



August 19, 2014

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<http://www.lazoo.org>

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:

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

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.



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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

**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