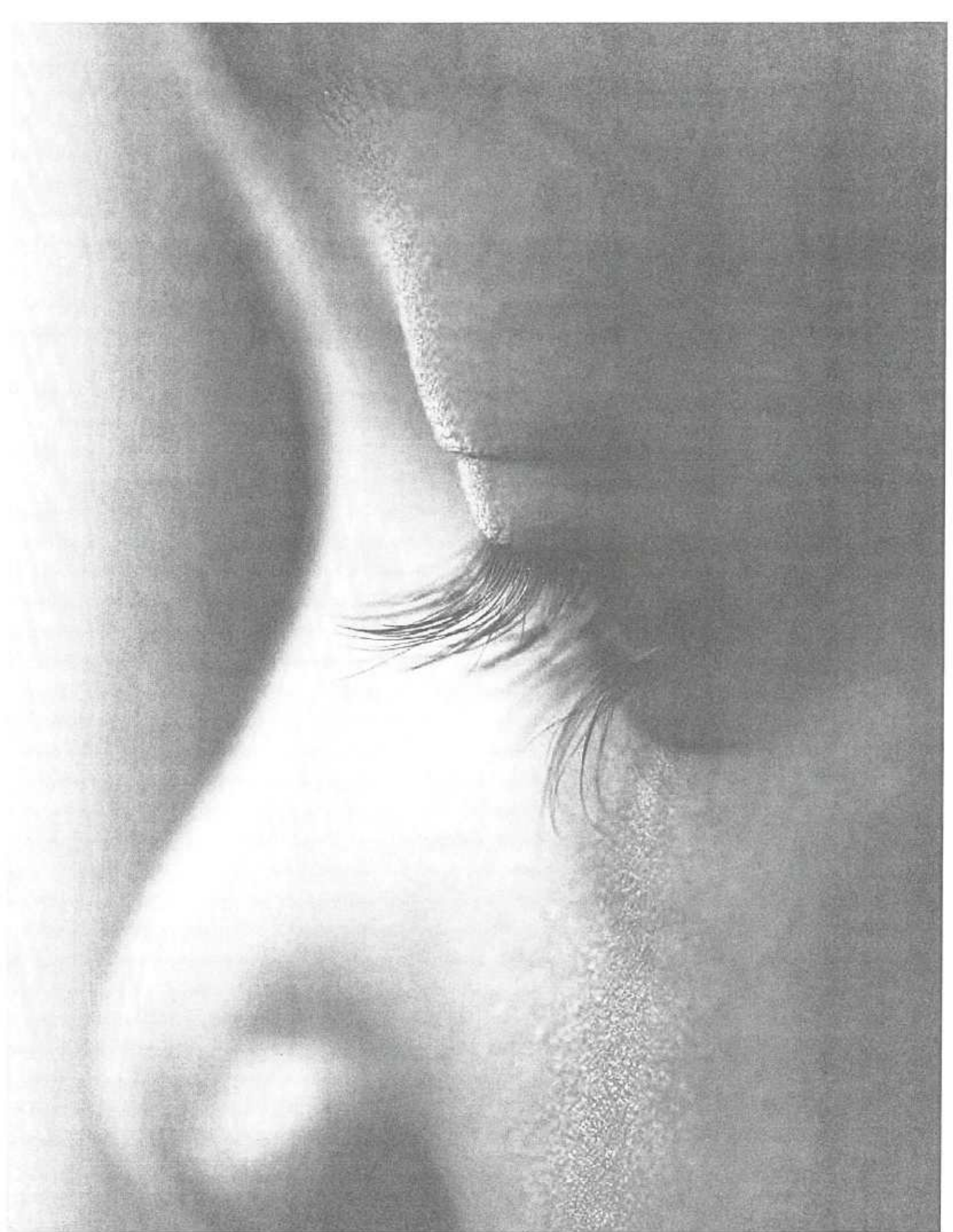
Cultivate corporate sponsorships and business partnerships.

Tactics:

- Provide relevant and compelling opportunities for sponsors and partners
- Facilitate visitation by sponsor and partner employees by providing discounted admissions and onsite recognition for visitation days
- Identify and solicit partners with a strong brand affinity
- Maximize promotional value offered by professional partners to build awareness and drive gate attendance

Evaluation:

- Meet or exceed sponsorship and business partnership goals
- Track visitation using discount codes or other tracking methods



GOAL FOUR

GROW YEAR OVER YEAR PAID GATE ATTENDANCE

STRATEGY A

Maximize earned revenue from admissions, concessions, membership, special exhibits and events using data from a CRM system.

Tactics:

- Create an internal committee to define needs and scope
- Evaluate available CRM tools and how/if they integrate with existing systems such as ticketing, concessions POS, etc.
- Consult with other zoos, aquariums, museums and attractions on the implementation and usage of their CRM systems
- Evaluate cost/benefit ratio of upgrading existing systems and/or instituting comprehensive CRM

Evaluation:

- Increased SoCal market visitations, as measured by year over year visitations from SoCal zip-code gate data
- Increased out-of-market visitation, as measured by year over year gate data
- Increased paid gate admissions and revenue as projected in business plan

STRATEGY B

Increase mid-week attendance.

Tactics:

- Identify key target audiences
- Cross-tab the demo from weekday attendance on exit survey
- Create a series of mid-week promotions/packages
- With new animal interactions paid promotions will push mid-week for first 90 days
- Tourism
 - Implement cross-promotions with other cultural attractions, tourist destinations, local hotels and large events
 - Leverage locals' out-of-town guests - 25% of the population
- Leverage private event programs.

Evaluation:

- Increased attendance mid-week
- Audience compositions - non-resident vs. resident
- Promotional redemptions



STRATEGY C

Increase private event bookings.

Tactics:

- Operationalize private events and site rentals
- Identify sites throughout the Zoo for private events
- Develop an onsite venue for large-scale events
- Market and promote private event opportunities to general public, event planners and corporate event managers
- Develop tools to allow online reservation of standardized events such as birthday parties

Evaluation:

- Reach annual site rental and catering sales goals as outlined in the MOU

MARKETING BUDGET

The marketing budget is based upon the agreement outlined in the Marketing and Public Relations Memorandum of Understanding.

MARKETING PLAN BUDGET				
	FISCAL YEAR 2013-14 PRELIMINARY ACTUALS	FISCAL YEAR 2014-15 ADOPTED BUDGET	FISCAL YEAR 2015-16 PROJECTIONS	FISCAL YEAR 2016-17 PROJECTIONS
Advertising and Marketing	\$1,338,252	\$1,664,500	\$1,826,800	\$1,960,000
Public Relations and Publicity	\$63,313	\$87,500	\$92,000	\$95,000
Public Events	\$282,454	\$230,000	\$245,000	\$260,000
Research	\$9,774	\$40,000	\$40,000	\$25,000
Sponsorship	\$60,000	\$14,000	\$15,400	\$16,000
Misc	\$95,503	\$44,000	\$44,000	\$43,728
Subtotal	\$1,849,296	\$2,080,000	\$2,263,200	\$2,399,728
Salaries & benefits	\$464,278	\$676,000	\$703,040	\$731,162
Total	\$2,313,574	\$2,756,000	\$2,966,240	\$3,130,890

These dollar amounts reflect marketing strategic branding and public relations programs for the Zoo, including public events focused on attracting new audiences and encourage repeat visitation.

CRITICAL FACTORS

For the Los Angeles Zoo to be successful with this plan, it is important to note the critical success factors that will be needed:

- Excellent customer service
- Deeper understanding of the Zoo's customers including spending patterns
- Website optimized for mobile
- Online ticketing system optimized for conversion
- Fully operational campus, interactive experiences and shows (no obstructive construction)
- Lack of natural disasters/acts of God
- Typical weather patterns
- Health, care and safety of the animals comply with standards
- Management alignment on ticket pricing and promotional offers that are competitive and compelling within the cultural attraction category





August 19, 2014

*"Nurturing
wildlife
and enriching
the human
experience"*

Los Angeles Zoo
5333 Zoo Drive
Los Angeles
California 90027
323/644-4200
Fax 323/662-9786
<http://www.lazoo.org>

Eric Garcetti
Mayor

Tom LaBonge
Council Member
4th District

Zoo Commissioners

Karen B. Winnick
President

Bernardo Silva
Vice President

Sue Downing, D.V.M.

Yasmine Johnson

Tyler Kelley

Marc Mitchell

Richard Lichtenstein
ex officio member

John R. Lewis
Zoo Director

Arts, Parks, Health, Aging and River Committee
c/o Adam Lid, Office of the City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Reference: Council File 13-1469

Honorable Councilmembers:

The Zoo Department respectfully transmits a revised Third Amendment to the Memorandum of Understanding (MOU) between the Zoo Department and the Greater Los Angeles Zoo Association (GLAZA) for marketing, public relations, site rentals and catered events for your consideration and approval. This transmittal supercedes the transmittal previously submitted on June 20, 2014 about the MOU.

The original MOU with GLAZA was executed on May 3, 2013 and was subject to ratification by the City Council either before or at the time of the approval of the Business and Marketing Plan by Council. Ratification was to occur no later than December 31, 2013. In accordance with language in the MOU, the Zoo submitted its Business and Marketing Plan to the Council by the deadline of November 1, 2013; however both the Plan and the MOU are still pending in the Arts, Parks, Health, Aging and River (APHAR) and Budget and Finance Committees.

The First Amendment which was executed on March 26, 2014, revised Section 6 of the MOU to clarify that the City's Standard Terms and Conditions (Rev 3/09) apply to the MOU and amended Section 7 of the MOU by extending the date for Council approval of the Business and Marketing Plan ("Plan") and ratification of the MOU to March 31, 2014.

The Second Amendment revised Section 7 of the MOU at the direction of the APHAR Committee by extending the date for Council approval of the Plan and ratification of the MOU to September 30, 2014.



An Equal
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Opportunity
Affirmative
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Accredited by the Association
of Zoos and Aquariums

Accredited by the American
Association of Museums

Member of the California
Association of Zoos and Aquariums

The revised Third Amendment, among other things, clarifies GLAZA's commitment as a partner to provide an enhanced level of marketing for the Zoo, and provides numbers from GLAZA that projects to expend \$2,550,000 for marketing the Zoo in Fiscal Year 2013-14, that they expect/agree to expend \$2,756,000 for marketing in Fiscal Year 2014-15, which amount has been approved by their Board and expects/ agrees to expend \$2,966,240 for Fiscal Year 2015-16 subject to approval by the GLAZA Board. It also provides the following changes: (a) the annual milestones to be achieved by GLAZA's marketing efforts, based on defined performance metrics, shall be based on Fiscal Year 2012-13 actuals; (b) if total actual admissions revenue falls below the total projections as contained in the adopted budget, the Zoo shall retain its share as specified first, and GLAZA shall receive its share only up to the maximum amount specified; (c) the CAO and CLA have the right to review GLAZA documents including but not limited to GLAZA's annual financial audit and third party GLAZA contracts for services performed at or related to the Zoo; (d) GLAZA will provide the Zoo with the information and material needed for the Zoo to provide biannual reports to Council regarding the Plan's implementation; and (e) the City may terminate the MOU for convenience at any time upon one hundred and eighty (180) days written notice.

In a separate transmittal, the Zoo has submitted an updated Business and Marketing Plan (July 2014) which is consistent with the revised Third Amendment. Attached to this transmittal is the original MOU, the First Amendment, Second Amendment and revised Third Amendment.

Respectfully submitted,



JOHN R. LEWIS, General Manager
Zoo Department

JRL:DMV/dmt

cc: Dov Lesel, Office of the City Attorney
Ryan Carpio, Office of the Mayor
Miguel Santana, Office of the CAO
Gerry Miller, Office of the CLA
Connie Morgan, Greater Los Angeles Zoo Association

Attachments

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

THE LOS ANGELES ZOO AND BOTANICAL GARDENS ("Zoo")

AND

THE GREATER LOS ANGELES ZOO ASSOCIATION ("GLAZA")

MARKETING AND PUBLIC RELATIONS

AND

SITE RENTALS and CATERED EVENTS

1. Governance

Operating Agreement

The City of Los Angeles, through the Zoo Department, entered into an Operating Agreement with the Greater Los Angeles Zoo Association for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (also known as the Zoo Director) is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU details the subject matter of the parties' understanding, indicates what the parties have agreed to perform, and the consideration to be exchanged between the parties.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plans, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the General Manager of the Zoo Department to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plans for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plans.

2. Term of MOU

This MOU is effective for a three-year period during the parties' fiscal years, commencing July 1, 2013 through June 30, 2016 ("Term"). The Program Descriptions and Budgets below reflect activity during these entire three fiscal years. The Zoo and GLAZA may amend this MOU by written agreement during its Term should they mutually agree to change the program outlines and budget, or for other reasons. Any amendment shall conform with and carry out the objectives and strategies in the Marketing and Business Plans as approved and adopted by the City Council.

3. Performance by GLAZA and the Zoo

GLAZA and the Zoo will cooperate in a good faith effort to achieve the results projected on the Exhibits to this MOU; however, neither GLAZA nor the Zoo can guarantee that their efforts will achieve such results. Accordingly, where GLAZA and the Zoo have exerted their good faith efforts, their failure to achieve such projected results is not grounds for terminating this MOU.

The Zoo will make good faith efforts to provide the resources, staff, programs and intellectual property necessary to fulfill the Marketing and Public Relations plans. GLAZA will complete annual Marketing and Public Relations plans in sufficient time to inform the Zoo's budget planning each fiscal year no later than February 28th of each year, to conform with and carry out the objectives and strategies in the Marketing and Business Plans as approved and adopted by the City Council.

The Zoo will (a) provide GLAZA with a non-exclusive license for its use of all Zoo trademarks, logos and other marks for the purpose of marketing the Zoo, (b) terminate the existing contracts relating to the Zoo's marketing, advertising and public relations prior to the commencement of this MOU, with the exception of the existing contract with AdEase, which shall be extended through December 31, 2013 for the promotion of the Rainforest of the Americas and (c) request the timely City approval and implementation of an increase to Zoo admission fees up to \$1.00 each year for the Term of this MOU.

4. Program Descriptions

A. Marketing and Public Relations

GLAZA will be responsible for the staffing, design, implementation and management of a comprehensive marketing, strategic branding and public relations program for the Zoo to achieve the goals of expanding external awareness of the Zoo and increasing Zoo attendance, admissions revenue and other forms of earned revenue. GLAZA's objectives during the Term of this MOU will include:

- invest over \$2,000,000 annually in the Marketing and Public Relations program
- generate a total of more than \$6 million of new funding for the Zoo

- increase the Zoo's market penetration of its Metropolitan Statistical Area by a total of 12%
- increase the Zoo's paid attendance by 5% annually
- increase the Zoo's total admissions revenue by 11% annually
- increase the Zoo's other earned revenues (including concessions and membership) by 21% over the Term
- replenish and grow the marketing and public relations budget annually

During the Term, GLAZA will make a good faith effort to achieve the deliverables, milestones and metrics listed on Exhibit A to this MOU.

The Zoo will maintain a staff position to handle the public relations for any crisis situation at the Zoo and to communicate all animal-related information to the media and the general public. GLAZA's Marketing and Public Relations program will coordinate all internal and external promotional messaging to ensure a consistent voice in all of the Zoo's marketing communications. The program and strategies will include, but not be limited to, market research, branding and advertising, media and community relations in connection with special events and promotions, strategic marketing alliances, group sales, tourism and quantitative analysis of marketing results.

Market Research

- Upon approval of this MOU, GLAZA will review the market research recently obtained by the Zoo. Based upon that information, GLAZA will conduct additional market research necessary to develop a new positioning platform, including research that will target current Zoo attendees and non-attendees to identify and prioritize new, multi-ethnic target audiences, as well as reveal the public's current opinions, perceptions and misperceptions of the Zoo. GLAZA has secured a proposal for this additional research and will complete it within six (6) weeks of its commencement.
- Additionally, throughout the term of this MOU, GLAZA will conduct ongoing quantitative analysis to determine the effect of its marketing and public relations efforts on changes in Zoo attendance. GLAZA will deliver to the Zoo monthly projections of attendance to enable the Zoo to optimize its cash flow and to inform the process of planning for years when attendance may be off due to weather and other external factors. Changes to annual paid attendance during the term of this MOU will be compared to 877,000, which is the approximate average annual paid attendance over the past two fiscal years commencing July 1, 2011 through June 30, 2013 (fiscal years 2011-12 & 2012-13). Based on this information, GLAZA will periodically adjust and refine the marketing mix and public relations program to achieve its goals of increasing brand awareness, paid attendance and earned revenue. This does not account for increases in paid attendance resulting from the opening of new exhibits and shows.

- GLAZA and the Zoo agree that a business information/customer relations management system may be helpful to future optimization of customer visitation and spending patterns at the Zoo. During the 2013-14 fiscal year, GLAZA and the Zoo will work jointly to research available business information/customer relations management systems that will provide information on visitors' needs and preferences, and that will enable GLAZA and the Zoo to maximize earned revenues from admissions, concessions, membership and special exhibits and events. GLAZA and the Zoo will explore the costs, benefits and viability of installing a system and decide together whether and how to proceed with its funding, installation and implementation. This will be completed by January 1, 2014.

Branding, Positioning and Advertising

- From March 15, 2013 through October 2013, GLAZA will conduct a strategic planning process with Zoo and GLAZA staff and GLAZA Trustees to create a unified vision for the Zoo's future that will inform its marketing platform and annual marketing plans, the Zoo's overall business plan, planning for the capital campaign and the second phase of the Zoo's master plan.
- Based on the spring 2013 market research findings, and in conjunction with the strategic planning efforts of GLAZA and the Zoo, GLAZA will create and implement a marketing, positioning and public relations plan that will include branding the Zoo to target new audiences with a unified and compelling message. GLAZA will develop annual marketing plans that will maintain a consistent presence in the greater Los Angeles marketplace to make the Zoo a top-of-mind Los Angeles attraction and promote attendance. GLAZA will submit the marketing plan annually to the Zoo Director or the Director's designee for approval.
- GLAZA will hire an advertising firm to coordinate and provide advice on branding, advertising, public relations and media. The Zoo Director or his designee will be part of the selection team for the advertising firm. GLAZA will conduct message testing surveys and focus groups before launching the marketing campaign to ensure the effectiveness of the branding and advertising at increasing audience awareness and generating new Zoo visitors.

Strategic Marketing Alliances and Media Mix

- To increase the Zoo's reach and positive image, GLAZA will develop strategic marketing alliances with local institutions, such as the Natural History Museum of Los Angeles, the California Science Center and the Aquarium of the Pacific, as well as environmentally focused groups such as the Sierra Club, the Nature Conservancy and TreePeople. By creating these alliances and developing productive relationships with these entities, GLAZA will reach a broader audience of potential new Zoo visitors.

- GLAZA will coordinate its ongoing corporate sponsorship program with its marketing program to secure opportunities for cross promotions and marketing alliances with these Zoo supporters that will substantially increase the quantity of the Zoo's market impressions. Income from the corporate sponsorship program will be invested to further GLAZA's marketing and public relations efforts.
- GLAZA will expand the media mix used to spread the Zoo's marketing messages, increase its demographic reach and leverage its financial investment in marketing. GLAZA's media mix may include radio, outdoor advertising, print media, advertising and social media. In addition, GLAZA will maintain and leverage existing media relationships and cultivate new opportunities to partner with local media outlets, such as local public radio stations and foreign language media that have the ability to connect the Zoo to new target audiences. GLAZA will actively cultivate relationships with local journalists to maximize news coverage of events, programs and exhibits and gain positive attention. Media relations will focus on creating brand awareness of the Zoo as a trusted institution for animal care and conservation as well as promote Zoo attendance.
- GLAZA will create a strategy to capitalize on its use of social media to reach new audiences and demographics and to deepen relationships with current Zoo attendees to encourage future visits and purchases. Tactics will include Facebook links to our strategic partners with ongoing conversations about animals and wildlife, active blogs and Twitter accounts, a meaningful presence on additional social media channels such as Pinterest and Foursquare and the creation of a mobile phone app for Zoo patrons.
- GLAZA will work to garner increased tourist paid attendance by partnering with other local tourist destinations such as Universal Studios, Warner Brothers and Disneyland to gain tourists' attention and visitorship. GLAZA will develop an ongoing relationship with the concierges at key local tourist hotels, as well as with major tour operators that target foreign (specifically Asian) visitors to Los Angeles.

Special Events and Exhibits

- GLAZA will assume responsibility for creating, marketing and implementing special events within its annual marketing plans to increase Zoo attendance and admissions revenues. These events will be designed with the goal of bringing new audiences to the Zoo.
- GLAZA will also contract for mission-focused travelling exhibits and shows, as needed to complement the Zoo's programming, and will design and distribute compelling marketing communications to inspire increased Zoo visitorship for these special exhibits and shows.

Staffing

GLAZA will fund, hire and direct a marketing professional who shall report to the GLAZA President to create and implement the marketing, positioning and public relations plan and to direct and manage those ongoing operations. GLAZA will also fund and hire a full complement of staff to carry out this program under the direction of this professional.

Budget and Results

GLAZA's business plan and budget for the Marketing and Public Relations program is attached to this MOU as Exhibit B for illustration purposes only. It details GLAZA's significant financial investment over the three years of the Term and illustrates the substantially increased revenues that should result from these efforts.

During the first year of this MOU, GLAZA will invest over \$2,000,000 to fund the comprehensive Marketing and Public Relations program from its working capital, capacity-building grants, sponsorship program and GLAZA's endowment. In years 2 and 3, GLAZA will invest over an additional \$2,000,000 annually from its share of the increased earned revenue generated by increased Zoo visitorship. GLAZA will also fund the costs of new GLAZA staff in both Marketing and Public Relations and in Group Sales. These investments and the projected increased earned revenues require that the City exercise its authority in its sole discretion to raise the admission fees up to \$1.00 each year for the term of this MOU. GLAZA has projected yearly revenue and expenses for the Marketing and Public Relations program, as illustrated in Exhibit B to this MOU. Net revenues resulting from the marketing effort in excess of expenses will be transferred annually to the Zoo Enterprise Trust Fund, with timing subject to negotiation between the Zoo and GLAZA, but no later than 30 days following the close of each fiscal year. Paid ticket attendance, including the increase in revenue from the admission fee increases, will continue to go into the Zoo Enterprise Trust Fund, unless otherwise authorized by Council as part of the approval of the Business and Marketing Plans.

In three years, GLAZA's marketing and sales efforts should increase general attendance by 5% annually and membership by 3% per year. Group sales and special events admissions should grow by 8% each year. Growing community awareness of the Zoo should result in a 12% increase in its penetration of its Metropolitan Statistical Area ("MSA"). The net result of this growth should be a dramatic increase in new revenues for the Zoo, totaling more than \$6 million over the three-year term of this MOU.

Other Matters

Performance Assessment: Deliverables, metrics and milestones for GLAZA's Marketing and Public Relations program are attached to this MOU as Exhibit A, and will be reviewed on an ongoing basis by the Zoo Director and the GLAZA President.

Success Factors: The success of this program is contingent on satisfaction of the conditions described above and several additional factors, including mutual cooperation, good faith efforts, approval and implementation of increases to Zoo admission fees in the sole discretion of the City, weather conditions, lack of natural disasters including fires and earthquakes which affect the local area, and welfare and safety of the animals at least consistent with the industry standard as required for continued AZA accreditation.

B. Site Rentals and Catered Events

Term

As a component of GLAZA's overall marketing campaign to raise the awareness of the Zoo, GLAZA will market it as a prime venue for catered events. In addition, major catered events are booked months, if not years in advance. Therefore, a one-year term for this MOU is not sufficient to reflect the efforts and rewards of this program.

Staffing

GLAZA will fund, hire and direct a staff (or at its discretion, an outside firm) to market, negotiate, and oversee site rentals at the Zoo, as well as appropriate staff, either directly or through Concessionaire or other catering companies, to oversee individual events including additional non-Zoo staff to undertake custodial and monitoring duties. GLAZA will also hire and manage the group sales efforts required by this MOU.

Venues

Existing Venues: GLAZA will undertake a market survey to determine size and types of events local organizations are planning. GLAZA will also review the current list of Zoo spaces for rent, and work with consultants to determine the best possible use (capacity, type of event, event amenities, etc.) of each site, as well as modifications to these venues to maximize their utility

Large-Scale Venues: In conjunction with the Zoo, GLAZA will study optimal location(s) for large-scale events (up to 1000 guests) both during public hours and in the evenings, including Tree Tops and the CDC Park. GLAZA and the Zoo will endeavor to prioritize these spaces, and have at least one fully designed and cost-estimated by March 31, 2014. Funding, which will be the result of joint efforts, will be obtained and the venue will be completed by the end of June 30, 2015.

Animal Experiences

The Zoo will develop a flexible and cost-effective program for providing animal experiences at catered events, especially for evening events.

Capital Investment

GLAZA will invest in an inventory of equipment, including such items as heaters, chairs, tables and lighting for groups of 100-250. GLAZA and the Zoo will work jointly to identify potential storage space for this equipment. GLAZA will develop relationships with rental companies to provide additional equipment for larger groups and to offer site renters other affordable options. GLAZA will limit such vendors to those who have demonstrated ability to work with a complicated public site such as the Zoo. Upon expiration or termination of this MOU, all equipment purchased pursuant to this section shall become the property of the Zoo.

Group Admission Sales

As part of developing packages for site renters during public hours, the Zoo authorizes GLAZA to market and sell group paid admission tickets in line with a group sales policy to be negotiated with the Zoo.

Budget and Results

GLAZA's budget and business plan for the Site Rentals and Catered Events program is included as Exhibit C of this MOU. It details GLAZA's significant financial investment over the three years of the Term, and illustrates the substantially increased revenues that should result from these efforts.

During the Term of this MOU, GLAZA will retain all commissions and fees from outside catering and site rentals to cover its expenses, including staffing and equipment purchases. Additionally, GLAZA will invest funds from its working capital and capacity-building grants to build this program.

Fees from GLAZA's Site Rental and Catered Events program are projected to increase by 50% annually during the Term. These events should reach new audiences for the Zoo and its programs, leading to increased visitorship and revenue for the Zoo.

Other Matters

Performance Assessment: Deliverables, metrics and milestones for GLAZA's Site Rentals and Catered Events program are attached to this MOU as Exhibit D, and will be reviewed on an ongoing basis by the Zoo Director and the GLAZA President, with oversight from the GLAZA Board of Trustees.

Success Factors: The success of this program is contingent on satisfaction of the conditions described above and several additional factors, including good weather conditions, lack of natural disasters including fires and earthquakes which could affect the local area, continuation of excellent animal husbandry, welfare and safety at least consistent with the industry standard as required for continued AZA accreditation, and the cooperation of Zoo Director and related Zoo staff necessary to carry out the Site Rentals and Catered Events program.

5. Miscellaneous Provisions

5.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

5.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereof, subject to the Operating Agreement.

5.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

5.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

5.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

5.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any obligations under this MOU without the Zoo's prior written consent.

5.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.

5.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

6. City's Standard Terms and Conditions

The City's Standard Provisions for City Contracts (Rev. 3/09) is attached and made part of this MOU to update the Standard Terms and Conditions which are attached to the Operating Agreement. In the event of a conflict, the Operating Agreement language shall prevail.

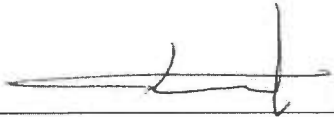
7. Ratification

This MOU is subject to ratification by the City Council and may be ratified by Council before or at the time of the approval of the Business and Marketing Plans by Council. No later than November 1, 2013, the Zoo shall submit (not-to-exceed) five year Marketing and Business Plans to the City Council, consistent with Sections 22.711, 22.713 (5) and 22.714 of the Los Angeles Administrative Code (LAMC), for Council's approval. Approval of the Zoo's five year Marketing and Business Plans shall occur no later than December 31, 2013, and consistent with LAMC Section 22.711, this MOU shall conform with and carry out the objectives and strategies in those approved and adopted plans. The MOU shall be void if the Marketing and Business Plans are not approved and adopted by the City Council by December 31, 2013 and GLAZA and the City shall have no further obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their respective authorized representatives.


APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

By: 
DOV LESEL, Assistant City Attorney

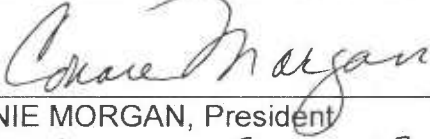
DATE: 5-2-13

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
JOHN R. LEWIS, Zoo Director

DATE: May 3, 2013

GREATER LOS ANGELES ZOO ASSOCIATION

By: 
CONNIE MORGAN, President

May 3, 2013

EXHIBIT A

Memorandum of Understanding
by and between

The Los Angeles Zoo and Botanical Gardens and the Greater Los Angeles Zoo Association

MARKETING AND PUBLIC RELATIONS PLAN

DELIVERABLES

Annual Marketing and Public Relations Plan	GLAZA President to submit to Zoo Director
Monthly Attendance Projections and Variances	GLAZA to deliver to Zoo Director

PERFORMANCE METRICS: GLAZA will use its good faith efforts to meet the following metrics:

Penetration of Metropolitan Statistical Area (MSA)	Increase by 12% over the Term
Regular Paid Zoo Attendance	Increase by 5% annually
Total Zoo Admissions Revenue	Increase by 11% annually
Other Zoo Revenue (Including concessions and membership)	Increase by 21% over the Term
New funding for the Zoo Department	An additional \$6 million over the Term

GLAZA will use its good faith efforts to meet the following milestones:

<u>MILESTONES</u>	<u>Commencement</u>	<u>Completion</u>
Strategic Planning	March 2013	October 2013
Corporate Sponsorship Program	February 2013	Completed and ongoing
Marketing Director Search	MOU approval	Within ten weeks
Hiring of Marketing and PR Staff	Hiring of Marketing Director	ASAP
Opinion Research	MOU approval	Within six weeks
Long-Term Branding	November 2013	July 2014
Business Information System	MOU approval	To be scheduled with the Zoo Director and contingent upon securing funding

03.26.13

Draft / Not Final
Exhibit B

March 12, 2013

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

Page 1

Pricing \$1 increase per year
Attendance 5% growth in Regular Admissions
Membership 3% growth in Member Households

Attendance and Admission

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
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Admission Prices				
Adult Ticket Price	\$17.00	\$18.00	\$19.00	\$20.00
Annual % increase	6.25%	5.88%	5.56%	5.26%
% of top ticket price (this reflects reduction from top ticket price for seniors, children, groups, and promotional discounts.)	77.99%	78.00%	78.00%	78.00%
Average Paid Charge	\$13.26	\$14.04	\$14.82	\$15.60

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Paid Attendance				
<i>Regular Admission Growth</i>		5.00%	5.00%	5.00%
Regular Admissions	773,095	811,750	852,337	894,954
<i>Paid Groups Growth</i>		8.00%	9.00%	10.00%
Paid Groups	101,867	110,016	119,918	131,910
Subtotal Paid Admission	874,962	921,766	972,255	1,026,864
Free Attendance <i>(while this doesn't contribute to Admissions Revenue, it does affect Concessions Revenue and Commissions)</i>				
<i>Membership Admission Growth</i>		3.00%	3.00%	0.00%
Membership Households	69,868	71,964	74,123	74,123
Visits per Household	8.75	9.00	9.00	9.00
Member Visits	637,199	647,676	667,107	667,107
<i>Free Groups Admission Growth</i>		2.00%	2.00%	2.00%
Free Groups	62,674	63,927	65,206	66,510
<i>Special Events Admission Growth</i>		8.00%	8.00%	8.00%
Special Events	25,165	27,178	29,352	31,701
Subtotal Free Admission	725,038	738,782	761,665	765,317
Total Attendance	1,600,000	1,660,548	1,733,920	1,792,181
Actual % increase in overall attendance		3.78%	4.42%	3.36%
% of top ticket price	77.99%	78.00%	78.00%	78.00%
Average Paid Charge	\$13.26	\$14.04	\$14.82	\$15.60
Total Admissions Revenue	11,600,000	12,941,596	14,408,820	16,019,074
Amount of Admissions Revenue above base year	0	1,341,596	2,808,820	4,419,074

Draft / Not Final
Exhibit B

March 12, 2013

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

Page 2

<i>Concessions Revenue, Commissions and Transfers</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Total Attendance	1,600,000	1,660,548	1,733,920	1,792,181
% Growth in per cap revenue	6.41%	4.15%	5.32%	6.17%
Per Cap Revenue	\$6.50	\$6.77	\$7.13	\$7.57
Total Concessions Revenue	10,399,999	11,241,910	12,362,850	13,566,810
Commission %	19.64%	20.00%	20.00%	20.00%
Total Commissions	2,042,560	2,248,382	2,472,570	2,713,362
10% Transfer to Zoo	1,040,000	1,124,191	1,236,285	1,356,681
3% Transfer to GLAZA	312,000	337,257	370,886	407,004
Remainder Transfer to Zoo Surplus Development Fund	690,560	786,934	865,400	949,677

<i>Membership Revenue and Transfer</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Adult Ticket Price	\$17.00	\$18.00	\$19.00	\$20.00
Family Membership Price	\$114.00	\$114.00	\$114.00	\$119.00
% growth in member households	3.00%	3.00%	3.00%	0.00%
Total Member Households	69,868	71,964	74,123	74,123
% of Family Membership	80.00%	80.00%	80.00%	78.00%
Average Member \$	91.20	91.20	91.20	92.82
Total Member Fees	6,371,962	6,563,120	6,760,014	6,880,093
25% Transfer to Zoo	1,592,990	1,640,780	1,690,004	1,720,023

<i>Marketing Sponsorships</i> <i>net based on Premier Partnerships projection</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Fund 30/Marketing Sponsorships	100,000	404,400	539,975	743,625

**Draft / Not Final
Exhibit B**

March 12, 2013

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

Page 3

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Recap				
Increased Revenue to the Zoo				
Admissions Revenue: Increase above \$11,600,000 base		1,341,596	2,808,820	4,419,074
Zoo Keeps These Amounts First Each Year of Increased Admissions Re		750,000	1,500,000	2,250,000
Remainder to GLAZA to pay for increased Marketing*		(591,596)	(1,308,820)	(2,169,074)
<i>* Transfer of these amounts would be at the end of the year, timing subject to negotiation</i>				
Concessions Revenue: Increase above \$1,000,000 base		124,191	236,285	356,681
Membership Revenue: Increase above \$1,400,000 base		240,780	290,004	320,023
Net Increased Revenue to the Zoo		1,114,971	2,026,289	2,926,704

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Recap				
Increased Revenue to GLAZA				
Admissions Revenue: GLAZA share of increase		591,596	1,308,820	2,169,074
Marketing Sponsorships		404,400	539,975	743,625
Increased GLAZA Share of Concessions		25,257	58,886	95,004
Fund 12: Zoo Assistance Fund		65,000	65,000	65,000
Other GLAZA Resources		1,567,549	822,775	147,438
Net Increased Resources for Marketing by GLAZA		2,653,802	2,795,456	3,220,141
Marketing, Promotions and Advertising Expenses				
Total Marketing Expenses		2,650,000	2,756,000	2,966,240
Net from Marketing		3,802	39,456	253,901
<i>*To be transferred to the Zoo Enterprise Trust Fund</i>				

Los Angeles Zoo and Botanical Gardens			Exhibit C					
Greater Los Angeles Zoo Association								
Business Plan								
Multi-year Budget								
Site Rentals and Catered Events								
			12-13	13-14	14-15	15-16	16-17	17-18
			Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Catering Sales								
	Catering Revenue		68,500	102,750	154,125	231,187	346,781	520,172
	16.50% Percent Commission		11,303	16,954	25,431	38,146	57,219	85,828
Distribution of Commissions:								
	10.00% to Zoo		6,850				34,678	52,017
	3.00% to GLAZA		2,055				10,403	15,605
	3.50% to Zoo Surplus Development Fund		2,398				12,137	18,206
	Total Commissions to GLAZA			16,954	25,431	38,146		
Site Rental Fees								
	Site Rental Fees		33,010	49,515	74,273	111,409	167,113	250,670
	16.50% Percent Commission		5,447					
Distribution of Commissions:								
	10.00% to Zoo		3,301				16,711	25,067
	3.00% to GLAZA		990				144,553	216,830
	3.50% to Zoo Surplus Development Fund		1,155				5,849	8,773
	Total Revenue to GLAZA			49,515	74,273	111,409		
	Surplus Revenue to Los Angeles Zoo							16,608
	Total Revenue To GLAZA		3,045	66,469	99,704	149,555	154,956	215,827
	Total Revenue To Zoo		13,704	0	0	0	69,376	120,672
Expenses								
	Salaries			65,000	66,950	68,959	71,027	73,158
	Commissions			4,952	7,427	11,141	16,711	25,067
	Benefits			20,985	22,313	24,030	26,322	29,468
	Sales Staff			90,937	96,690	104,129	114,060	127,693
	Event Staff			9,903	14,855	22,282	33,423	50,134
	Equipment			50,000	25,000	5,000	5,000	5,000
	Advertising & Promotion			5,000	5,000	5,000	5,000	5,000
	Miscellaneous			3,000	3,000	3,000	3,000	3,000
	Management Fee						25,000	25,000
	Total Expenses			158,840	144,545	139,411	185,483	215,827
	Profit/(Loss) to GLAZA			(92,371)	(44,841)	10,144	(30,527)	
How does GLAZA Fund these early deficits? (cumulatively, we put in about \$17,558)								
	Ahmanson Foundation							
	Sales Staff			90,937				
	Equipment Purchases			50,000				
	GLAZA Working Capital			0	44,841		30,527	
	Net to GLAZA			48,566	(0)	10,144	0	0

EXHIBIT D

Memorandum of Understanding
by and between

The Los Angeles Zoo and Botanical Gardens and the Greater Los Angeles Zoo Association

SITE RENTALS and CATERED EVENTS PROGRAM

DELIVERABLES

Quarterly report of site rentals and projections

GLAZA to deliver to Zoo Director

GLAZA will use its good faith efforts to meet the following metrics:

PERFORMANCE METRICS

Catering Sales Increase by 50% annually during the Term

Site Rental Fees Increase by 50% annually during the Term

GLAZA will use its good faith efforts to meet the following milestones:

<u>MILESTONES</u>	<u>Commencement</u>	<u>Completion</u>
Hire site rental staff or organization	MOU approval	Within ten weeks
Hire group sales staff	MOU approval	Within ten weeks
Market Survey: type/size events	MOU approval	Within six weeks
Work with Zoo Director to develop group sales policy	MOU approval	Within twelve weeks
Purchase Inventory	MOU approval	Within ten weeks
<u>Large Scale Venue Preparation</u>		
A. Study location options with Zoo staff	MOU approval	Within twelve weeks
B. Prioritize, design and cost estimate	MOU approval	March 31, 2014
C. Funding	MOU approval	Ongoing
D. Venue Completion		June 30, 2015

3/26/2013

**FIRST AMENDMENT
TO THE
MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE LOS ANGELES ZOO AND BOTANICAL GARDENS
AND
THE GREATER LOS ANGELES ZOO ASSOCIATION
FOR
MARKETING AND PUBLIC RELATIONS
AND
SITE RENTALS AND CATERED EVENTS**

This 1st amendment ("Amendment") dated as of December 26, 2013, to the May 3, 2013 Memorandum of Understanding for Marketing and Public Relations ("MOU") between the City of Los Angeles, through its Zoo Department ("Zoo") and the Greater Los Angeles Zoo Association ("GLAZA") extends the December 31, 2013 date by which time, if the MOU is not ratified by the City Council of the City of Los Angeles ("Council"), or the Marketing and Business Plan ("Plan") is not approved by Council, the MOU is void.

Consistent with the requirement of the MOU, the Zoo submitted a copy of the Plan to Council by November 1, 2013. The Plan and the MOU were referred by Council (CF # 13-1469) to a Special Joint Committee of the Arts, Parks, Health, Aging and River Committee and the Budget and Finance Committee ("Committee").

The Committee met on December 9, 2013, and directed that the Zoo report back with a revision to the proposed Plan to include biannual or quarterly reports to Council regarding the status of the Plan's implementation and progress in achieving the Plan's goals along with performance guarantees on how the Plan is to perform.

The Committee also directed City staff to report back with other recommended changes for possible incorporation into the Plan and/or into an amended MOU as part of Council's approval of the Plan and ratification of the MOU.

To accommodate any changes to the Plan and the MOU, and to provide sufficient time for GLAZA, the Zoo and City staff to report back, the Committee recommended that the outside date of approval of the Business and Marketing Plan by Council and the ratification of the Memorandum of Understanding between the Zoo and GLAZA be extended from the current date of December 31, 2013 to a new date of March 31, 2014, and that the MOU contain a clearly articulated termination clause.

This Amendment makes the following two (2) changes to the MOU: Section 6 of the MOU is amended to clearly articulate that the City Standard Terms and Conditions (Rev 3/09) including but not limited to the termination clauses therein, are made part of and apply to the MOU and Section 7 of the MOU is amended to extend the December 31, 2013 date by which the Council must ratify the MOU and approve the Marketing and Business Plan to the new date of March 31, 2014, as requested by the Committee.

The following revised Sections 6 and 7 contain the only changes to the MOU:

6. City's Standard Terms and Conditions

The City's Standard Provisions for City Contracts (Rev. 3/09) ("Standard Provisions") are attached and made part of this MOU. Notwithstanding anything to the contrary in the MOU, including but not limited to Paragraph 3 of the MOU, PSC-10, the termination provisions of the Standard Provisions, shall prevail.

7. Ratification

This MOU is subject to ratification by the City Council and may be ratified by Council before or at the time of the approval of the Business and Marketing Plans by Council. No later than November 1, 2013, the Zoo shall submit (not-to-exceed) five year Marketing and Business Plans to the City Council, consistent with Sections 22.711, 22.713 (5) and 22.714 of the Los Angeles Administrative Code (LAMC), for Council's approval. Approval of the Zoo's not-to-exceed five year Marketing and Business Plans shall occur no later than March 31, 2014, and consistent with LAMC Section 22.711, this MOU shall conform with and carry out the objectives and strategies in those approved and adopted plans. The MOU shall be void if the Marketing and Business Plans are not approved and adopted by the City Council by March 31, 2014 and GLAZA and the City shall have no further obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their respective authorized representatives.


APPROVED AS TO FORM

MICHAEL N. FEUER
CITY ATTORNEY

By: 
DOV LESEL, Assistant City Attorney

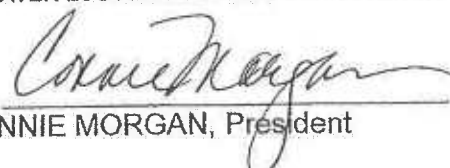
DATE: Dec 27, 2013

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
JOHN R. LEWIS, Zoo Director

DATE: Dec 26, 2013

GREATER LOS ANGELES ZOO ASSOCIATION

By: 
CONNIE MORGAN, President

**SECOND AMENDMENT
TO THE
MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE LOS ANGELES ZOO AND BOTANICAL GARDENS
AND
THE GREATER LOS ANGELES ZOO ASSOCIATION
FOR
MARKETING AND PUBLIC RELATIONS
AND
SITE RENTALS AND CATERED EVENTS**

This 2nd amendment ("Amendment") dated as of March 26, 2014, to the May 3, 2013 Memorandum of Understanding for Marketing and Public Relations ("MOU") between the City of Los Angeles, through its Zoo Department ("Zoo") and the Greater Los Angeles Zoo Association ("GLAZA") extends the date for the approval of the MOU and the Business and Marketing Plan ("Plan") by City Council from March 31, 2014 to September 30, 2014.

Consistent with the requirement of the MOU, the Zoo submitted a copy of the Plan to Council by November 1, 2013. The Plan and the MOU were referred by Council (CF # 13-1469) to a Special Joint Committee of the Arts, Parks, Health, Aging and River Committee (APHAR) and the Budget and Finance Committee ("Joint Committee").

On December 9, 2013, the Joint Committee directed the Zoo to include biannual or quarterly reports to Council regarding the Plan's implementation and progress in achieving its goals along with performance guarantees, that the MOU contain a clear termination clause and directed City staff to report back with other recommended changes for incorporation into the Plan and/or into an amended MOU and that the date for Council approval of the Plan and the MOU be extended to March 31, 2014.

The 1st Amendment, among other things, extended the date for Council approval of the MOU and Plan to March 31, 2014.

On March 24, 2014, the APHAR Committee met and recommended that the date in Section 7 of the MOU for City Council approval of the MOU and Plan be extended to September 30, 2014, with a report back to the APHAR Committee by June 9, 2014.

This 2nd Amendment will extend the date for Council approval of the MOU and Plan to September 30, 2014, by revising Section 7 of the MOU, which revision contains the only changes to the MOU:

7. Ratification

This MOU is subject to ratification by the City Council and may be ratified by Council before or at the time of the approval of the Business and Marketing Plans by Council. No later than November 1, 2013, the Zoo shall submit (not-to-exceed) five

year Marketing and Business Plans to the City Council, consistent with Sections 22.711, 22.713 (5) and 22.714 of the Los Angeles Administrative Code (LAMC), for Council's approval. Approval of the Zoo's not-to-exceed five year Marketing and Business Plans shall occur no later than September 30, 2014, and consistent with LAMC Section 22.711, this MOU shall conform with and carry out the objectives and strategies in those approved and adopted plans. The MOU shall be void if the Marketing and Business Plans are not approved and adopted by the City Council by September 30, 2014 and GLAZA and the City shall have no further obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this 2nd Amendment to be executed by their respective authorized representatives.

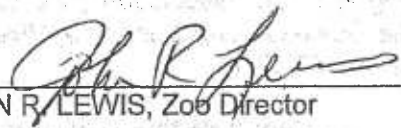
APPROVED AS TO FORM

MICHAEL N. FEUER
CITY ATTORNEY

By: 
DOV LESEL, Assistant City Attorney

DATE: 3/26/14

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
JOHN R. LEWIS, Zoo Director

DATE: 3/24/2014

GREATER LOS ANGELES ZOO ASSOCIATION

By: 
CONNIE MORGAN, President

**THIRD AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE
LOS ANGELES ZOO AND BOTANICAL GARDENS (“ZOO”)
AND THE
GREATER LOS ANGELES ZOO ASSOCIATION (“GLAZA”)
FOR
MARKETING, PUBLIC RELATIONS, SITE RENTALS AND CATERED EVENTS**

This 3rd amendment (“Amendment”) dated as of August _____, 2014, to the May 3, 2013, Memorandum of Understanding for Marketing and Public Relations (“MOU”) between the City of Los Angeles, through its Zoo Department (“Zoo”) and the Greater Los Angeles Zoo Association (“GLAZA”), clarifies the enhanced level of marketing that GLAZA has volunteered to provide for the Zoo pursuant to the MOU.

The 1st Amendment (CF # 13-1469) revised Section 6 of the MOU to clarify that the City’s Standard Terms and Conditions (Rev 3/09) apply to the MOU and amended Section 7 of the MOU by extending the date for Council approval of the Business and Marketing Plan (“Plan”) and ratification of the MOU to March 31, 2014.

The 2nd Amendment revised Section 7 of the MOU at the direction of the Arts, Parks, Health, Aging and River (“APHAR”) Committee by extending the date for Council approval of the Plan and ratification of the MOU to September 30, 2014.

This 3rd Amendment, among other things, clarifies GLAZA’s commitment as a partner to provide an enhanced level of marketing for the Zoo, and provides that (a) the CAO and CLA have the right to review GLAZA documents including but not limited to GLAZA’s annual financial audit and third party GLAZA contracts for services performed at or related to the Zoo, (b) GLAZA will provide the Zoo with the material needed for the Zoo to provide biannual reports to Council regarding the Plan’s implementation, and (c) restates the City’s right to terminate the MOU.

The following new Section 8 is added to the MOU:

8. Deliverables, Revenue and Attendance Metrics

Consistent with the Business and Marketing Plan and the MOU, the annual milestones to be achieved during the term of the MOU are as follows: (a) a five percent (5%) annual increase of the Zoo’s paid attendance (b) an eleven percent (11%) annual increase of the Zoo’s total admission revenue, and (c) a twenty one percent (21%) increase of the Zoo’s other earned revenue from concessions and membership during the three year MOU. The baseline figures are the FY12-13 actuals as follows: Paid Attendance - 817,688, Admissions Revenue - \$10,826,962, Concessions Revenue - \$949,183, Membership Revenue - \$1,367,926.

A. Bi-annual Reports to Council

GLAZA shall provide the Zoo with biannual written reports no later than September 1st and March 1st of each year in a format and with information requested by the Zoo for the Zoo to comply with the Council directive for biannual reports from the Zoo. The GLAZA

reports will include such information as requested by Council from the Zoo, including but not limited to the outcomes of the performance metrics outlined in the Plan and in Section 4A of the MOU for performance metrics with respect to the Zoo's (a) paid attendance, (b) total admission revenue and (c) other earned revenue from concessions and membership, consistent with the Business and Marketing Plan. The CAO and/or CLA may request the Zoo to provide copies of GLAZA third party contracts and documents as part of the semi-annual Zoo reports to Council.

B. GLAZA Marketing

GLAZA affirms that it will fund and sustain a viable marketing budget for each year of the MOU notwithstanding whether the revenue targets are met. GLAZA has expended \$2,550,000 for Zoo marketing in FY 2013-14, and agrees to expend \$2,756,000 for year two, which is the amount approved by the GLAZA Board of Trustees for FY 2014-15 and \$2,966,241 for year three, subject to the approval of the FY 2015-16 GLAZA budget by the GLAZA Board of Trustees, for marketing the Zoo. The City and the Zoo will not be responsible to GLAZA for any shortfall in the marketing funds pursuant to the MOU should the revenue or admissions targets not be achieved.

C. Revenue Sharing - Admissions Revenue

If total actual admissions revenue falls below the total projections as contained in the adopted budget and reflected in the Admissions Revenue chart (below), the Zoo shall first retain its share as specified and GLAZA shall receive its share only up to the maximum amount specified below. Should total actual admissions revenue exceed the Projected Total Admissions Revenue, below, the Zoo and GLAZA shall receive their respective amounts in accordance with the Admissions Revenue chart below with any excess funds to be retained by the Zoo Department.

	BUDGET	BUDGET	PROJECTED
	FY 2013-14	FY 2014-15	FY 2015-16
Zoo Department Share	\$12,350,000	\$13,100,000	\$13,850,000
GLAZA's Share (maximum)	\$ 591,000	\$ 1,358,872	\$ 2,238,290
Projected Total Admissions Revenue	\$12,941,000	\$14,458,872	\$16,088,290

D. Audit and Review

Pursuant to Section XI of the Operating Agreement between the City and GLAZA, the City's right to audit GLAZA's books and records shall include but shall not be limited to all third party documents between GLAZA and vendors, concessionaires and service providers. GLAZA shall submit its annual financial audit to the Zoo for FY 2013-14, FY 2014-15 and FY 2015-16, with a copy to the CAO and CLA no later than March 1st of the following year. The CAO and/or CLA may request the Zoo to provide copies of third party contracts and documents as part of the audit reports to Council.

E. Marketing Material

All advertising material ("Materials") developed by GLAZA directly or for hire and/or its contractors and subcontractors for use in marketing the Zoo pursuant to this MOU shall be and remain the exclusive property of the Zoo. Materials are all work, tangible or not, created under this MOU including, without limitation, documents, artwork, drawings, sketches photographs, logos, video and audiovisual recordings, and all forms of intellectual property. GLAZA hereby assigns, and agrees to assign, all goodwill, copyright, trademark, and all other intellectual property rights in any Materials originated and prepared by GLAZA under this agreement. During the term of the MOU, City hereby licenses the material to GLAZA at no cost. At the expiration or termination of the MOU, all Materials shall be turned over to the Zoo. GLAZA shall not provide or disclose any Materials to any third party without prior written consent of the Zoo.

F. Termination

The City may terminate the MOU for convenience at any time by giving GLAZA one hundred and eighty (180) days written notice thereof. All other terms of PSC-10 of the Standard Terms and Conditions (Rev 3/09) shall remain the same.

IN WITNESS WHEREOF, the parties hereto have caused this 3rd Amendment to be executed by their respective authorized representatives.

APPROVED AS TO FORM
MICHAEL N. FEUER
CITY ATTORNEY

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: _____
DOV LESEL, Assistant City Attorney

By: _____
JOHN R. LEWIS, Zoo Director

DATE: _____

DATE: _____

GREATER LOS ANGELES ZOO ASSOCIATION

By: _____
CONNIE MORGAN, President



PROGRAMS SUMMARY

OUTCOMES AND BENEFITS TO THE LOS ANGELES ZOO AND BOTANICAL GARDENS

July 23, 2014

EXECUTIVE SUMMARY

The Greater Los Angeles Zoo Association (GLAZA), the official support organization of the Los Angeles Zoo & Botanical Gardens (Zoo), is a not-for-profit corporation organized for the purpose of establishing, developing, beautifying and improving the Zoo. To fulfill its mission, GLAZA conducts a development program that raises funds for operational, programmatic and capital needs and projects and directs and operates seven essential Zoo departments.

The City of Los Angeles, through the Zoo Department, entered into an Operating Agreement with GLAZA (Operating Agreement) for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo. The current Operating Agreement is in effect through September 29, 2022.

A separate agreement between the City and GLAZA (Concession Agreement) defines the contractual relationship between the City and GLAZA whereby the City has granted to GLAZA the exclusive right and privilege to operate and maintain all approved concessions on Zoo premises. The Operating Agreement extended the original Concessions Agreement through February 11, 2016.

Pursuant to the Operating Agreement, GLAZA and the Zoo Director have entered into multiple Memoranda of Understanding (MOUs) which govern GLAZA's activities and operations on behalf of the Zoo.

This Programs Summary reports on the outcomes and benefits to the City of Los Angeles and the Zoo of GLAZA's activities in the last three fiscal years, 2011-12, 2012-13, and 2013-14. GLAZA's plans for the current fiscal year, 2014-15, are also included.

The Programs Summary is organized by GLAZA's departments and the key activities we undertake on behalf of the Zoo. Information is included on the following:

- ❖ Fundraising
- ❖ Tom Mankiewicz Conservation Carousel
- ❖ Publications
- ❖ Special Events and Travel Programs
- ❖ Concessions and Visitor Amenities
- ❖ Membership
- ❖ Marketing and Public Relations
- ❖ Sponsorships
- ❖ Site Rentals and Catered Events
- ❖ Docents and Volunteers

The intent of this Programs Summary is to describe the integral partnership between the City, the Zoo Department and GLAZA. This essential partnership works to ensure the financial security and mission success of the Los Angeles Zoo and Botanical Gardens.

FUNDRAISING

As the private fundraising organization for the Los Angeles Zoo, GLAZA generates annual support and extensive education and conservation funding and is also a vital partner in the realization of the Zoo's campus-wide Master Plan. Additionally, GLAZA raises funds for operation, programmatic, and capital needs and projects at the Zoo.

Fundraising is crucial for generating much needed resources for Zoo operations, and is also an important way to depend the connection between the Zoo and Angelenos. For this reason, GLAZA offers a wide range of donor programs that extend from major gifts to contributions of a few dollars. In every instance, we try to create engaging interactions with the Zoo for donors of all means and all ages.

GLAZA's Development Department is responsible for both restricted and unrestricted giving. Donor restricted gifts are designated for specific purposes and include capital projects, marketing, medical equipment for the Gottlieb Animal Health and Conservation Center, education programs, animal behavior enrichment, and conservation programs. Unrestricted donations are general support and include our Business Partners, Safari Society, General Donations, Annual Appeals, Commemorative Bench and Tile Programs, and other Corporate Sponsorship funds.

Capital Projects

GLAZA raises substantial funding for the Zoo's capital projects, including the exhibits constructed as part of the first phase of the Zoo's Master Plan. In the 1990s, GLAZA promoted nearly \$50 million in bond funding to help make the Master Plan possible. GLAZA **committed nearly \$20 million for the new, state-of-the-art Elephants of Asia exhibit** that is now at the heart of the Los Angeles Zoo. Over the past three fiscal years, GLAZA has supported the Zoo's capital projects in the following ways:

- **\$500,000** raised for the Tom Mankiewicz Conservation Carousel, in addition to the **\$2,105,052** raised prior to 2011. All 66 Carousel animals have been sponsored by generous Zoo donors, enabling the addition of this new revenue-generating Zoo attraction
- **\$2,696,302** raised for the Elephants of Asia exhibit, adding to the **\$14,570,418** raised previously. Additional funds of **\$350,027** in planned gifts were earmarked for this commitment. GLAZA is nearing completion of its nearly \$20 million campaign for this landmark Zoo exhibit.
- **\$1,158,823** for the Angela Collier World of Birds Theater which opened in Spring 2014

Education and Field Trips

GLAZA values the accessibility of the Zoo to all Angelenos. To that end, we actively raise funds for transportation to enable Los Angeles children from Title 1 schools to take field trips to the Zoo. We provide Zoo Camp scholarships to enable children to attend Zoo Camp during school

vacations. Additionally, we fund an annual field study program for between 6 and 8 Los Angeles high school students to participate in an international conservation trip. During the past three fiscal years, GLAZA raised **\$747,011** to support education initiatives as follows:

- **\$121,240** for Zoo Camp scholarships for **403 Los Angeles children**
- **\$98,000** for Zoo Pals, which provided **161 buses** to transport approximately **10,465 children** to the Los Angeles Zoo for Title 1 school field trips
- **\$150,000** to fund the Duttonhaver Field and Conservation Studies Program
- **\$377,771** in additional funding to support the Zoo's education programs, including money to create an education poster on the Rainforest to distribute to 3rd grade classes throughout Los Angeles Unified School District

Conservation Programs and Animal Acquisitions

The Los Angeles Zoo participates in numerous conservation programs benefitting wildlife and their habitats throughout the world. GLAZA actively raises funds to support these important efforts, enabling animal curators and zookeepers to actively participate in these programs. **Each year**, GLAZA gives the Zoo Assistance Fund **\$300,000** in unrestricted fundraising for conservation. In addition, over the past three fiscal years GLAZA raised a total of **\$188,130** in restricted funds to support conservation initiatives and related initiatives.

GLAZA also assists the Zoo by raising much needed funding for animal acquisition. Since July 2011, GLAZA has raised a total of **\$75,945** for these activities.

Planned Giving

Launched in 2001, GLAZA's premier planned giving program is named the Selig Legacy Society, in honor of "Colonel" William N. Selig, the man who founded the first zoo in Los Angeles. This program enables Zoo supporters who wish to leave a legacy to enable future generations to experience wildlife at the Los Angeles Zoo. During the past three fiscal years, Selig Legacy Society members have made specific bequests totaling **\$1,444,121**.

Zoo Operations and Facilities Maintenance

When declines in the City's budget forced the Zoo to close Muriel's Ranch, countless disappointed children missed the opportunity to have one-on-one contact with animals during their Zoo visits. GLAZA successfully rallied additional funds and docent to support to enable this popular attraction to re-open on a limited schedule. In the past two years alone, GLAZA has raised **\$180,313** in grant funding to allow the City to hire two additional FTE Zoo staff members for this exhibit. GLAZA has also raised foundation money to renovate key elements of this attraction.

In the 2013-14 fiscal year, GLAZA successfully raised funds to support the maintenance and refurbishment of particular Zoo exhibits and facilities. This includes **\$40,000** toward replacement of mesh at the Chimpanzees of Mahale Mountain exhibit; **\$10,000** to help refurbish the lion exhibit; and **\$50,000** toward upkeep of the Witherbee Auditorium.

GLAZA also raised **\$50,000** to purchase a much-needed van to transport animals from the Zoo to outreach events and various other locations.

\$2million Foundation Grant

A major foundation granted GLAZA a \$2 million capacity building grant, intended to allow GLAZA to tackle initiatives to increase earned and contributed revenue, as well as to implement technology upgrades to support these initiatives.

Fundraising Plans for 2014-15

The Development Department's fundraising plans for the 2014-15 fiscal year include the following initiatives. It is important to note that fundraising is about relationship building; consequently the timing of charitable gifts is not predictable as donors make their gifts on a timetable that best suits their own philanthropic needs. Fundraising also depends upon the state of the economy. GLAZA has made every effort to identify and budget for the following initiatives this fiscal year.

Capital Projects

- funds to complete renovations to the Angela World of Birds Theater
- continued fundraising for the Elephants of Asia commitment
- funds to renovate the Play Park
- begin raising funds to create a dedicated events site behind the Children's Discovery Center

Education and Field Trips

- continued fundraising for education programs, including Zoo Pals, Zoo Camp scholarships, and the Duttenhaver Field and Conservation Studies Program

Conservation Programs and Animal Acquisitions

- funds for conservation programs
- funds for the Zoo's animal acquisition fund

Zoo Operations and Facilities Maintenance

- continued fundraising for the mesh replacement projects at the chimpanzee and orangutan exhibits
- possible funds for a second animal transport van

New Revenue-Generating Initiatives

- fundraising for the new L.A. Zoo Lights holiday program, designed to increase attendance and earned revenue at the Zoo

TOM MANKIEWICZ CONSERVATION CAROUSEL

To earn additional revenues for the Zoo and to provide Zoo guests with a delightful new experience, GLAZA commissioned and funded the handcrafted Tom Mankiewicz Conservation Carousel, raising a total of \$2,855,052 from donors to fund this new amenity. GLAZA unveiled the Carousel in October 2011, and upon completing all fundraising, gifted this new asset to the City of Los Angeles in 2013. GLAZA maintains and staffs the Carousel daily, and transfers all net annual revenues from Carousel ridership to the Zoo. Since transferring this asset to the City in 2013, the Carousel has netted \$472,981 in new revenues that GLAZA transfers to the Zoo Department as direct support for the Zoo and its programs.

PUBLICATIONS

GLAZA's Publications Department produces a wide variety of publications to keep members, visitors, Zoo supporters, Zoo employees, and the public informed and up-to-date on happenings at the Los Angeles Zoo.

Zoo View Magazine

The primary mission of *Zoo View* magazine is to promote interest in the animals, programs, and conservation efforts of the Los Angeles Zoo and Botanical Gardens, encouraging repeat attendance and an enduring long-term affiliation with the Zoo, building civic pride in the institution and inspiring gifts in support of the Zoo. The Winter issue of *Zoo View* serves as the joint Annual Report for GLAZA and the Zoo, and includes financial reports, donor recognition lists, and a summary of the year's notable events, programs, and animal births and acquisitions.

Zoo View is in its 49th year of continuous publication, and has won numerous awards for the quality of its journalism. A complimentary subscription to *Zoo View* is included with all membership levels, and is distributed free of charge to local media, local government officials, donors, schools, libraries, and at community fairs and outreach programs and events. Indeed, many individuals maintain Zoo membership long into retirement in order to stay in touch with the Zoo through this communication.

Annual Number of *Zoo View* issues: 4

Average Annual Distribution: 64,104

Awards: The Summer 2012 issue of *Zoo View* was a Maggie Award finalist for Best Quarterly Magazine. The Maggie Awards, recognizing excellence in print and digital publishing, are given by the Western Publishing Association.

Zooscape

Zooscape was launched in 1974 to encourage greater community involvement in the Zoo and its programs. It is a full-color, tabloid-size newsletter focusing primarily on the Zoo's events and activities. *Zooscape* has won several Maggie Awards for Best Newsletter from the Western Publishing Association. It informs and inspires readers with information about animals, plants, educational programs, special events, and exclusive member opportunities at the Los Angeles Zoo.

Annual Number of *Zooscape* Issues: 10

The annual number of issues will be reduced to 6 for the 2014-15 fiscal year to lower printing costs while continuing to keep Zoo supporters well informed about Zoo programs and events.

Average Annual Distribution: 62,052

Awards: The June/July 2013 issue of *Zooscape* won a Maggie Award as Best Newsletter.
The June/July 2012 issue of *Zooscape* was nominated for a Maggie Award as Best Newsletter.

ZooMail

The latest Zoo news is featured in *ZooMail*, GLAZA's monthly e-newsletter. Free, and available to members and non-members alike, this news blast provides current information about upcoming Zoo events, educational offerings, animal news and opportunities to support the Zoo.

Annual Number of *ZooMail* newsletters: 12

Average Annual Distribution: Over 100,000 opt-in subscribers

The Gnus

GLAZA publishes the official semi-monthly staff and volunteer newsletter, distributed campus wide to all Zoo, GLAZA, and concessionaire employees, as well as to Zoo docents and volunteers. All Zoo employees are invited to submit articles and information for publication in *The Gnus*.

Annual Number of *The Gnus* newsletters: 26

Average Distribution: 530 per issue

The Los Angeles Zoo Website

The Publications Department maintains the Zoo website, www.lazoo.org, providing yet another way for Los Angeles residents to experience their Zoo. The site is frequently expanded and updated to incorporate emerging technologies and to keep up with the needs and interests of Zoo visitors and supporters. Much of the information is available in both English and Spanish, offering detailed, up-to-the-minute information on planning a Zoo visit, online Zoo ticketing, conservation, animals, Zoo calendar of events, enrollment in education programs at the Zoo, and donation and volunteer opportunities.

Average Annual Website Hits: 5,709,453

Average Annual Unique Page Views: 4,498,362

Annual Revenue Generation: \$1,278,528 for memberships, donations, and special event tickets

Average Annual Email Blasts: 98 email blasts to an average of **2,872,517 individual emails**

Other Contributions

The Publications Department works with the Special Events Department to produce invitation, program book, and other material for the annual fundraising gala, the Beastly Ball. The Beastly

Ball commemorative program book features revenue-generating ads from sponsors and donors along with editorial content about the Zoo and the evening's theme and honorees.

Publications Plans for 2014-15

This fiscal year, the Publications Department plans to produce four issues of the quarterly magazine, *Zoo View*, while reducing the frequency of *Zooscape* to 6 issues per year. In early 2014, we polled our members and found that 24.7% of respondents prefer to receive a digital version of *Zooscape*, and 15.3% are interested in a digital edition of *Zoo View*. In response, we will begin producing digital versions of *Zoo View* and *Zooscape* and allow members to opt out of receiving one or both in print format. This will save money as well as advance our mission as a conservation organization.

We plan to refine our email marketing practices with the goal of delivering more targeted messages and increasing the deliver/open/click-through rates. We continue to update the Zoo website daily with information about animals, exhibits, events, conservation programs, and educational offerings, always seeking innovative ways to engage our virtual visitors and to facilitate their plans to visit the Zoo.

Special Events Department

GLAZA's Special Events Department develops, plans, and executes a wide array of special events and programs for multiple Zoo constituents. Working closely with every Zoo and GLAZA department, Special Events seeks to plan compelling events in order to raise the Los Angeles Zoo's profile within the Los Angeles community and beyond.

The Beastly Ball

The Beastly Ball, GLAZA's annual fundraising gala, consistently raises more than \$1,100,000 each year to deliver program services to the Los Angeles Zoo. Organized by the Special Events and the Development Departments, the Beastly Ball features entertainment, local restaurants providing samples of their food, and silent and live auctions. The more than 800 annual attendees represent diverse sectors of the Los Angeles community, including public officials, entertainment industry leaders, corporate executives, Zoo donors, and the general public.

New Exhibit Openings

Special Events helps to conceptualize and oversee the openings for new exhibits at the Zoo. Several different opening events are held for each new exhibit in order to accommodate and thank the various stakeholders, including donors, members, the general public and City officials. Exhibit opening events help to raise public awareness of these new projects and generate Zoo attendance. Opening events since the 2011-12 fiscal year include:

- **Tom Mankiewicz Conservation Carousel – October 2011**
 - Donor Preview
 - Press Preview
 - Member Preview
 - Staff Preview

- **LAIR – March 2012**
 - Docent and Employee Preview
 - Press/Donor Preview
 - Member Preview

- **Rainforest of the Americas – April 2014**
 - Press and Donor Preview
 - Member Preview
 - Staff Preview

Public Events

Through fiscal year 2012-2013, the GLAZA Special Events Department produced between two and four public events per year at the Zoo and assisted the Zoo Department in the production of several others. In 2013, as part of GLAZA's MOU for Marketing and Public Relations, GLAZA took responsibility for producing all public events held at the Zoo. We currently produce approximately 20 public events per year and continue to expand that number to increase Zoo awareness and generate increased attendance. We seek to meet the needs and interests of the diverse Los Angeles community by offering a wide array of event options. Some of these include:

FY 2011 – 2012

- Music in the Zoo (two evening events – World Music and Classic Rock)
- Sex and the City Zoo (a Valentine's Day event highlighting animal courting behavior)

FY 2012 – 2013

- Music in the Zoo (two events – Best of Music in the Zoo and Global Fusion)
- Brew at the L.A. Zoo (a 21 years and over event featuring local breweries)
- Sex and the City Zoo (a Valentine's Day event highlighting animal courting behavior)

FY 2013 – 2014

- Roaring Nights (three Thursdays in July, 18 years and over event, featuring local bands and food trucks)
- Brew at the L.A. Zoo (co-planned with City)
- It's Cool at the Zoo (every weekend in September)
- Boo at the Zoo (a family Halloween event, expanded to two weekends from previous years)
- Night of the Living Zoo (a 21 years and over Halloween event)
- Reindeer Romp (live reindeer and photo opportunities, month of December)
- Lunar New Year
- Sex and the City Zoo (a Valentine's Day event highlighting animal courting behavior)
- Snow Days
- Nickelodeon Characters: Meet and Greet
- Sesame Street Live Characters: Meet and Greet
- Big Bunny's Spring Fling
- Roaring Nights (one event in June)

Plans for 2014 – 2015

- Roaring Nights (one event in July and one in August)
- Family Jam (an evening event, with music and activities)

- Brew at the L.A. Zoo
- It's Cool at the Zoo
- Latino Heritage Celebration
- Boo at the Zoo (two weekends)
- Night of the Living Zoo
- Reindeer Romp
- ZooLights (a new holiday evening spectacular, late November through early January)
- Lunar New Year
- Sex and the City Zoo
- Snow Days
- Character Meet and Greets
- Big Bunny's Spring Fling
- Roaring Nights (one event in June)

Development Events

Working with GLAZA's Development Department, Special Events coordinates many events throughout the year designed to foster and promote relationships with various Zoo donor constituents. These events include:

- Sunset Safari (an evening at the Zoo for Safari Society donors)
- Foundation Luncheon (bringing local foundation executives to the Zoo)
- Selig Society Luncheon (an event for the Zoo's planned giving supporters)
- Searching Safari (a morning children's event for Safari Society members)
- Safari Society acquisition events (five to six per year, to encourage participation)
- Business Partners cultivation events (two to three per year)
- Zoo Director's Series (four to five a year)

Membership Events

Special Events works with the GLAZA Membership Department to create and coordinate events in to further involve GLAZA members in the life of the Zoo. These events include:

- Member exhibit and event previews (four to five per year)
- Enrichment Morning
- Cocktails with the Curator
- Twilight at the Zoo
- Winter Wild

Miscellaneous Events

As needs arise, Special Events will implement various programs to assist different constituencies within the Los Angeles Zoo. Some of these programs include:

- Beastly Ball live auction fulfillment events
- Volunteer Luncheon (honoring the Zoo's 800+ loyal volunteer corps)
- Betty White's 90th Birthday Celebration (a fundraising event for the Zoo)
- Duttonhaver Field and Conservation Studies Program (Earthwatch) pre- and post- trip dinners for students and chaperones
- Sponsorship fulfillment events
- GLAZA Board retreats
- Conferences, sponsored by the Zoo and GLAZA (AZAD, Orangutan SSP, etc.)

International Travel Program

In addition to planning events, the Special Events Department also coordinates GLAZA's International Travel Program. Through this program we foster a greater appreciation of the Zoo's mission both locally and abroad by leading trips to regions where the Zoo is actively involved in conservation initiatives. The trips are led by Los Angeles Zoo personnel with a thorough knowledge of the areas visited and the animals who inhabit them. We cultivate new stakeholders and future Zoo donors through their shared love of travel, conservation, and wildlife. Recent destinations have included:

- 2011 – Costa Rica
- 2012 – Thailand
- 2014 – Botswana

CONCESSIONS AND VISITOR AMENITIES

GLAZA has operated the Los Angeles Zoo's concessions and visitor amenities since the Zoo's opening day in 1966. In 1997, GLAZA hired a concessionaire to manage these operations to ensure the most professional amenities for our Zoo visitors. The current Concession Agreement is between GLAZA and Volume Services America.

GLAZA currently manages the following visitor amenities:

- Food and Beverage Concessions
- Retail Sales
- Safari Shuttle
- Stroller and Wheel Chair Rentals
- Photo Booth and Face Painting

Over the three-year period from July 2011 through June 2014, concessions and visitor amenities generated a total of \$5,050,527 for the Zoo Department.

Food and Beverage Choices at the Los Angeles Zoo

Zoo visitors may choose from a delicious assortment of meals, snacks, and goodies from an array of nine separate locations throughout the Zoo. GLAZA's concessionaire makes capital investments in the Zoo as part of their contract with GLAZA. In 2010, GLAZA used this investment to complete a major renovation of these sites to increase visitors' choices and improve their culinary experiences.

Current food and beverage options include:

- **Reggie's Bistro** (a new quick-service bistro with ample outdoor seating, designed to build an audience for a contemporary dining experience at the Zoo)
- **Zoo Grill** (grill fare, located at the entry to the Winnick Family Children's Zoo)
- **Sweet Treats** (two new snack locations serving ice cream, Iceeds, popcorn and soda)
- **Churro Factory** (the Zoo's most popular snack destination)
- **Café Pico** (south-of-the-border favorites on a tree-shaded patio)
- **Mahale Café** (hot and cold meals overlooking the giraffe exhibit)
- **La Casita** (snacks including popcorn, soft drinks, and cookies)
- **Gorilla Grill** (sandwiches, kids' meals and grill fare)

Retail Options

International Marketplace: Remodeled in 2010, the International Marketplace offers souvenirs, gifts, plush animals, books, games, and clothing for Zoo visitors' enjoyment. With the opening of the Rainforest of the Americas exhibit in spring 2014, the selection was expanded to include an array of sustainably handcrafted items from Central and South America, including jewelry, clothing, and food items such as coffee and chocolate. Sales of these new items support

economic development in the countries of their origin, leading to improved living conditions for both human and wild animal populations there.

Rainforest of the Americas Kiosk: A new, custom-designed retail kiosk is situated near the entry to the new Rainforest of the Americas exhibit. This site offers quick snacks to Zoo visitors, as well as small gift items made in South America.

Safari Shuttle, Rentals, and Additional Zoo Amenities

The Safari Shuttle ferries Zoo visitors to several different locations throughout the 113-acre grounds. Visitors may hop on and off the shuttle while exploring the animal exhibits.

Both single and double strollers are available for rent, conveniently located at the International Marketplace, near the main entry to the Zoo. Wheelchairs are also available, and visitors may choose between both conventional and electric models.

Through GLAZA's concessionaire, numerous other amenities are available to Zoo visitors. Friendly photographers snap candid or posed pictures of visitors as they enter the Zoo. These photos are available for purchase upon leaving. Several on-site vendors tempt visitors with treats such as sweet and savory nuts and specialty ice cream novelties. During special events and holiday weekends, artists offer guests face painting and caricature drawing.

Concessions Plans for FY 2014-15

GLAZA is currently in the process of negotiating a fourth amendment to its agreement with the current concessionaire. As in prior amendments, this amendment is expected to include a significant capital investment on the part of the concessionaire.

GLAZA's Concession Agreement with the City of Los Angeles expires on February 11, 2016. GLAZA has been planning to issue a Request for Proposals (RFP) for the concessionaire activities at the Zoo, pending successful negotiations with the City for a renewed Concession Agreement. The remaining term on the current Concession Agreement has not been sufficient to generate desirable proposals from prospective concessionaires. Our current concessionaire has been formally notified of our intent to issue an RFP and will be able to submit a proposal. As always, GLAZA's goal for this RFP process will be to provide the best possible retail and dining experience to Zoo visitors, while generating a substantial flow of revenue to support the Zoo and its programs.

MEMBERSHIP

GLAZA has always been a membership-based organization, and our membership roster currently boasts over 62,000 households. This is one of the largest membership bases among Los Angeles cultural institutions. GLAZA employs numerous marketing channels to recruit new members, including direct mail, telephone marketing, email, and on-site sales.

Membership provides a renewable annual source of dependable, consistent income for the Zoo. In the past three fiscal years, annual membership fees accounted for **\$4,027,590 million** in direct support for the Los Angeles Zoo, its animals, and its education, outreach, and Species Survival Programs. Additionally, revenue from Membership enables GLAZA to provide millions of dollars in program services to the Zoo, including Zoo publications, a vibrant volunteer and docent program, and numerous public events.

Membership Levels

GLAZA offers a membership level to suit every animal lover, currently ranging in cost from \$55 to \$1,000 per year. Membership prices are carefully set in relation to Zoo admissions prices to maximize the Zoo's revenue streams from both activities. Each membership level offers numerous benefits, ranging from special member events designed to strengthen members' engagement with the Zoo, to subscriptions to the Zoo's quarterly magazine, *Zoo View*.

Members are Active Contributors to the Los Angeles Zoo

GLAZA's Membership Department carefully recruits and nurtures this important support group, offering excellent customer service and memorable experiences to each member. As their commitment to the Zoo deepens, members often select higher membership levels and many ultimately make significant financial contributions to the Zoo. A large number of our members also give their time as Zoo docents and volunteers to share their commitment to the Zoo and its mission with the community.

To encourage members' participation in the life of the Zoo, GLAZA offers numerous events and activities. These include the following:

- Member Appreciation Mornings, held prior to the Zoo's opening time on various Saturdays and Sundays throughout the year
- Member Special Events: Boo at the Zoo! and Big Bunny's Spring Fling Member Previews, Winter Wild Breakfast with Santa
- Cocktails with a Curator, giving adult members the opportunity to converse with a Zoo curator at an early evening event. This is an exclusive event for upper level members.
- Twilight at the Zoo, upper level members' annual family evening at the Zoo

Membership Plans for 2014-15

In addition to offering members the programs, events, and benefits GLAZA has always offered, we are planning two new membership initiatives for the current fiscal year. In August, a month of traditionally low Zoo attendance due to the heat and the beginning of the school year, we plan to launch a Member Appreciation Month to encourage members to attend the Zoo and purchase concessions. Each day will offer a specific incentive, such as a giveaway, or a buy-one-get-one-free coupon for a soft drink, for example. We believe this will stimulate both August attendance and concessions revenues.

At the beginning of 2015, our goal is to launch a Loyalty Rewards Program for Los Angeles Zoo members. This program will honor our 2+ year members with the gift of a special collectible Zoo pin. We will also offer these members a special punch card that offers various incentives.

MARKETING AND PUBLIC RELATIONS

Pursuant to the MOU for Marketing & Public Relations and Site Rentals & Catered Events, GLAZA assumed the marketing functions for the Zoo early in fiscal year 2013-14. Prior to this time, the Zoo Department marketed the Zoo. During 2013-14, GLAZA's direct investment in advertising and marketing activities (exclusive of staffing costs) nearly doubled to over \$2,000,000 from the \$1,093,500 spent by the City on marketing in the previous year. Following are details on the value delivered by GLAZA's marketing and public relations program to the Los Angeles Zoo and the City.

Media

- **Paid Media:**
 - Increased investment in advertising and expanded media mix to create greater reach and penetration of our primary target markets; reduced percentage of budget spent on outdoor placements (e.g. billboards and bus shelters) and invested more in online and print advertising
 - Increased media impressions 225% from FY13, to over 321 million
- **Earned Media:** Increased outreach to and accommodation of media outlets, expanding the number of press events year-round
- **Owned Media:**
 - Social channels, e.g. Facebook, Twitter – Built the audience and boosted engagement through consistent delivery of Zoo-minded, topical content
 - Facebook “likes” among new users increased 85% in FY14, while engagement on Twitter increased six-fold
 - Zoo Website – Paid and earned media drove a 22% increase in total site visits over FY13, with users spending 23% more time on each page visited. The site was optimized for mobile visitors in FY14, and traffic among that segment increased 12%
 - Email – The GLAZA email list grew from 98,000 to 142,000 in FY14, an increase of 44%
 - Mobile applications – The Rainforest of the Americas app was launched, delivering location-specific, multi-media educational content to Zoo visitors

Advertising Messages

- Major marketing opportunity, the new exhibit Rainforest of the Americas, was promoted through integrated advertising efforts that included TV, mall kiosks, digital outdoor displays, “spectacular” outdoor displays, Spanish-language radio, online banners, and email in May, June and July
- A mix of strategic brand awareness advertising (to build the Zoo brand and engender affinity among Los Angeles area residents) and tactical event- or promotion-focused advertising (to drive date-specific traffic) ran throughout the rest of the year

Promotions

GLAZA identified tactical promotions with synergistic partners, leveraging partners' media distribution channels and target market affinity to drive attendance. Promotion partners included:

- 99 Cents Only Stores
- Pepsi/Ralphs
- LA County Fair
- SoCal Honda Dealers
- Dannon Drinkables
- ICEE
- ScholarShare
- AMP Radio

Events

A greater number of events and increased investment in existing ones garnered considerable media coverage and attracted new audiences, while encouraging repeat visitation from those already familiar with the Zoo.

- **Increased Events:** 28 event days and 7 event nights in FY14, compared with 9 event days and 2 nights in FY13.
- **New Events:**
 - Roaring Nights – three Thursday nights in July, this event series appealed to a new target – Millennials – and drew 4,449 visitors
 - It's Cool at the Zoo – "Cool" activities in September increased weekend attendance 20% over the previous year (excluding Labor Day)
 - Night of the Living Zoo – New event earned media and publicity coverage that will drive momentum for FY15
- **Reinvigorated Existing Events:**
 - Brew at the Zoo – Sell-out event with over 3,000 attendees
 - Boo at the Zoo – Expanded event drove 22% increase in attendance over 2013 for the same two weekends
 - Reindeer Romp – Beloved holiday tradition returned after a four-year hiatus
 - Zoodiac – Expanded celebration of Chinese New Year doubled same-weekend attendance
 - Snow Days – Introduced a sledding hill and snow play area for this weekend event, which drew 47% more attendees than in 2013
 - Sesame Street Live Weekend – Return of this event after a two-year absence boosted same-weekend attendance by 9%

Sales

GLAZA diversified distribution channels to drive incremental sales through:

- Tourism market cultivation, e.g. concierge outreach, LACVB participation and LATCB Travel and Tourism Committee membership
- Active participation in Los Angeles, Hollywood, Glendale, and Pasadena Chambers of Commerce
- Participation in travel incentive programs such as the GO Los Angeles visitor card
- Outreach to community groups such as summer camps, senior centers, and churches and synagogues

Research

Analyzed the market forces and target audience preferences that drive or discourage Zoo visitation through:

- Exit surveys of Zoo visitors
- 2014 Los Angeles Market and Member Benchmark Study (museum, zoo, aquarium, botanical gardens, or performing arts event attendees)

Marketing and Public Relations Plans for 2014-15

Goals

- Grow year-over-year paid gate attendance: 2014-15 attendance goal of 1,664,894
- Establish the Zoo as a premier entertainment and education destination
- Build a strong brand
- Increase market penetration

Vision

We will leverage the diverse resources of Los Angeles to be an innovator for the global zoo community, creating dynamic experiences to connect visitors and animals.

Summary

Advertising and Communication

- Conduct a search for a new advertising agency of record
 - This goal of this process is to find a strategic partner who can provide creative as well as media planning and buying services to help us achieve both our branding and attendance objectives
- Develop a comprehensive branded messaging strategy
- Develop a consistent branded look and feel for all communication channels, updating materials and Zoo website as necessary

- Expand targeting beyond women ages 25-44 years with children to include Hispanic, Asian, African American, tourist
- Grow our in-house email list to provide a cost-effective communication channel for all initiatives

Research

- Participate in local market studies to continue to track perception in the marketplace
- Use focus groups to test brand messages
- Conduct a tracking study to measure impact of brand messaging

Events

In order to drive an increase of 100,000 in Zoo attendance in the coming fiscal year, we will continue to add to our special public events, during both daytime Zoo hours and evenings.

- **EXCITING NEW EVENT IN FY15: L.A. ZOO LIGHTS:** In what is sure to become a Los Angeles holiday tradition, the Zoo will be transformed into a magical wonderland aglow with spectacular light and laser displays from November 28 through January 4. GLAZA has commissioned renowned live event design firm Bionic League to create conceptual, beautiful light-driven entertainment throughout the Zoo. Festivities for this nightly event will also include live music, arts and crafts, and visits from Santa. Separate admission will be required. Similar events at zoos across the nation have proven extremely popular, and projected attendance for L.A. Zoo Lights in FY15 is 100,550
- Other events added to the calendar this year are Family Jam, Latino Heritage Celebration, and Black History Month Celebration
- Grow paid attendance at Roaring Nights and Brew at the Zoo summer evening events

Sales

- Card of the Wild, employee discount program
 - Targeting 650 companies, previous program participants
 - Roll out within 60 days
- Explore sales channel relationships with AAA, COSTCO, Ralph's or another grocery store, travel ticket brokers
- Co-branded sites for corporate intranet sales
- Execute familiarization events for key industry segments: e.g. concierges, tour operators

Social Media

- Focus on 4 main platforms: Facebook, Twitter, Instagram and YouTube
- Expand video content
- Continue contests to drive engagement
- Capitalize on celebrity visits

Promotions and Special Programs

- Test a promotional item (e.g. Bobblehead) to drive traffic for a discreet period
- Execute a plan to provide visiting school groups with vouchers for a free return child's admission, promoting the Zoo as a fun family outing
- Test a direct mail or email program targeting new Los Angeles area residents with an introductory discount offer to visit the Zoo
- Continue rack card program: distributed to airports, hotels, and tourist destinations
- Leverage partnerships and sponsors to provide multiple promotional programs throughout the year (Pepsi, Orange Crush, 99 Cents Only stores) with strong advertising value
- Develop partnerships with Dodgers and Kings sports teams
- Create a tactical promotional discounting program that can be implemented to drive traffic during market variance: unexpectedly low traffic, recovery from bad weather, etc.

Public Relations

- Develop an annual publicity plan incorporating:
 - campaigns for public events at the Zoo
 - wide range of Zoo features, including those currently publicized and others not yet spotlighted regularly
 - human interest stories on animals and Zoo/GLAZA people
 - docent/animal outreach visits
 - Zoo visits by high-profile people (as appropriate), film crews, a newsworthy school class, Make-a-Wish, etc.
- Create calendar with deadlines for long- and short-lead media outlets of pitches/press releases/media alerts for the coming fiscal year
- Grand opening press events: Jaguar exhibit, ZooLights, possible 4D theater
- Familiarization events for mommy bloggers, travel editors

SITE RENTALS AND CATERED EVENTS

Pursuant to the MOU for Marketing & Public Relations and Site Rentals & Catered Events (MOU), GLAZA began actively marketing the Zoo as a venue for private and corporate events in the Fall of 2013. Since that time, 62 private events have been held on the Zoo grounds, ranging from children's birthday parties to the LA Kings' "Meet the Players" event for 3,600 of their season ticket holders.

Initially, GLAZA identified spaces throughout the Zoo for large and small events. GLAZA then invested in necessary hard assets and equipment, such as tables, chairs, heaters, lights, stanchions, and picnic tables to augment this site rental business and better serve our customers. Additionally, we streamlined the web-based birthday party reservation system and established policies, procedures, and a fee structure with the flexibility to serve wide-ranging demands, from small private parties to corporate meetings and large company picnics.

Between September 2013 and June 2014, total gross site rental revenue was \$139,242. In addition to creating a new revenue stream, the Zoo's site rentals efforts have increased revenue streams from Zoo admissions, catering, and Carousel ticket sales. This effort also exposes new audiences to the Zoo, creating the potential for increased visitation and admissions revenue. High profile events hosted at the Zoo, such as the LA Kings' "Meet the Players" night, and a celebrity birthday party resulted in broadcast and web coverage that complements our marketing efforts.

Site Rental and Catered Events Plans for 2014-15

GLAZA will implement a strategic plan to generate a growing number of private and corporate event rentals at the Zoo, and we are on track to meet the site rentals goal established by the MOU. GLAZA and the Zoo Department are working together to solve the challenge presented by the shortage of Zoo staffing resources for event support, such as custodial, grounds maintenance, zookeepers, and trades people.

Plans are underway for the creation of a dedicated outdoor space for large events that does not impact the public areas of the Zoo. This will allow major events to occur during the Zoo's normal business hours without affecting our daily Zoo visitors.

SPONSORSHIPS

Generating Corporate Support for the Zoo

In the spring of 2012, GLAZA launched a multi-year initiative to grow the Zoo's sponsorship program. Prior to this time, sponsorship support for the Zoo focused on special events and exhibit openings and sponsorships were generally secured on a one-time basis. Sponsorship revenue for the previous five years (FY08-FY12) averaged just over \$100,000 annually. Since no multi-year sponsorship agreements had been secured, new sponsors were acquired each year in order to sustain revenue from the program.

The key objectives of the new sponsorship initiative were as follows:

- Leverage corporate relationships to increase sponsorship revenue and generate awareness of the L.A. Zoo and its programs across a broad spectrum of the community
- Acquire sponsors on a multi-year or recurring basis in order to build a reliable, ongoing source of sponsorship support
- Enhance the visitor experience at the L.A. Zoo through participation from sponsors

By the conclusion of FY14, significant progress was made in reaching each of the abovementioned objectives.

- Annual sponsorship revenue has more than tripled, reaching \$385,000 in FY 14.
- Sponsors have invested significant additional marketing and media resources in order to help promote the L.A. Zoo to residents throughout the greater Los Angeles region
- Multi-year sponsorship arrangements have been negotiated and secured with multiple sponsors
- Sponsors participate with the Zoo on grounds and in the community on a regular basis with activities that enhance the Zoo experience and build awareness of the L.A. Zoo and its mission

Sponsorship Plans for 2014-15

Beginning in FY15, GLAZA's sponsorship strategy will focus on continuing to achieve the original objectives outlined for the sponsorship initiative. We plan to utilize the introduction of L.A. Zoo Lights in order to add new sponsors and revenue to the program.

DOCENTS AND VOLUNTEERS

The GLAZA Volunteer Department is responsible for on-grounds, behind the scenes, and off-grounds/community outreach programs. Docent recruitment and training is rigorous, and applicants accepted into the program are required to complete a 23-week training program accredited by UCLA Extension. General and student volunteers undergo their own application and orientation programs and, like docents, must donate a minimum number of hours to the Zoo each year to remain in the program.

Financial Benefits of the Program

In 2013, 618 GLAZA volunteers gave over 74,449 hours to the Zoo, the equivalent of more than 35 full-time staff. GLAZA docents and volunteers engaged with visitors on grounds by giving tours, as ambassadors interacting with Zoo visitors at animal exhibits throughout the Zoo, with special events, with *Animals & You* encounters, as well as helping with observational research projects. They also help Zoo staff behind the scenes by preparing diets and enrichment devices for the animals, and in the offices with administrative support. In addition, docents bring small education animals to facilities that cannot get to the Zoo, such as schools with special needs, retirement communities, and hospitals. Other docents visit schools to talk about the role of zoos and conservation programs as well as a myriad of other wildlife topics, while other docents visit community organizations and fairs. Last year, corporate volunteers donated over 384 hours in one day (96 volunteers gave four hours each) helping with enrichment projects.

Volunteers Conduct Valuable Community Outreach

Docents conducted approximately 324 Zoo tours throughout the past school year, touring over 10,000 schoolchildren and adults. *Animals & You* docents engaged with over 166,702 visitors, providing them with in-person animal interactions during their Zoo visits. The ZooWorld Patch program worked with 398 Girl and Boy Scouts. Off grounds, the *Special Needs Outreach* docents visited 62 facilities, and interacted with 675 children and 1,456 adults; *Classroom Safari* docents visited 79 schools, and made presentations to 5,323 children and 307 adults; and *Speakers Bureau* presented 6 programs to a total of 225 adults.

In 2012, the Los Angeles Zoo, GLAZA, and the docents hosted the prestigious AZAD (Association of Zoo and Aquarium Docents) annual conference. With over 500 attendees, and many extracurricular activities, the GLAZA docents raised over \$55,474 for conservation programs. This was the only time an AZA-accredited zoo or aquarium has successfully raised that significant a donation after accounting for conference costs.

Plans for 2014-15

GLAZA's Volunteer Department will continue recruiting new volunteers to the program, interviewing and assessing potential placement, staffing 136 assignments annually, coordinating member and school tours and classes, training new volunteers and docents, maintaining all

volunteer files, and ensuring that these valuable volunteers' milestones, achievements, and efforts are recognized and rewarded.

We are currently developing two new volunteers programs, Exhibit Volunteers and Safari Volunteers. These new programs are being designed to assist with ongoing needs for ambassadors throughout the Zoo at animal exhibits and the growing need for one-time only event volunteers. The substantial increase in the number of public events implemented by GLAZA's Marketing and Public Relations department requires an increasing number of trained, enthusiastic volunteers to help staff and coordinate this growing schedule of events.

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE LOS ANGELES ZOO AND BOTANICAL GARDENS
AND
THE GREATER LOS ANGELES ZOO ASSOCIATION
MEMBERSHIP, PUBLICATIONS AND VOLUNTEER PROGRAMS

1. Governance

Operating Agreement

The City of Los Angeles (the "City"), through the Zoo Department (the "Zoo"), entered into an Operating Agreement with the Greater Los Angeles Zoo Association ("GLAZA") for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). The Operating Agreement was dated July 1, 1997, executed on September 29, 1997 and expires on September 29, 2022. In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (the "Zoo Director") is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU details the subject matter of the contract, indicates what the parties have agreed to perform, the consideration to be exchanged between the parties and the essential terms of the performance required.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plan, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the Zoo Director to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plan for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plan. This MOU conforms to the 2011-12 Adopted Budget for the Zoo.

2. Term of MOU

This MOU is effective for a one-year period from July 1, 2011 to June 30, 2012. Both the Zoo and GLAZA have fiscal years which run July 1, 2011 to June 30, 2012. The Program Description and budgets below reflect activity during the entire fiscal year. The Zoo and GLAZA may amend this MOU by written agreement during its term should they mutually agree to change the program outlines and budget.

3. Program Description

GLAZA offers annual memberships in the following categories. Benefits in each category are outlined in Appendix A.

3.1 *Estimated Budget: Membership Dues Revenue, Transfers and Disbursements for the Fiscal Year July 1, 2011 to June 30, 2012.*

<i>Category</i>	<i>Charge 7/1/11 to 8/31/11</i>	<i>Charge 9/1/11 to 6/30/12</i>
Individual	\$ 45.00	\$ 49.00
Couple	\$ 60.00	\$ 70.00
Family	\$ 89.00	\$ 99.00
Family Deluxe	\$ 125.00	\$ 149.00
Contributor	\$ 250.00	\$ 250.00
Wildlife Associate	\$ 500.00	\$ 500.00
Conservation Circle	\$1000.00	\$1000.00

For the 2011-12 Fiscal Year, GLAZA has approved the following budget:

<i>Category</i>	<i>Amount</i>	<i>Note</i>
Membership Dues Revenue	\$4,891,606	1.
Less Transfer to Zoo	- 1,208,654	2.
Less GLAZA Membership Costs	<u>- 2,870,643</u>	3.
Balance to be allocated	\$ 812,308	
Less Publications Costs	- 580,845	4.
Less Volunteer Program	- 231,463	4.
Balance	<u>\$ 0</u>	

Note 1. This budget has been prepared by GLAZA and reviewed by the Zoo. GLAZA finished the year ended June 30, 2011 with 68,084 member households and total membership dues revenue of \$5,106,863. For the fiscal year ending on June 30, 2012, GLAZA is planning an 11.24% rate increase effective September 1, 2011 to make its membership rates consistent with the Zoo's adult admission increase to \$16 and membership rates at comparable institutions. Overall, this is expected to result in an increase of budgeted membership revenue of 0.74% to \$4,891,606, but a decrease from last year's actual revenue of 4.22%. This budget is based on the GLAZA's projection of attendance for this year of 1,577,000 visitors, the opening of the Carousel in fall 2011, and the LAIR in winter 2012. Major initiatives for 2011-12 are outlined in Appendix B.

Note 2. In accordance with the Operating Agreement, GLAZA shall remit to the Zoo a percentage of each fee charged for individual, family and other membership fee. This percentage escalates by one percent every September until such time as GLAZA is remitting

25% of said fees to the Zoo. (See Appendix C.) Both parties agree that for the term of this MOU, GLAZA shall remit 25% for the year ending June 30, 2012.

Note 3. In accordance with the Operating Agreement, GLAZA may use a portion of fees charged for membership in the Los Angeles Zoo for its membership administrative costs. This amount includes all costs related to soliciting and servicing memberships.

Note 4. The remainder of the membership fees collected shall be deposited into the City's Zoo Enterprise Trust Fund within twelve months of receipt unless the Zoo Director and GLAZA enter into an MOU requiring GLAZA to perform services for the Zoo. As shown in the above accounting, the Zoo Director has requested GLAZA through this MOU to provide additional services in support of the Zoo. Through this MOU, the Zoo Director instructs GLAZA to spend \$580,845 towards the total costs of \$804,395 of running its Publications Program and to spend \$231,463 towards the total costs of \$320,547 of running a Volunteer Program. Details of each of these Programs are outlined in Appendix D.

3.2 *Annual Giving Programs* - As part of GLAZA's fundraising efforts, GLAZA may create annual giving programs such as the Safari Club and the Business Partners Program which have established annual gift levels and provide a standard set of rights, benefits, and privileges (financial and in-kind). This MOU does not cover these annual giving programs, which will be covered in the annual Fundraising MOU entered into by and between the Zoo and GLAZA.

4. Other Matters

4.1 *Finances* - The Zoo Director or his designee(s) and the GLAZA President or her designee(s) will meet on a regular basis to review the finances of the Membership program. Monthly comparisons of budget to actual revenue and expenses and explanations of variances will be provided to the Zoo Director or his designee(s). The terms and conditions of the Membership Program, including fees and privileges, have been reviewed and approved by the Zoo Director.

4.2 *Performance* - A timeline for each effort and its results will be reviewed on an ongoing basis with the Zoo Director and the Membership Committee of the GLAZA Board of Trustees. The timeliness of mailings as well as the actual response versus the projected response will be used to measure the performance for each of the applicable membership plans.

5. Miscellaneous Provisions

5.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless where preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

5.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements or MOUs, whether written or oral, with respect to such subject matter.

5.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

5.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

5.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

5.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any of obligations under this MOU without the Zoo's prior written consent.


5.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.

5.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

5.9 *References to Other Agreements* - All references in this MOU to other agreements or past practices are for reference purposes only, and do not purport to provide validity or interpretation to the reference, the dates of execution, the term of the agreements or the stated purpose or authority of the agreements. The references are mere recitals without legal authority.

APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

By: 
DOV LESEL, Assistant City Attorney

DATE: 9/12/12

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
JOHN R. LEWIS, Zoo Director

DATE: 9/17/12

GREATER LOS ANGELES ZOO ASSOCIATION

By: 
CONNIE M. MORGAN, President

DATE: 9/17/12

TERM OF THIS AGREEMENT: July 1, 2011 to June 30, 2012

Appendix A: Membership Dues and Benefits

For July 1, 2011 to August 31, 2011

\$45 Individual

One person named on card
One membership card

\$60 Couple

Two adults or one adult and one guest per visit
One membership card (up to two names)

\$89 Family

Two adults or one adult and one guest per visit
Plus all of your own children or grandchildren ages 2-17
One membership card (up to two names)
2 One-day Guest Passes

\$149 Family Deluxe

Three adults or one adult and two guests per visit
Plus all of your own children or grandchildren ages 2-17
Three membership cards (up to three names)
6 One-day Guest Passes
3 Free Safari Shuttle Passes
2 Free LA Zoo Choo-Choo Train Passes
One Free Stroller Rental (single stroller)
Exclusive upper-level member access to *Big Bunny's Spring Fling* and *Boo at the Zoo*

\$250 Contributor

Three adults or one adult and two guests per visit
Plus all of your own children or grandchildren ages 2-17
Plus one additional guest each visit
Three membership cards (up to three names)
8 One-day Guest Passes
4 Free Safari Shuttle Passes
4 Free LA Zoo Choo-Choo Train Passes
One Free Stroller Rental (single stroller)
Exclusive upper-level member access to *Big Bunny's Spring Fling* and *Boo at the Zoo*
Invitations to exclusive events

\$500 Wildlife Associate

Three adults or one adult and two guests per visit
Plus all of your own children or grandchildren ages 2-17
Plus two additional guests each visit
Two membership cards (up to three names)
10 One-day Guest Passes
5 Free Safari Shuttle Passes
6 Free LA Zoo Choo-Choo Train Passes
One Free Stroller Rental (single stroller)

Exclusive upper-level member access to *Big Bunny's Spring Fling* and *Boo at the Zoo*
Invitations to exclusive events
Free endangered species plush animal
Exclusive Animal Enrichment Workshop

\$1000 Conservation Circle

Three adults or one adult and two guests per visit
Two adults or one adult and one guest per visit
Plus all of your own children or grandchildren ages 2-17
Plus three additional guests each visit
Two membership cards (up to three names)
12 One-day Guest Passes
Unlimited use of Safari Shuttle
8 Free LA Zoo Choo-Choo Train Passes
One Free Stroller Rental (single stroller)
Exclusive upper-level member access to *Big Bunny's Spring Fling* and *Boo at the Zoo*
Invitations to exclusive events
Free endangered species plush animal
Exclusive Animal Enrichment Workshop
Private docent-led cart tour of Zoo for up to six guests (once annually)
Private Animals and You encounter and souvenir photo
Opportunity to attend the annual Beastly Ball gala

For September 1, 2011 to June 30, 2012

\$49 Individual

One person named on card
One membership card

\$70 Couple

Two adults or one adult and one guest per visit
One membership card (up to two names)

\$99 Family

Two adults or one adult and one guest per visit
Plus all of your own children or grandchildren ages 2-17
One membership card (up to two names)
2 One-day Guest Passes

\$149 Family Deluxe

Three adults or one adult and two guests per visit
Plus all of your own children or grandchildren ages 2-17
Three membership cards (up to three names)
6 One-day Guest Passes
3 Free Safari Shuttle Passes
2 Free LA Zoo Choo-Choo Train Passes
One Free Stroller Rental (single stroller)
Exclusive upper-level member access to *Big Bunny's Spring Fling and Boo at the Zoo*

\$250 Contributing Associate

Three adults or one adult and two guests per visit
Plus all of your own children or grandchildren ages 2-17
Plus one additional guest each visit
Three membership cards (up to three names)
Your own Zoosociates Concierge to handle VIP requests
8 One-day Guest Passes
4 Free Safari Shuttle Passes
4 Free LA Zoo Choo-Choo Train Passes
2 *Tom Mankiewicz Conservation Carousel* tickets
One Free Stroller Rental (single stroller)
Exclusive upper-level member access to *Big Bunny's Spring Fling and Boo at the Zoo*
Invitations to exclusive events

\$500 Wildlife Associate

Three adults or one adult and two guests per visit
Plus all of your own children or grandchildren ages 2-17
Plus two additional guests each visit
Two membership cards (up to three names)
10 One-day Guest Passes
5 Free Safari Shuttle Passes
6 Free LA Zoo Choo-Choo Train Passes
One Free Stroller Rental (single stroller)

3 *Tom Mankiewicz Conservation Carousel* Tickets

Exclusive upper-level member access to *Big Bunny's Spring Fling* and *Boo at the Zoo*

Invitations to exclusive events

One eco-friendly license plate frame

Free ADOPT an Animal kit (\$35 value)

Name recognition in *ZooScape* magazine and on our website

Free endangered species plush animal

Exclusive Animal Enrichment Workshop

\$1000 Conservation Associate

Three adults or one adult and two guests per visit

Two adults or one adult and one guest per visit

Plus all of your own children or grandchildren ages 2-17

Plus three additional guests each visit

Two membership cards (up to three names)

12 One-day Guest Passes

Unlimited use of Safari Shuttle

8 Free LA Zoo Choo-Choo Train Passes

One Free Stroller Rental (single stroller)

4 *Tom Mankiewicz Conservation Carousel* tickets

Exclusive upper-level member access to *Big Bunny's Spring Fling* and *Boo at the Zoo*

Invitations to exclusive events

One eco-friendly license plate frame

Free ADOPT and Animal kit (\$35 value)

Name recognition in *ZooScape* magazine and on our website

Free Family Membership to the gift recipient of their choice

Free endangered species plush animal

Exclusive Animal Enrichment Workshop

Private docent-led cart tour of Zoo for up to six guests (once annually)

Private Animals and You encounter and souvenir photo

Opportunity to attend the annual Beastly Ball gala

Appendix B

Major Activities in Membership July 1, 2011 to June 30, 2012

Events & Programs:

Docent-led Member Tours	All levels	Monthly
Member Bird Walks	All levels	7/16/11, 8/20/11, 11/19/11, 2/15/12, 5/12/12
Member Appreciation Mornings	All levels	8/27/11, 3/11/12, 5/19/12
Twilight at the Zoo	Contributing Associate+	September 25, 2011
Boo at the Zoo Preview	Family Deluxe+	October 29, 2011
Animal Enrichment Workshop	Wildlife Associate+	November 12, 2011
Breakfast With Santa	All levels	December 3, 2011
Big Bunny Spring Fling Preview	Family Deluxe+	April 7, 2012
Breakfast with Favorite Characters	Contributing Associate+	TBD in 2011 and 2012

Direct Mail Campaigns:

<u>Drop Date</u>	<u>Distribution</u>	<u>Proj. Response Rate</u>	<u>Proj. New Sales</u>	<u>Proj. Gross Revenue</u>
October 2011	300,000 households	.74%	2,220	\$177,600
March 2012	450,000 households	.89%	3,560	\$284,800

Promotions:

<u>Offer</u>	<u>Item</u>	<u>Timeframe</u>	<u>Level offered to</u>
Renewal Incentive 1	20% off and tote if upgrade	September-ongoing	All levels
Renewal Incentive 2-4	\$10 off renewal	September-ongoing	Family+
Renewal Incentive 5	\$15 off renewal	September-ongoing	All levels
Direct Mail Incentive	20% + \$5 off + tote bag/plush	October/March	All levels

Appendix C: Percentage of Membership Dues to be remitted to City of Los Angeles

For Operating Agreement Year Ending September 30, 1998	15%
For Operating Agreement Year Ending September 30, 1999	16%
For Operating Agreement Year Ending September 30, 2000	17%
For Operating Agreement Year Ending September 30, 2001	18%
For Operating Agreement Year Ending September 30, 2002	19%
For Operating Agreement Year Ending September 30, 2003	20%
For Operating Agreement Year Ending September 30, 2004	21%
For Operating Agreement Year Ending September 30, 2005	22%
For Operating Agreement Year Ending September 30, 2006	23%
For Operating Agreement Year Ending September 30, 2007	24%
For Operating Agreement Year Ending September 30, 2008	25%
For Operating Agreement Year Ending September 30, 2009	25%
For Operating Agreement Year Ending September 30, 2010	25%
For Operating Agreement Year Ending September 30, 2011	25%
For Operating Agreement Year Ending September 30, 2012	25%

Appendix D: Publications Program

Zoo View: 4 issues per year of a four-color, 20 to 28 page publication. Print run of approximately 72,000 to 75,000, with distribution to all members, donors, subscribers, and others as determined by Zoo and GLAZA. Focus is on themed issues with multiple articles about the Zoo, its collections, programs, and the world that our collections inhabit. Generally, one issue is an Annual Report for the Zoo and GLAZA. Editorial oversight provided by a committee consisting of Zoo Director, Zoo Assistant Director, Zoo General Curator, Zoo Director of Education, Zoo Director of Public Relations and Marketing, GLAZA President, and GLAZA Vice President for Institutional Advancement.

Zooscape: 10 issues per year (monthly, with combined June/July and December/January issues) of a four-color, 4-panel tabloid size publication. Print run of approximately 72,000 to 75,000, with distribution to all members, donors, subscribers, and others as determined by Zoo and GLAZA. Focus is on Zoo and GLAZA events, animal and plant transactions, and shorter stories. Editorial committee listed above approves all copy.

The Gnus: 26 issues per year of an internal staff newsletter for Zoo, GLAZA, and Volume Service America employees and volunteers. Includes information on employees, new policies and procedures, recent media coverage, and animal updates. Distribution via email as well as additional print copies in key offices. Editorial committee listed above approves all copy.

www.lazoo.org: Official website. Integrated website for Zoo and GLAZA to provide information to potential visitors about basic Zoo facts, visitor amenities, Zoo collections, especially new exhibits, programs, classes and events, membership and donation opportunities including on-line processing of certain transactions. Content for each section is approved by the appropriate department heads. A separate *Spider City* website is being developed to support this Zoo exhibit which is now available for rental. Special sections or mini-sites may be launched to promote major events or new exhibits, such as Elephants of Asia in the past, and the upcoming opening of the LAIR.

Special Publications: To promote specific exhibits or programs, special limited edition publications may be produced, e.g. for Elephants of Asia, a 28-page coloring book was printed last year with a 75,000 press run. Plans for publications for the new LAIR are still being developed.

Appendix E: Volunteer Program

In order to provide the Zoo with needed support and assistance in a wide variety of programs and activities, GLAZA agrees to staff a volunteer and docent program to recruit, train, re-train, and oversee volunteers (and if necessary to discipline and/or terminate) with various skills to fill needs identified by the Zoo Director. GLAZA staff will work with Zoo staff to identify and assign volunteers and assure that volunteers are trained for their particular assignments. All GLAZA volunteers will report to the Manager of Volunteer Programs, who in turn reports to the GLAZA President. Types of volunteers will include, but not be limited to, the following categories:

Docent (Teaching/Interpretive) Volunteers

Student Volunteers (9th through 12th Graders)

General Zoo Volunteers (includes special event volunteers)

Ambassadors

Food Preparation Volunteers

Enrichment

Research

Horticulture

Corporate Program

Community Service Learning Program (for high school and college students who have a community service obligation or project.)

GLAZA will maintain records on all of its volunteers, their training, hours worked, and other pertinent information. GLAZA will provide for adequate insurance coverage for these volunteers while working on Zoo or GLAZA business. GLAZA recognizes the Zoo's right to fingerprint and perform background checks on all volunteers at the Zoo. Volunteers who do not meet the criteria of this background check program will be dismissed from the program.

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE LOS ANGELES ZOO AND BOTANICAL GARDENS
AND
THE GREATER LOS ANGELES ZOO ASSOCIATION
CONCESSIONS

1. Governance

Operating Agreement

The City of Los Angeles (the "City"), through the Zoo Department (the "Zoo"), entered into an Operating Agreement with the Greater Los Angeles Zoo Association ("GLAZA") for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). The Operating Agreement was dated July 1, 1997, executed on September 29, 1997 and expires on September 29, 2022. In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (the "Zoo Director") is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU details the subject matter of the contract, indicates what the parties have agreed to perform, the consideration to be exchanged between the parties and the essential terms of the performance required.

Concession Agreement

A separate agreement, titled "Concession Agreement Between the City of Los Angeles and Greater Los Angeles Zoo Association" (the "Concession Agreement") defines the contractual relationship between the City and GLAZA whereby the City has granted to GLAZA the exclusive right and privilege to operate and maintain all approved concessions on Zoo premises (executed February 1981). The Term of the Concession Agreement began February 12, 1981 and was to expire February 11, 2006. The Operating Agreement however extends the term of the Concession Agreement to February 11, 2016.

Concession Services Agreement

In accordance with Section IV.A of the Operating Agreement, the City further granted GLAZA the authority to subcontract for concession services pursuant to a Request for Proposals process meeting all City requirements. As a result, GLAZA executed an agreement (titled the Concession Services Agreement for Los Angeles Zoo by and between Greater Los Angeles Zoo Association and Service America Corporation – Service System Associates, A Joint Venture) (the "Services Agreement") with Service America Corporation/Service System Associates (the "Concessionaire"). The Services Agreement was executed October 1, 1997, and was to expire September 30, 2007, which term was extended by GLAZA, provided that in no case shall the term of the Services Agreement go beyond the date of February 11, 2016, which is when the Concession Agreement between the City and GLAZA expires. Any option to renew shall be at the sole discretion of GLAZA by giving Concessionaire a preliminary

notice of renewal not later than six months prior to the ending of the then current term. Concessionaire shall have the right to decline any option renewal by providing GLAZA with written notice within 30 days of receiving the option renewal.

(First) Amendment to Services Agreement

GLAZA and Concessionaire entered into a (First) Amended Agreement which provided for additional capital investment by Concessionaire and a modified commission structure. The Amended Agreement was executed July 1, 2001.

Second Amendment to Services Agreement

GLAZA and Concessionaire entered into a Second Amendment to the Services Agreement which provided for an extension of the term of the agreement from September 30, 2007 to September 30, 2009 along with certain modifications to terms and conditions. The Second Amendment was executed on May 3, 2007.

Third Amendment to Services Agreement

GLAZA and Concessionaire entered into a Third Amendment to the Services Agreement which provided for an extension of the term of the agreement from September 30, 2009 to September 30, 2011 along with certain modifications to terms and conditions. The Third Amendment was executed on September 30, 2009.

Fourth Amendment to Services Agreement: Under Negotiation

In March 2011, GLAZA informed Concessionaire of its desire to negotiate a Fourth Amendment to the Services Agreement which will extend the term of the agreement from September 30, 2011. GLAZA is now in negotiations for the terms and conditions of this Fourth Amendment.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plan, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the Zoo Director to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plan for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plan. This MOU conforms to the 2011-12 Adopted Budget for the Zoo.

2. Term of MOU

This MOU is effective for a one-year period during the parties' fiscal year which runs July 1, 2011 to June 30, 2012. The Program Description and budgets below reflect activity during the entire fiscal year. The Zoo and GLAZA may amend this MOU by written agreement during its term should they mutually agree to change the program outlines and budget.

3. Program Description

This MOU covers the concession operation at the Zoo, including, but not limited to, food services, vending of food products, gift shops, tram services, rental of wheelchairs and strollers, vending of special products such as plastic animals, pennies and photos, catering, an amusement children's train ride, and the rental of Zoo facilities by outside groups.

3.1 *Main Concessions* - As of October 1, 1997, GLAZA sub-contracted with Concessionaire granting them (i) the sole and exclusive right to operate the food and refreshment and gift shop concessions, (ii) the sole and exclusive right to sub-contract the operation of vending machines, tram operations and stroller and wheelchair rental concessions, and (iii) the right to be the "preferred" non-exclusive caterer at the Zoo. The Concessionaire took over the site rental responsibilities on April 19, 2000.

Estimated Budget: Concessions Revenue, Commissions, Transfers and Adjustments for the Fiscal Year July 1, 2011 to June 30, 2012.

<i>Category</i>	<i>Amount</i>
Total Gross Revenue	\$ 9,511,249.60
Less In-house Catering	- 95,302.60
Total Commissionable Revenue	\$ 9,415,947.00
Commissions	\$ 1,791,759.14
Less Transfer to City	- 941,594.70
Less GLAZA Admin Fee	- 282,478.41
Remainder to Zoo Surplus Development Fund	\$ 567,686.03

3.1.1 Estimated Commissions for 2011-12 of \$1,791,759.14 have been budgeted by GLAZA and Concessionaire and reviewed by the Zoo.

3.1.2 In accordance with the Services Agreement, Section 1R and Section 16D, catering contracted by the Zoo or GLAZA is exempt from commissions.

3.1.3 *Annual Commission Enhancement* - Concessionaire will pay to GLAZA an Annual Commission Enhancement based on annual attendance for each contract year (October 1 to September 30) beginning October 1, 2007. As this enhancement is additional commission, but not additional gross commissionable revenue, the full amount goes to the Zoo Surplus Development Fund.

3.1.4 In accordance with the Concession Agreement, 10% of the preceding month's Gross Commissionable Revenue (from concessions receipts as defined in Section VI of said Agreement,) will be transferred monthly to the Zoo Department by the 15th day of the following month.

3.1.5 As mutually agreed upon, and as a continuation of past practice, 3% of the Gross Commissionable Revenue will be retained by GLAZA as an administrative fee and to cover administrative costs including, but not limited to, insurance, legal support, taxes,

consultants for on-going operations and long-term planning and staff time related to the management and oversight of the Concessionaire and the Services Agreement.

3.1.6 The remaining commission (including the Annual Commission Enhancement) will be placed in a separate GLAZA fund. The net surplus in this account at the end of each fiscal year will be transferred to the Zoo Surplus Development Fund, restricted to use by the Zoo Director. On an annual basis, the Zoo Director will present a budget to GLAZA authorizing expenditures of part or all of the accumulated surplus in the Zoo Surplus Development Fund.

3.2 *Special Vending* - The concession operation at the Zoo has always included some sub-contracted machines vending products other than food. These machines are owned and maintained by other companies who remit to GLAZA a portion of the revenue collected in the machines.

Estimated Budget: Special Vending Revenue and Transfers for the Fiscal Year July 1, 2011 to June 30, 2012.

<i>Category</i>	<i>Amount</i>
Special Vending Revenue	\$ 115,936
Special Vending Commissions	\$ 51,252
Less Transfer to City	- 11,594
Less GLAZA Admin Fee	- 3,478
Remainder to Zoo Surplus Development Fund	\$ 36,181

3.2.1 Estimated Special Vending Commissions for 2011-12 of \$51,252 have been budgeted by GLAZA and reviewed by the Zoo.

3.2.2 As mutually agreed upon, and in conformity with Main Concessions, 10% of the preceding month's Special Vending Revenue will be transferred monthly to the Zoo by the 15th day of the following month. 3% of the Special Vending Revenue will be retained by GLAZA as an administrative fee and to cover administrative costs including, but not limited to, insurance, legal support, taxes, consultants for on-going operations and long-term planning and staff time related to the management and oversight of the providers of Special Vending.

3.2.3 The remaining Special Vending Commissions will be placed in a separate GLAZA fund. The net surplus in this account at the end of each fiscal year will be transferred to the Zoo Surplus Development Fund, restricted to use by the Zoo Director, as outlined in 3.1.6 above.

3.3 *Exclusive or Official Product and Service Agreements* - As part of the Zoo's operations, GLAZA and/or the Concessionaire may have opportunities for product or service exclusivity in exchange for rights, benefits and privileges (financial and in-kind). Negotiations of any and all agreements shall be conducted together with the Zoo Director, or his designee,

and GLAZA. Subsequent product or service exclusivity agreements shall represent a mutual agreement between the Zoo and GLAZA on the disposition of benefits received in exchange (financial and in-kind), shall be in writing and shall not extend beyond one year without approval of the CAO and City Attorney.

4. Other Matters

4.1 Monthly financial statements will be provided to the Zoo Director, or his designee. Reports will provide gross revenue, sales per visitor (where appropriate), commission computation and distribution of funds to Zoo, GLAZA, and Zoo Surplus Development Fund. The Zoo Director or his designee(s) and the GLAZA President or her designee(s) will meet on a regular basis to review the finances of Concessions operations and Special Vending contractors. GLAZA will seek the Zoo's advice in matters pertaining to the management of the Concessions and Special Vending.

4.2 Zoo Director will be a voting member of the Concessions Committee of the GLAZA Board of Trustees.

4.3 The Concessions Committee will meet to monitor vendor selection, quality, cost, safety, customer service and other issues.

4.4 The Concessions Committee will review with Concessionaire and contractors the required capital investment as outlined in their Agreements.

4.5 The Concessions Committee will work to develop tools and strategies, including market research and consulting, to implement the Concessions Conceptual Plan in concert with the Zoo's 2002 Master Plan Update and with the Zoo's Business and Marketing Plan.

4.6 Zoo, GLAZA and Concessionaire staff will develop guidelines for the appropriate use and rental of the Front Entry Plaza and the new Elephants of Asia public areas.

4.7 The Concessions Committee will discuss appropriate strategies and timelines in preparation for Fourth Amendment.

GLAZA recognizes that that the City has issued a draft Request for Proposals for an Alternative Management Structure for the Los Angeles Zoo, which may affect the City's agreements with GLAZA and GLAZA's subcontracts governed by those agreements.

The Operating Agreement states: *C. TERMINATION OF CONCESSION AGREEMENT At any time during the duration of the Concession Agreement, CITY may, at its option and for any reason, terminate the Concession Agreement upon the giving of 180 days prior written notice to GLAZA. In the event of such termination, the CITY may, at its sole option, elect to assume any or all of GLAZA's subcontracts for approved ZOO concessions or may reject and cancel any or all of GLAZA's subcontracts. Each and every subcontract entered into by GLAZA for an approved ZOO concession shall provide notice to the subcontractor of the language contained in this paragraph.*

Further, the Concession Services Agreement states: *Section 17. Agreement Termination, 5.D. GLAZA shall have the right to terminate this Agreement for any reason by giving Operator one hundred and twenty (120) days written notice specifying the date of such termination. If the Agreement is terminated by GLAZA pursuant to this clause, GLAZA or the successor operator agrees to pay Operator an amount equal to the unamortized portion of the capital investment minus the fees received by Operator from GLAZA relating to the sharing of outside catering fees within sixty (60) days from the date of termination.*

5. Miscellaneous Provisions

5.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless where preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

5.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements or MOUs, whether written or oral, with respect to such subject matter.

5.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

5.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

5.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

5.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any of obligations under this MOU without the Zoo's prior written consent.

5.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.


5.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

5.9 *References to Other Agreements* - All references in this MOU to other agreements or past practices are for reference purposes only, and do not purport to provide validity or interpretation to the reference, the dates of execution, the term of the agreements or the stated purpose or authority of the agreements. The references are mere recitals without legal authority.

APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS


By: 
DOV LESEL, Assistant City Attorney

By: 
JOHN R. LEWIS, Zoo Director

DATE: 9/12/12

DATE: 9/17/12

GREATER LOS ANGELES ZOO ASSOCIATION

By: 
CONNIE M. MORGAN, President

DATE: 9/17/2012

TERM OF THIS AGREEMENT: July 1, 2011 to June 30, 2012

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

THE LOS ANGELES ZOO AND BOTANICAL GARDENS

AND

THE GREATER LOS ANGELES ZOO ASSOCIATION

FINANCIAL ASSISTANCE, SPECIAL EVENTS AND COMMUNITY AFFAIRS

1. Governance***Operating Agreement***

The City of Los Angeles (the "City"), through the Zoo Department (the "Zoo"), entered into an Operating Agreement with the Greater Los Angeles Zoo Association ("GLAZA") for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). The Operating Agreement was dated July 1, 1997, executed on September 29, 1997 and expires on September 29, 2022. In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (the "Zoo Director") is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU identifies the subject matter of the contract, what the parties have agreed to perform, the consideration to be exchanged between the parties and the essential terms of the performance required.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plan, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the Zoo Director to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plan for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plan. This MOU conforms to the 2011-12 Adopted Budget for the Zoo.

2. Term of MOU

This MOU is effective for a one-year period from July 1, 2011 to June 30, 2012. Both the Zoo and GLAZA have fiscal years which run July 1, 2011 to June 30, 2012. The Program Description and budgets below reflect proposed activity during the entire fiscal year. The Zoo

and GLAZA may amend this MOU by written agreement during its term should they mutually agree to change the program outlines and budget.

3. Program Description

The primary responsibility of GLAZA will be to seek and provide financial support toward the Zoo's operating budget and to help fund the Zoo's capital improvements.

GLAZA will accomplish this through the investment in, provision of and management of a full-scale Development Program. The Program will be designed to attract financial contributions and similar support from the private sector including, but not limited to, individuals, corporations, charitable foundations and local governments as stipulated in the Operating Agreement. It will incorporate both short- and long-term strategies to meet the Zoo's needs in this current year and future years.

GLAZA's financial support of the Zoo will be delivered to the Zoo in two ways:

- A) through transfers of cash donations and gifts stipulated below, both restricted and unrestricted, for programs and projects defined by the Zoo Director and agreed to by GLAZA, based on these projects' appeal to the donor base; and
- B) through the delivery of program services to the Zoo by GLAZA departments or programs such as special events, opening events, special exhibitions and programs, community relations and others, as requested by the Zoo Director and negotiated through separate MOUs, and through advocacy and public relations efforts promoting philanthropy that will advance the Zoo's mission and well-being. The deliverance of additional program services such as publications and applicable portions of the volunteer program are provided for in the Membership MOU.

To implement the program successfully, GLAZA will supply appropriate development and fundraising personnel, campaign materials, cultivation events, financial management and database management to accomplish these goals. The Zoo will supply personnel as needed (such as the Zoo Director, curators, keepers and financial and operational management) to assist in the cultivation of donors, the tracking of Zoo's use of the monies raised and the development of appropriate, fundable projects that can be accomplished in a timely fashion.

The Zoo Director and the GLAZA President shall coordinate on the timing and implementation of this program, through the submission of an FY2011-12 development plan to the Zoo Director by the GLAZA President.

4. Detailed Program and Financial Arrangements

In FY2011-12, GLAZA's development programs will raise funds from a variety of sources including, but not limited to, individual, foundation and corporate cash and non-cash contributions, bequests and planned gifts, charitable events and institutional and government grants. These gifts may be:

4.1 **Restricted Funds** – Restricted funds are deemed restricted when a donor, whether an individual, corporation or foundation, requests that funds given to the Zoo will be expended for a specific purpose. These restricted funds are accounted for in projects established for each specific purpose. Priorities for the specific purpose for which GLAZA raises these funds are established by and with the Zoo Director. As an independent 501(c)(3) non-profit corporation, GLAZA is responsible for properly accounting for these funds and for ensuring that these funds are expended for the purpose requested by the donor. Expenditure of funds in restricted accounts requires the approval of both the Zoo Director, or his designee, and the GLAZA President, or her designee.

GLAZA will endeavor to raise \$2.5 million in restricted gifts for FY2011-12. This goal is comprised of Capital Campaign gifts for the Zoo's Master Plan capital construction projects, gifts for specific Zoo programming (such as educational programming), gifts for smaller capital projects and cash sponsorships from corporations and other entities in support of the Zoo's programmatic and marketing activities. The sponsorships are cultivated and solicited in conjunction with the Zoo's marketing department.

It is important to note that major gifts for capital projects come about as a result of careful identification and long-term cultivation of donors for specific projects. Donors signal their interests and make their gifts on a timetable that best suits their own philanthropic needs. While GLAZA has made every effort to identify and budget for likely gifts this fiscal year, the timing of gifts is controlled by the donors.

GLAZA will invest \$558,323 to pay expenses of raising this restricted capital. GLAZA will partially recoup costs for restricted fundraising through an indirect cost recovery rate of 7.5% on all restricted gifts.

4.1.1 **Give By Cell** – In conjunction with the Elephants of Asia, GLAZA has initiated a new fundraising program via cell phone. The Zoo prepared a video to be presented at the exhibit which describes the plight of Asian elephants, and conservation efforts to preserve them and their habitats. Through the Mobile Giving Foundation/Give By Cell and their own cell phones, patrons make contributions to the Zoo's Asian Elephant Conservation Programs. The program and the initiation, annual, and per transaction fees for this program have resulted in direct costs of more than 10% of revenues received. For this particular program, the Zoo and GLAZA agree that GLAZA will waive its 7.5% indirect cost fee, but bill all direct costs to this program. During FY2011-12, the Zoo and GLAZA will analyze the revenues and expenses of this program and make changes as they see appropriate.

4.2 **Unrestricted Funds** - GLAZA will also endeavor to raise up to \$2,584,267 in unrestricted funds in FY2011-12 for the GLAZA operating budget through the Beastly Ball, other special event fund raisers and programs including, but not limited to:

4.2.1 **Safari Club** - an annual fundraising program designed to attract individual donors to support the Zoo with unrestricted gifts of \$1000 and above;

4.2.2 **Business Partners** - an annual fundraising program designed to attract corporate donors to support the Zoo with unrestricted gifts of \$1000 and above and gifts to sponsor specific GLAZA events in support of fundraising;

4.2.3 *Exclusive or Official Product and Service Agreements* - negotiated by GLAZA together with the Zoo Director, or his designee;

4.2.4 *Commemorative Programs* - providing opportunities for individuals, corporations and foundations to provide a gift in order to commemorate an occasion, person or program with a bench, medallion, tile or other appropriate item;

4.2.5 *General unrestricted donations and matching gifts*

4.2.6 *Direct mail appeals* - for donations other than membership

GLAZA will invest \$747,443 to pay expenses of raising these unrestricted funds.

As a result of all its unrestricted fundraising efforts, GLAZA will gift the sum of \$365,000 to the Zoo Assistance Fund for public relations, marketing and conservation efforts, and will entirely underwrite the costs of the GLAZA departments and activities discussed herein, such as Development, Information Technology, Special Events, Volunteers and other GLAZA produced or sponsored activities that "complete" the total operations of the Los Angeles Zoo, as well as the costs for finance and administration of GLAZA, including insurance.

4.3 ***Bequests and Deferred Gifts*** - These are gifts made to GLAZA via a bequest or other planned gift vehicle such as a trust or annuity, either restricted or unrestricted. If GLAZA receives a bequest for which the donor has not restricted the funds for a specific purpose, GLAZA's current policy is to apply these funds towards GLAZA's financial commitment to the Elephants of Asia exhibit. GLAZA will invest \$114,710 to pay expenses of managing these bequests, and cultivating future bequests and endowment gifts.

Bequests that have restrictions, either temporarily-restricted for program purposes, or permanently-restricted for endowment purposes, are also cultivated and received.

Permanently-restricted endowment gifts are invested in GLAZA's Endowment Fund, which is invested separately from all other GLAZA cash, and which is managed to secure the Zoo's future. By Board policy, up to 5% of the average market value of the Endowment Fund over the past three years may be expended by GLAZA annually as designated by GLAZA Trustees. In the past, expenses funded through the Endowment Fund proceeds have included the Proposition A2 campaign, Proposition CC campaign and restricted fundraising expenses. Currently GLAZA is committed to meeting its commitment to MICLA funding from applicable endowment income cited above, should it not meet this commitment through fundraising efforts.

4.4 ***Special and Community Events and Travel Programs*** - GLAZA will staff a Special Events Department which will be responsible for coordinating all member events, donor events such as the Sunset Safari, the annual Beastly Ball, Music in the Zoo series, volunteer recognition events, Zoo exhibition and habitat openings, Zoo receptions, VIP tours, domestic and international travel programs, and will assist Zoo staff in many of the Zoo's promotional events such as Big Bunny and Boo at the Zoo. The goals of these events will be to increase attendance to the Zoo, increase the number of Zoo members and cultivate them to renew and increase their gifts, cultivate donors to give, renew, and increase their gifts, to cultivate new donors through fundraising events, to serve general Zoo visitors, and to host important

guests to the Zoo. The Travel Programs are a cultivation tool for current and future donors by providing them with opportunities to visit areas of wildlife interest, often accompanied by Zoo and/or GLAZA staff. Zoo and GLAZA staff will work together on the scheduling, planning, execution and analysis of these events. Events will follow the Zoo's standard Activity Request procedure. GLAZA will pay the \$451,428 for GLAZA Special Events department and non-Beastly Ball event costs.

GLAZA's annual major fundraising event is the Beastly Ball, scheduled for June 16, 2012. Funds may be raised through sponsorships, ticket sales, silent and live auctions, donations and a program book or other devices. It is expected that nearly 1,000 individuals will attend this fund raiser. GLAZA expects to net as much as \$952,267 from this event.

GLAZA will also initiate a second fundraising event in January 2012 to celebrate the 90th birthday of Betty White. Proceeds will be used to support GLAZA programs.

The Zoo will embark upon an inaugural event entitled "Brew at the Zoo". This event is geared towards a new audience of people age 21 and over, and will be a summer evening of local craft beer tasting, pub-style food and local bands. The Zoo and GLAZA will collaborate on this event with all costs to be budgeted within the Zoo Surplus Development Fund. The revenue generated through ticket sales will be used to offset the cost of the event with the net proceeds to be divided equally between the Zoo and GLAZA. Any sponsorship(s) revenue obtained will be deposited into the Restricted Marketing account within GLAZA to be used to support the marketing efforts of this event and the Zoo, or other Zoo events.

4.5 **Community Relations** – Community relations strengthens relationships with individuals and organizations in the community who need to be aware of Zoo programs, or who are assisting the Zoo in some aspect of its operations or programs. GLAZA will fund the purchase of a table at The Autry National Center's Annual Gala in September, in a reciprocating "good neighbor" support program. In turn, the Autry purchases a table at the Beastly Ball. GLAZA will also fund and host an event at the Zoo for special guests, legislators and consulate offices in Southern California, as well as complimentary tickets to the Beastly Ball. GLAZA will pay the \$17,500 for these Community Relations costs.

5. Other Matters

5.1 Summary monthly reports of development activity will be provided to the Zoo Director, or his designee.

5.2 GLAZA will endeavor to raise funds efficiently by incorporating best practices of the non-profit industry. Total fundraising costs for the development department for restricted, unrestricted and deferred gifts fundraising efforts are expected to be \$1.447 million. These costs represent an investment in capital fundraising for the Zoo that may have longer term benefits than reflected in the current year. Beastly Ball expenses are expected to approximate \$252,733 or 21% of gross revenue from the event.

5.3 GLAZA is the primary, but not exclusive, organization authorized to solicit individual, corporate, government and foundation funds and contributions on behalf of the City for the Zoo. Prior to the Zoo Director's approval of any fundraising activity proposed by another organization, the Zoo Director and the GLAZA President shall coordinate the

proposed activity's timing and format to make certain that it does not interfere with GLAZA's fundraising plans and calendar.

6. Miscellaneous Provisions

6.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless where preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

6.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements or MOUs, whether written or oral, with respect to such subject matter.

6.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

6.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

6.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

6.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any of obligations under this MOU without the Zoo's prior written consent.

6.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.

6.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

6.9 *References to Other Agreements* - All references in this MOU to other agreements or past practices are for reference purposes only, and do not purport to provide validity or interpretation to the reference, the dates of execution, the term of the agreements or the stated purpose or authority of the agreements. The references are mere recitals without legal authority.

APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
DOV LESEL, Assistant City Attorney

By: 
JOHN R. LEWIS, Zoo Director

DATE: 9/12/12

DATE: 9/17/12
GREATER LOS ANGELES ZOO ASSOCIATION

By: 
CONNIE M. MORGAN, President

DATE: 9/17/2012

TERM OF THIS AGREEMENT: July 1, 2011 to June 30, 2012

City Business License Number 0000038894-0001-2
Internal Revenue Service Taxpayer Identification Number 95-2369545
Agreement Number _____

C-121081

MEMORANDUM OF UNDERSTANDING (MOU)**BY AND BETWEEN****THE LOS ANGELES ZOO AND BOTANICAL GARDENS (ZOO)****And****THE GREATER LOS ANGELES ZOO ASSOCIATION (GLAZA)****TOM MANKIEWICZ CONSERVATION CAROUSEL****1. Governance**

The City of Los Angeles, through the Zoo Department, entered into an Operating Agreement with the Greater Los Angeles Zoo Association for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (also known as the Zoo Director) is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU details the subject matter of the contract, indicates what the parties have agreed to perform, and the consideration to be exchanged between the parties.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plan, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the General Manager of the Zoo Department to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plan for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plan. This MOU conforms to the 2010-11 Adopted Budget for the Zoo Department.

2. Term of MOU

This MOU will commence as of October 1, 2011 and will terminate upon on the earliest of the following: (i) the first day of the calendar month immediately following the calendar month in which GLAZA has fully recouped its investment in the Carousel Project; (ii) the fifth (5th) anniversary of the date of the first paid admission to the Carousel; or (iii) September 30, 2017, which is the sixth (6th) anniversary of the date of the effective date of this MOU. GLAZA will provide monthly reports with the required information to the Zoo's satisfaction.

Upon termination of the MOU, the Parties will negotiate a new MOU to cover the Carousel's operation and distribution of net revenue. The Zoo and GLAZA may amend this MOU by written agreement during its term should they mutually agree to change the program outlines and budget, or for other valid reasons.

3. Program Description

The Tom Mankiewicz Conservation Carousel (Carousel) is a hand-carved, wooden carousel commissioned by GLAZA from Carousel Works in Mansfield, Ohio. Carousel Works has built and installed carousels in a number of AZA accredited zoos, including zoos in California. The Carousel has 64 animals and two accessible benches. Many of the animals featured on the Carousel are those within the Los Angeles Zoo's animal collection. The Carousel is being installed in the Zoo at Treetops Terrace, in a California Arts and Crafts-style Pavilion and will be visible to patrons from pedestrian walkways below. The Carousel will be sheltered by a Pavilion, which will provide views of the new Living Amphibian, Insect and Reptile facility (the LAIR) as well as the Aquatics and Australian areas of the Zoo and Campo Gorilla Reserve. The Carousel and Pavilion will be used exclusively for the operation of the Los Angeles Zoo. Expected completion date is the 4th Quarter, 2011.

The costs for the design, fabrication and installation of the Carousel, the site planning, soils analysis, design and construction of the Pavilion, adjacent landscaping, and project and construction management (capital costs) are estimated to be \$2.2 - \$2.5 million. The final costs are to be borne by the GLAZA from gifts, the selling of "sponsorships" of the animal figures and initial ticket receipts. GLAZA will design and construct the Carousel and Pavilion and surrounding landscaping with oversight from the Zoo Director and zoo staff, with all required permits and in accordance with the Zoo's Master Plan. GLAZA will provide the Zoo with a complete breakdown of the entire cost of the project within sixty (60) days of completion of construction of the Carousel. GLAZA will retain ownership of the Carousel until such time that GLAZA has recovered the entire cost of this project. At that time, the Carousel will become the property of the City of Los Angeles, although GLAZA will continue to operate the Carousel and maintain the Carousel's machinery and upkeep of all of its parts. Ownership of the Pavilion will automatically transfer to the City of Los Angeles upon completion of the Pavilion and issuance by the City of the final Certificate of Occupancy. The Los Angeles Zoo will maintain the Pavilion.

GLAZA will operate the Carousel to standards of the State of California and any other regulatory body with appropriate jurisdiction. GLAZA will also maintain all required permits for its operations and secure appropriate business property insurance. In addition, it will obtain general liability insurance, naming the Los Angeles Zoo and Botanical Gardens and the City of Los Angeles as additional insureds.

The estimated \$2.2 - \$2.5 million for this project will be raised from donations, including the sponsorship of animals on the Carousel and net operating revenue (net surplus) of income above expenses to operate and maintain the Carousel. GLAZA will retain the net surplus from Carousel operations until the final capital costs are recovered, but not exceeding five

years from the date of first paid admission. Once the capital costs are recovered by GLAZA, the net surplus from ridership fees and event rentals, less operating expenses, will provide a revenue stream to the Zoo. Based on a 10% capture rate and a \$2-3.00 per ride price point, the net revenue to the Zoo after operation and maintenance costs is estimated to be \$190,000 per year.

4. Other Matters

4.1 *Finances* - The Zoo Director or his designee(s) and the GLAZA President or her designee(s) will meet on a regular basis to review the finances of the Carousel. Monthly comparisons of budget to actual revenue and expenses and explanations of variances will be provided to the Zoo Director or his designee(s). Plans for enhancement of the Carousel and the adjacent area and the short-term and long-term revenues and costs of such plans will be provided.

4.2 *Performance* - The Zoo Director or his designee(s) and the GLAZA President or her designee(s) will meet on a regular basis to review the performance of the Carousel. GLAZA will seek the Zoo's advice in all matters pertaining to the management of the Carousel.

4.3 *Related Agreements* - The terms and agreements between GLAZA and its contractors related to this project have been and will be made available to the Zoo Director before GLAZA enters into these agreements and have been or will be approved by the Zoo Director or his designee.

5. Miscellaneous Provisions

5.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless where preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

5.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements or MOUs, whether written or oral, with respect to such subject matter.

5.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

5.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right

provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

5.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

5.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any of obligations under this MOU without the Zoo's prior written consent.

5.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.

5.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: [Signature]
DOV LESEL, Assistant City Attorney

By: [Signature]
JOHN R. LEWIS, Zoo Director

DATE: 9/12/12

DATE: 9/17/12
GREATER LOS ANGELES ZOO ASSOCIATION

By: [Signature]
CONNIE M. MORGAN, President

DATE: 9/17/12

ATTEST:

JUNE LAGMAY, City Clerk

By: [Signature]
Deputy City Clerk

Date 9-25-12



City Business License Number _____
Internal Revenue Service Taxpayer Identification Number _____
Agreement Number C-1010 B1

C-115379

FINANCING AGREEMENT**Between the City of Los Angeles****and****The Greater Los Angeles Zoo Association****for the****Pachyderm Forest Exhibit**

This financing agreement ("Agreement") dated as of February 26, 2009, is entered into between the City of Los Angeles ("City") and the Greater Los Angeles Zoo Association ("GLAZA"), a California nonprofit public benefit corporation organized in 1963, regarding GLAZA's commitment to pay the debt service costs related to a 10-year or 20-year Bond issue in an amount up to \$14,479,700, in order to finance the completion of construction for the Pachyderm Forest Exhibit ("Project") at the Los Angeles Zoo and Botanical Gardens.

WHEREAS, GLAZA is the official support organization of the Los Angeles Zoo and Botanical Gardens ("Zoo"), and has an agreement with the City dated July 1, 1997 ("Operating Agreement") for the purpose of assisting the City in developing, beautifying and improving the Zoo, which contract expires on September 29, 2022; and

WHEREAS, GLAZA conducts a development program that raises funds for operational, programmatic, and capital needs and projects, directs and operates the Zoo's membership programs for over 61,000 households, plans and conducts special events and travel programs, creates and distributes publications for the Zoo, including its website, recruits and trains over 640 docents and volunteers, and oversees certain visitor amenities including food and retail concessions; and

WHEREAS, GLAZA annually provides nearly \$4 million dollars in support to the Zoo through membership and concessions transfers, restricted support for animal and plant programs, exhibit improvements, conservation and education programs, marketing and general operations, oversees visitor amenities at the Zoo, and has invested millions of dollars in capital improvements since 1997; and

WHEREAS, a major fundraising focus since the late 1990's has been raising private community support to supplement the bond funds from the City and from the County of Los Angeles in addition to other funds that are being used to fund the Zoo's Master Plan to improve facilities and exhibits; and

WHEREAS, this public-private partnership has resulted in such projects as the Chimpanzees of the Mahale Mountains, Red Ape Rain Forest, the Winnick Family Children's Zoo, the Gottlieb Animal Health and Conservation Center, the Children's Discovery Center, the Front Entry Plaza and Sea Life Cliffs and the Campo Gorilla Reserve, and currently focuses on projects including the Pachyderm Forest, a new Reptile and Insect Interpretive Center and the Rain Forest of the Americas; and

WHEREAS, GLAZA has raised and transferred \$15,063,303 to the City for the Winnick Family Children's Zoo, Children's Discovery Center, Campo Gorilla Reserve and Pachyderm Forest, as direct support of the Zoo's Master Plan, and additional millions on bond proposition support, interim financing costs, exhibits and furniture, as well as on-going improvements to Zoo facilities which are not a part of the Zoo's Master Plan, including the Papiano Play Park and new state-of-the-art equipment for the Gottlieb Animal Health and Conservation Center; and

WHEREAS, since 2005, GLAZA has received cash and immediate pledges of over \$6 million dollars into its endowment fund; and

WHEREAS, GLAZA is strongly committed to the Project as approved in April 2006, and as its participation in the Project, has raised and transferred \$4,500,000 to the City in May 2008 and transferred an additional \$300,000 in unspent GLAZA funds in the Children's Discovery Center project in September 2008, and has committed to raising and transferring \$50,000 more for a total commitment of \$4,850,000, of which the final transfer of \$50,000 was being held pending approval of the Project; and

WHEREAS, to show its strong commitment to the Project, and as an inducement for the City to take action on January 28, 2009 to continue the Project (Council File No. 08-2850) GLAZA, in addition to its direct funding of \$4,850,000, is further committing to pay the City of Los Angeles the annual debt service on Municipal Improvement Corporation of Los Angeles ("MICLA") funds currently allocated to this Project in an amount up to \$14,479,700 ("MICLA Funds") in Project financing, provided that said Project is completed, including but not limited to commercial paper, permanent financing and refunding. MICLA is a 501(c) 4 nonprofit financing corporation established by the City in 1984 to assist in the financing of capital projects and equipment.

NOW, THEREFORE, in consideration of the promises and of the covenants, representations, and agreements set forth herein, the parties hereby covenant, represent, and agree as follows:

ARTICLE I. INTRODUCTION

A. Representatives of the Parties and Service of Notices

1. The representatives of the respective parties authorized to administer this Agreement, and to whom formal notices, demands, and communications shall be given, are as follows:

- a. The representative of the City shall be, unless otherwise stated:

John Lewis, General Manager and Zoo Director
City of Los Angeles, Zoo Department
5333 Zoo Drive
Los Angeles, CA 90027

Phone: 323-644-4261
E-mail: john.lewis@lacity.org

with a copy to:

Raymond P. Ciranna, Interim City Administrative Officer
200 N. Main Street, 15th Floor
Los Angeles, CA 90012

Phone: 213-473-7534
E-mail: ray.ciranna@lacity.org

- b. The representative of GLAZA shall be:

Connie Morgan, President
GLAZA
5333 Zoo Drive
Los Angeles, CA 90027

Phone: 323-644-4766
E-mail: cmorgan@lazoo.org

2. Formal notices, demands, and communications required hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
3. If the name of the person designated to receive the notices, demands, or communications, or the address of such person is changed, written notice shall be given, in accordance with Article I, within five (5) working days of said change.

ARTICLE II. TERM AND PURPOSE OF THE AGREEMENT

A. Term of the Agreement

The term of this Agreement will commence as written above and will end at such time as the MICLA Funds allocated to this Project have been fully paid off or defeased, provided that construction of said Project is completed, subject to the termination provisions herein.

B. Purpose of the Agreement

The purpose of this Agreement is for GLAZA to make the annual debt service payments on the MICLA Funds for the Project, in an amount of up to \$14,479,700 in principal amount, plus cost of issuance, underwriter's discount, interest and such other costs of issuance, all of which are in addition to the maximum cap of \$14,479,700 in construction costs. The annual debt service on the MICLA Funds will be determined at the date of issuance based on the actual principal amount financed, the interest rates at the time the bonds are issued and the term of the bonds.

ARTICLE III. GENERAL TERMS AND CONDITIONS

A. MICLA Payment Terms

1. It is estimated that over a 10-year bond term, the annual debt service will be approximately \$2 million per year; and over a 20-year bond term, the annual debt service will be approximately \$1.2 million per year. Permanent financing is contemplated to occur when construction is completed, currently estimated to be October or November, 2010.

2. GLAZA agrees to submit its first payment of one year of debt service 30 days after the bonds are issued. This first payment is currently estimated to be in November or December, 2010 and payments will be scheduled annually thereafter. Each annual debt service payment will be equal to a one-year advance of principal and interest payment due for debt service, remitted to the City at the beginning of each bond year, which represents a one-year payment in advance of when the funds are due. The funds will be deposited into the Zoo Enterprise Trust Fund ("ZETF").

3. The Zoo will transfer payment from the ZETF to the Capital Finance Administration Fund with ZETF as a source of funds. This practice will continue through subsequent fiscal years.

4. If GLAZA seeks to repay its obligation earlier than the debt schedule, the City will negotiate in good-faith to work with GLAZA to pay off any remaining principal on the bond and complete GLAZA's commitment and amend this agreement.

5. If other funds for this Project are identified, committed and available prior to the issuance of permanent financing, from sources other than the City of Los Angeles, such funds will reduce or replace MICLA financing dollar for dollar and reduce or

replace GLAZA's commitment to pay for debt service dollar for dollar of the principal amount, with a concomitant additional savings of debt service.

B. Collateral Requirement

Upon approval of the form, terms and conditions, GLAZA will restrict \$3.8 million (\$3,800,000) worth of debt service payments in their unrestricted endowment as collateral against its commitment. GLAZA may use a Line of Credit on terms and with a financial institution acceptable to the City, as a guarantee towards this commitment.

C. Alternative Payment Option

At the City's option, upon project completion, collateral requirement will be waived by the City if GLAZA makes an upfront payment of \$6,000,000 at the time of permanent financing, thereby reducing the overall MICLA principal to \$8,479,700 or less. Payment of the reduced MICLA amount after such payment by GLAZA will be the same as above in Article 3, Section A. 2, except that the collateral requirement of \$3.8 million worth of debt service would be waived. Alternatively, at the City's option, collateral requirement will be reduced to \$1,000,000 if GLAZA makes a \$5,000,000 upfront payment to reduce the MICLA principal.

ARTICLE IV. STANDARD PROVISIONS

A. Standard Provisions for City Contracts

GLAZA agrees to comply with applicable provisions of the Standard Provisions for City Contracts (Rev. 10/03), attached hereto as Exhibit A and made a part hereof.

B. Ambiguity

Any ambiguity in this Agreement shall not be interpreted against any one party by virtue of that party being drafter of the Agreement.

C. Entire Agreement

1. This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.
2. In the event of any inconsistency between the provisions in the body of this Agreement and the attachments, the provisions in the body of this Agreement take precedence, followed by the Standard Provisions for City Contracts (Exhibit A).

D. Successors and Assigns

All of the terms, conditions, and provisions hereof shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided however, that no assignment of this Agreement shall be made without written consent of the parties to this Agreement whose consent shall not be unreasonably withheld.

E. Severability

Should any portion of this Agreement be determined to be void or unenforceable, such shall be severed from the whole, and the Agreement will continue as modified.

F. Entire Agreement

This Agreement, including Exhibit A, Standard Provisions, contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements whether oral or written and may be modified or amended only as herein provided. This Agreement is executed in four (4) duplicate originals, each of which is deemed to be an original.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Agreement below.

City of Los Angeles 5/04/09
By [Signature]
John Lewis,
General Manager and Zoo Director
By [Signature]
Ray Ciranna,
Interim City Administrative Officer
Date: 5/6/09

Greater Los Angeles Zoo Association
(GLAZA)
By [Signature]
Connie Morgan, President
Date May 4, 2009

APPROVED AS TO FORM:
ROCKARD J. DELGADILLO, City Attorney
By [Signature]
Dov S. Lesel, Assistant City Attorney
Date 5/7/09

ATTEST: [Signature]
KAREN E. KALFAYAN, City Clerk
By [Signature]
Deputy City Clerk
Date 5-11-09



C-11.5379

