
LOS ANGELES ZOO & BOTANICAL GARDENS

Business Plan

Updated July 2014



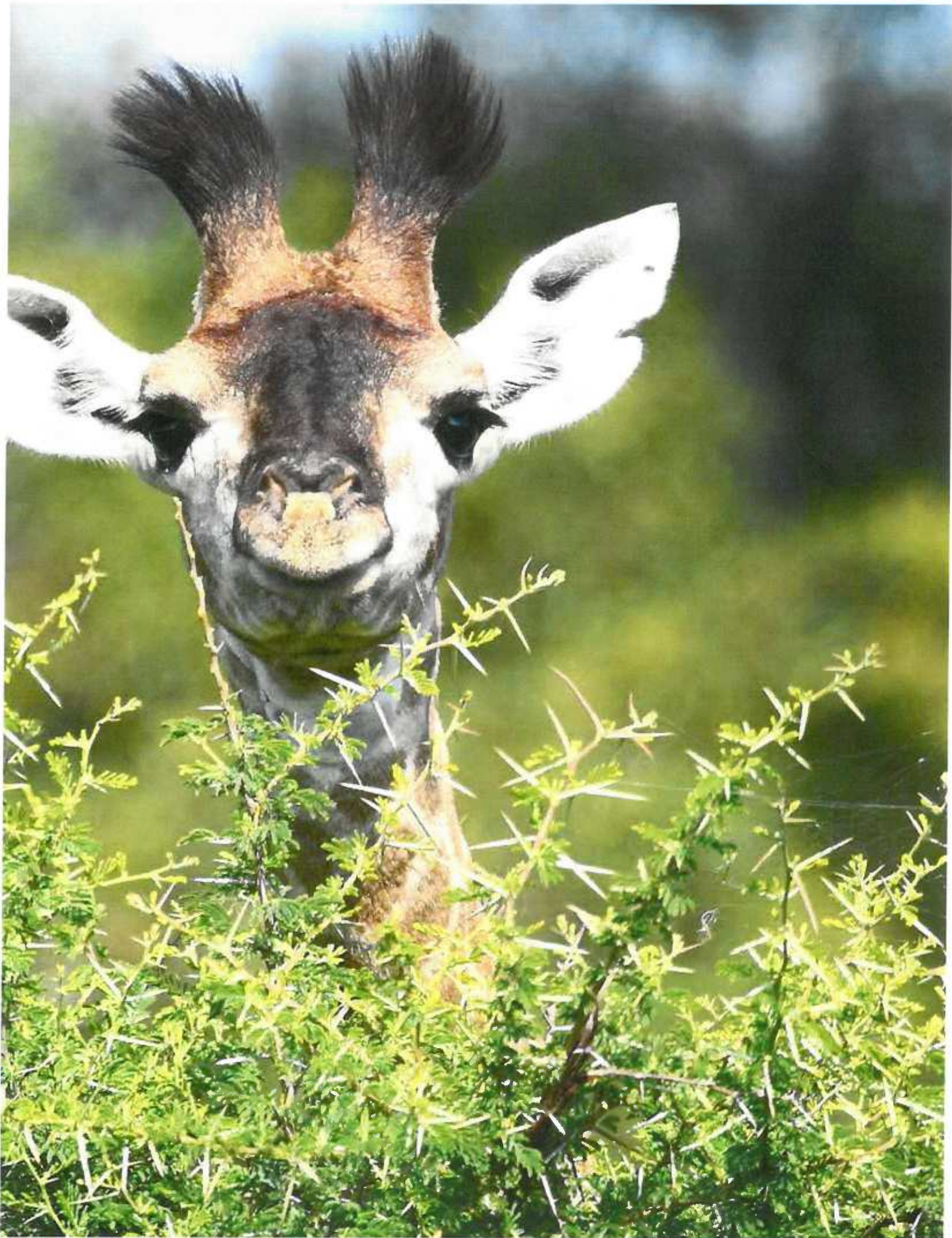
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STATEMENT OF PURPOSE

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.

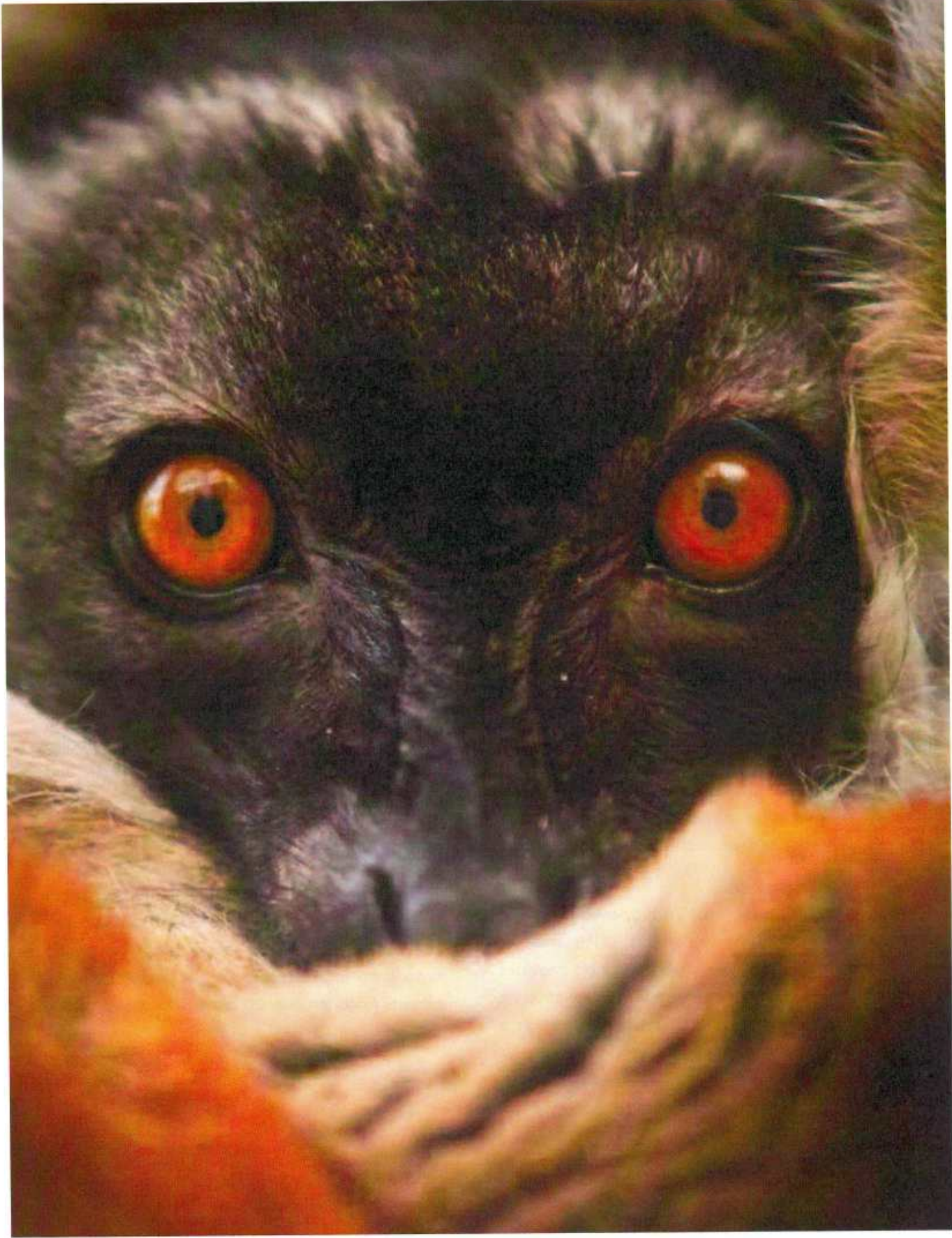
In 1998, the Zoo opened Chimpanzees of Mahale Mountains; the one-acre habitat was lauded by world-renown primatologist Jane Goodall as one of the finest zoo habitats, and is home to one of the largest troops of chimpanzees in the United States.

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.

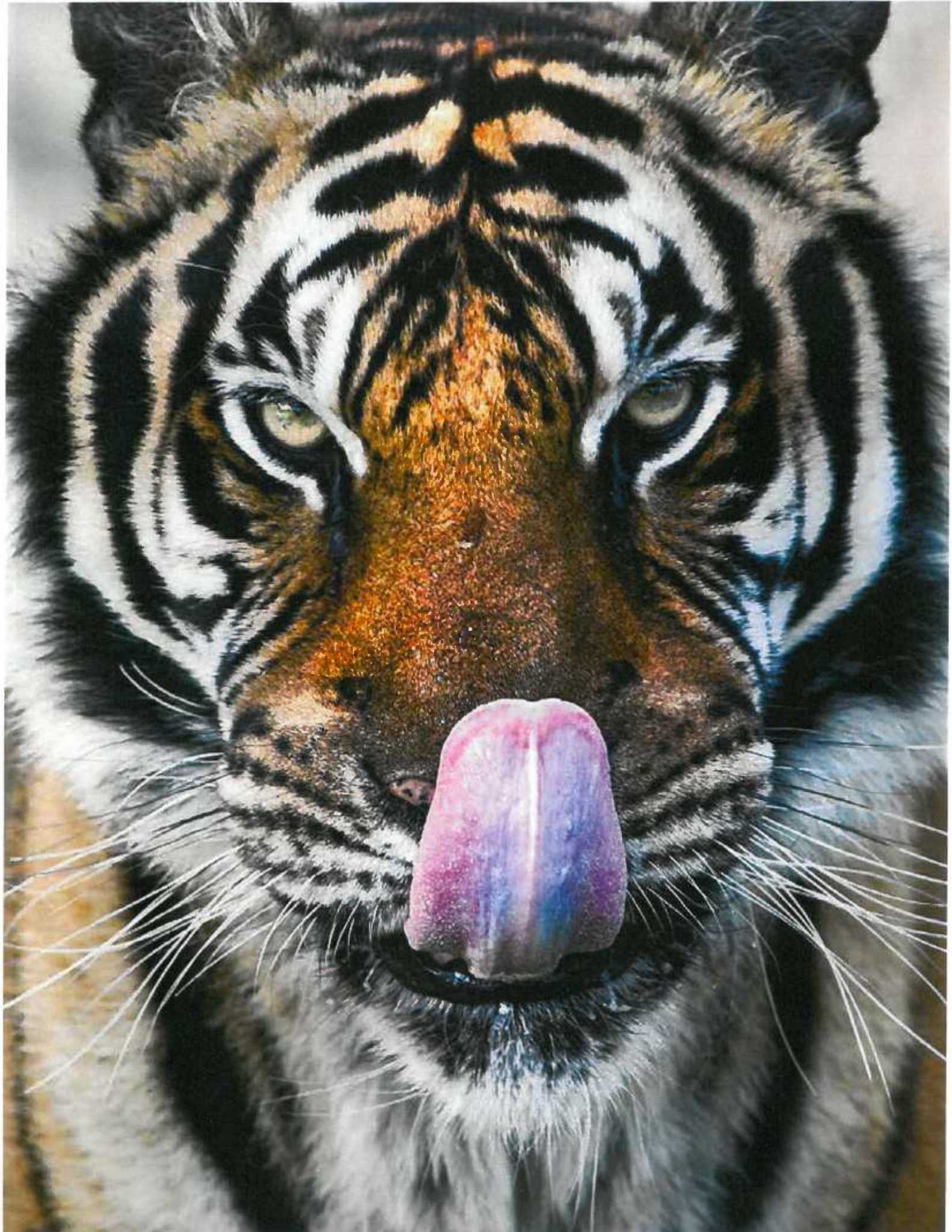
Sea Life Cliffs: This replica of California's rocky coast is home to a group of harbor seals. The habitat features two deep saltwater pools, rocky coves, above-and below-water viewing locations and a seating area for visitors to observe the seals.

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.

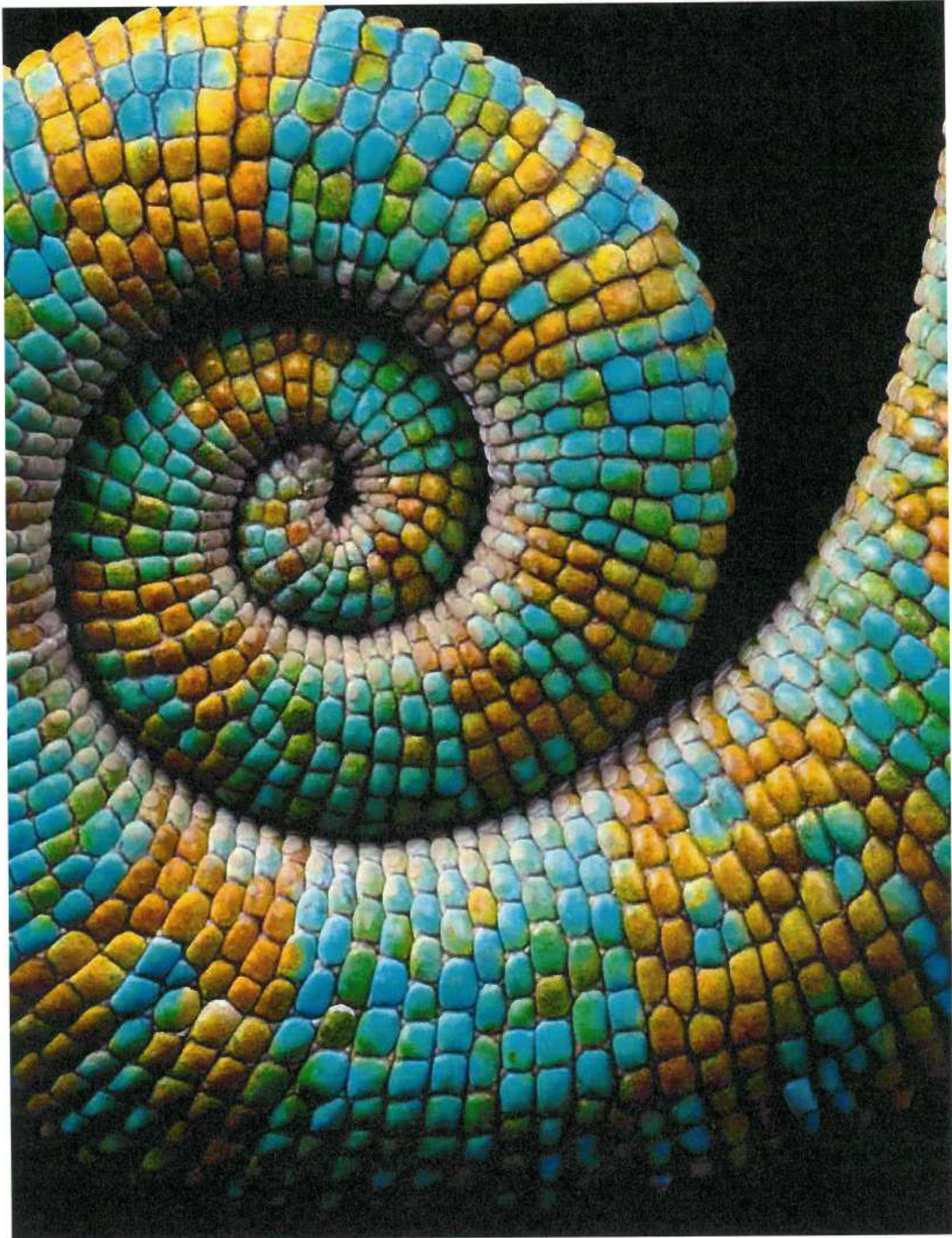
Species Survival Plans (SSPs) are programs that carefully manage species to maintain a healthy and self-sustaining captive population that is both genetically diverse and demographically stable. SSP species are often “flagship species,” well-known animals that arouse strong feelings in the public for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

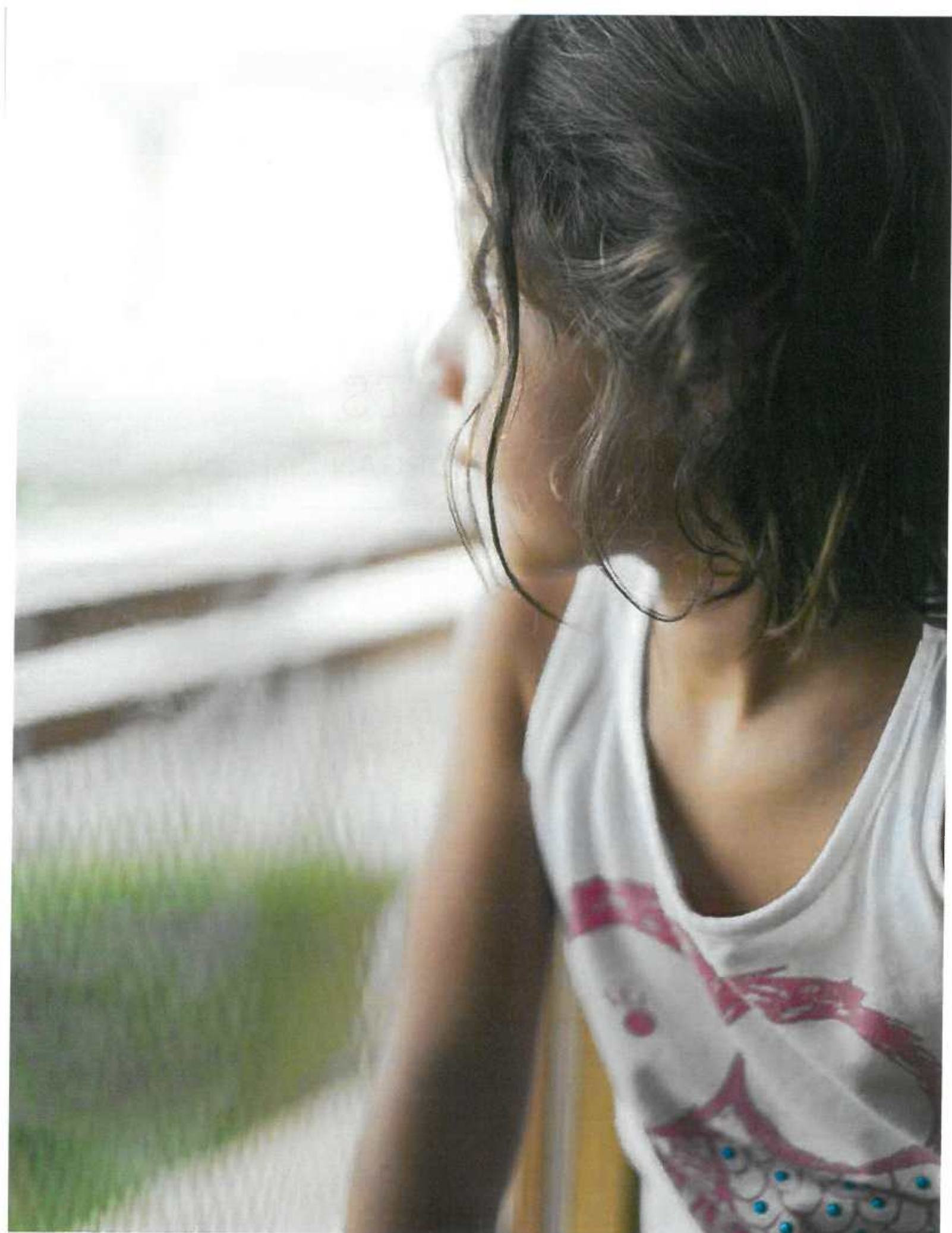
WEAKNESSES

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:

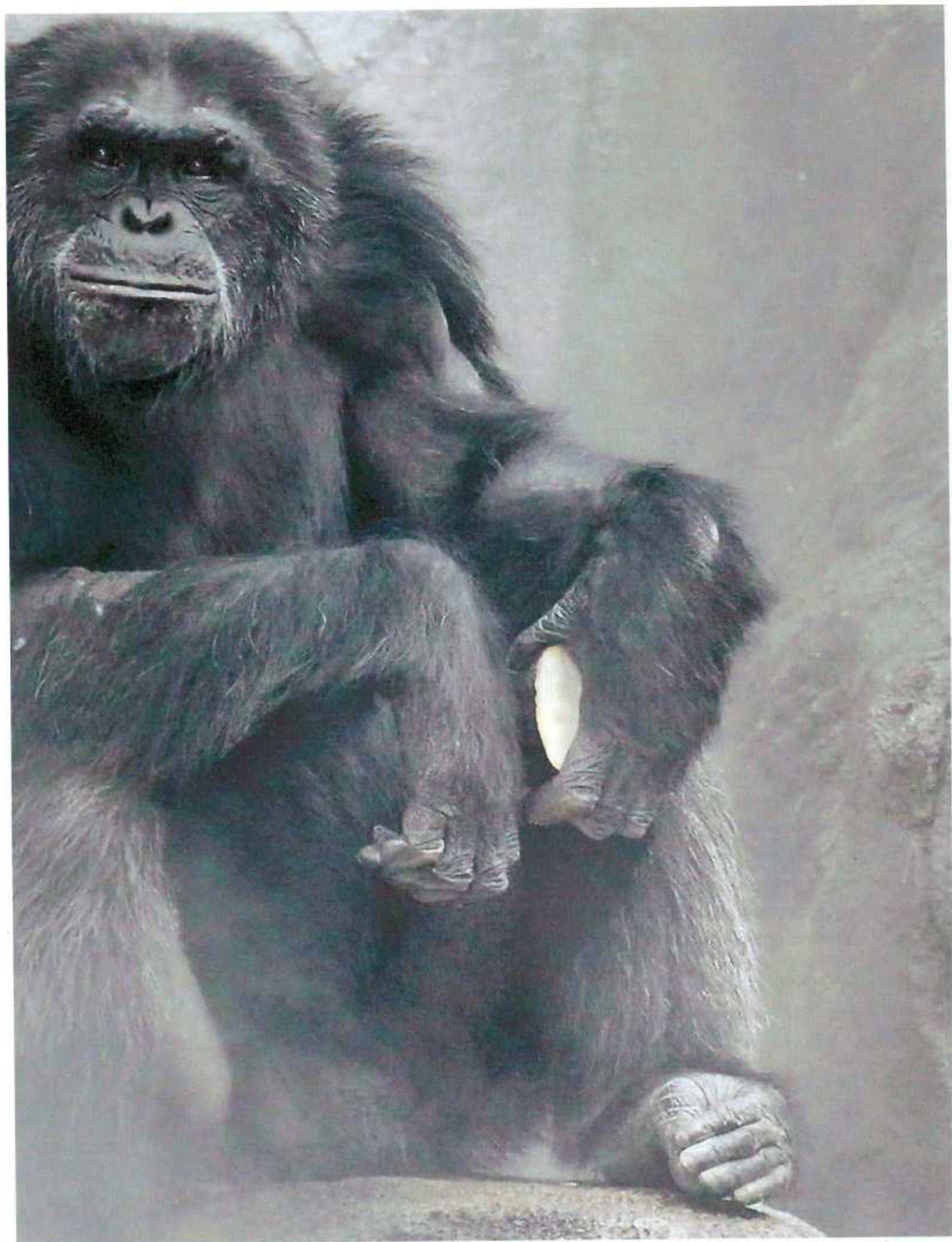
- Master Plan is completed and transmitted

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.

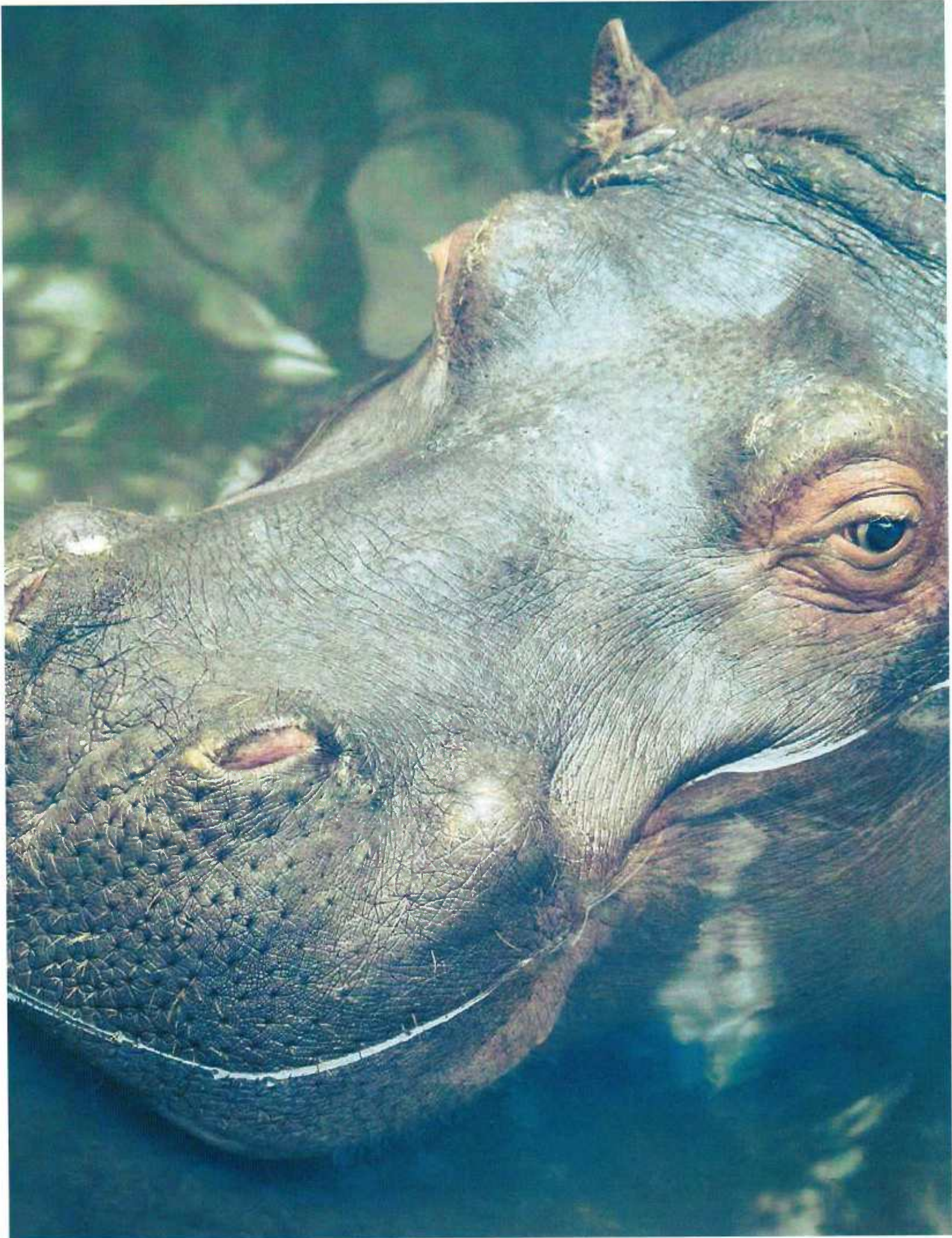
Tactics:

- 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:

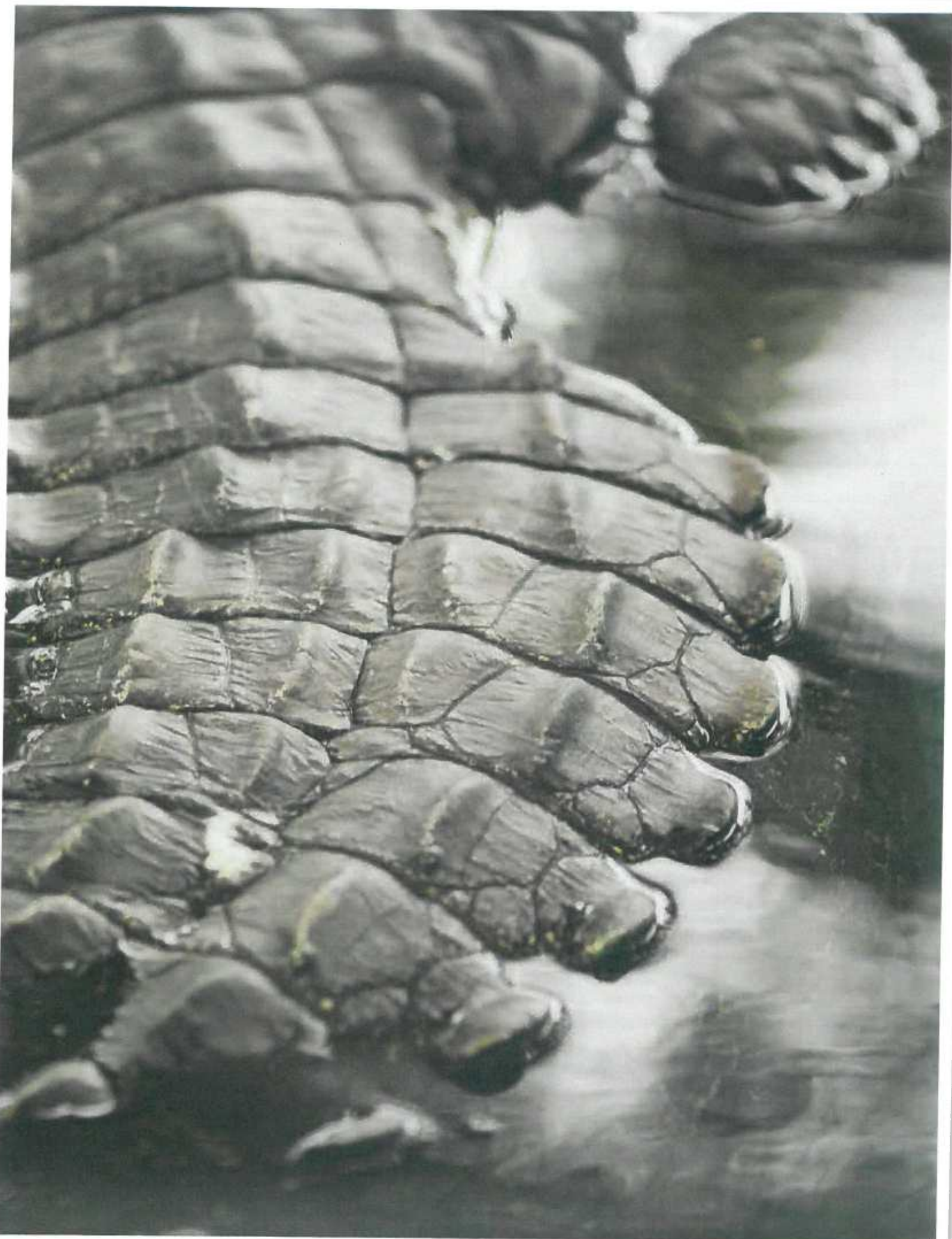
- Identify the tools necessary to facilitate this goal
- Provide mission-based/culture training
- Provide customer service training
- Provide job-related training
- Provided technology improvements/tools to improve operations
- Engage employees to participate in providing ideas for new guest experiences

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

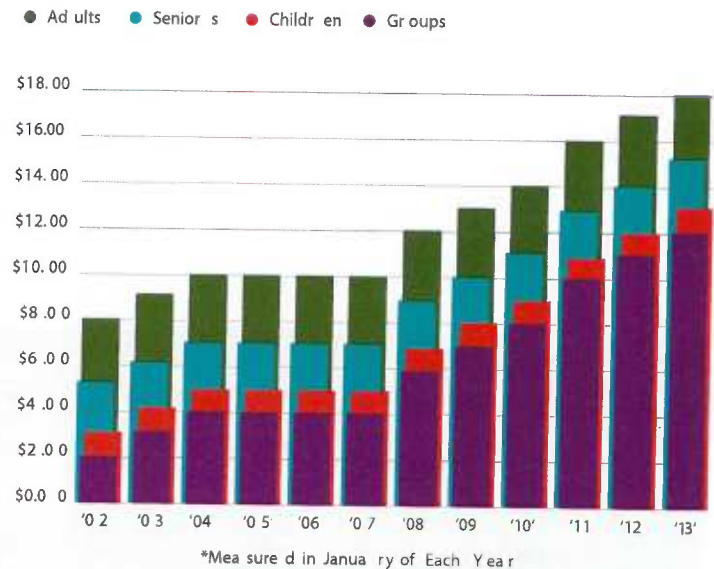
Included in the MOU was a detailed budget, labeled Exhibit B, of proposed growth in attendance and admissions revenue, as well as increases in other revenue sources. This Exhibit B was based on the Zoo's 2012-13 Budget, which projected attendance at 1,600,000 and admissions revenue at \$11,600,000. However, 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

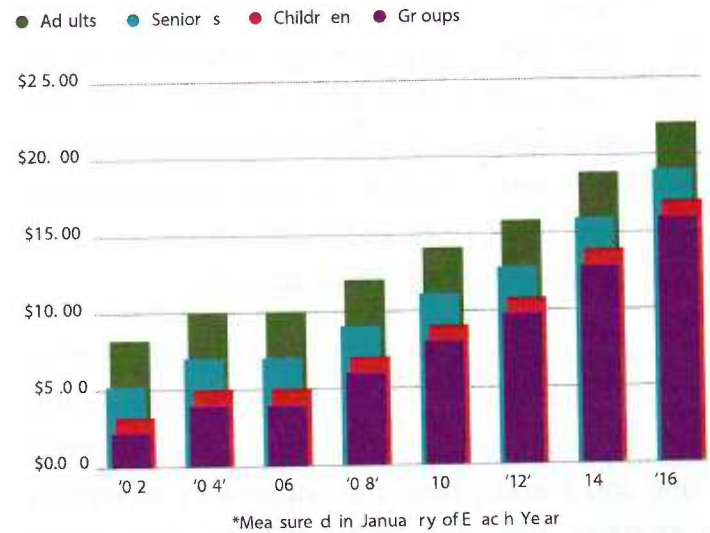


HISTORICAL GENERAL ADMISSION PRICING

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.

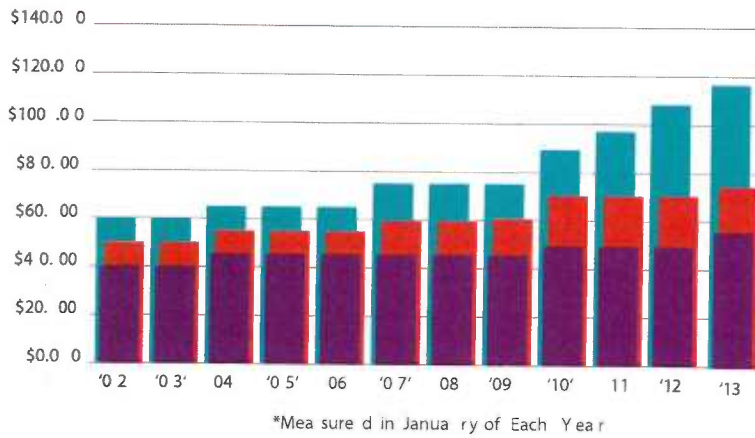
Projected General Admission Pricing



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
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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.

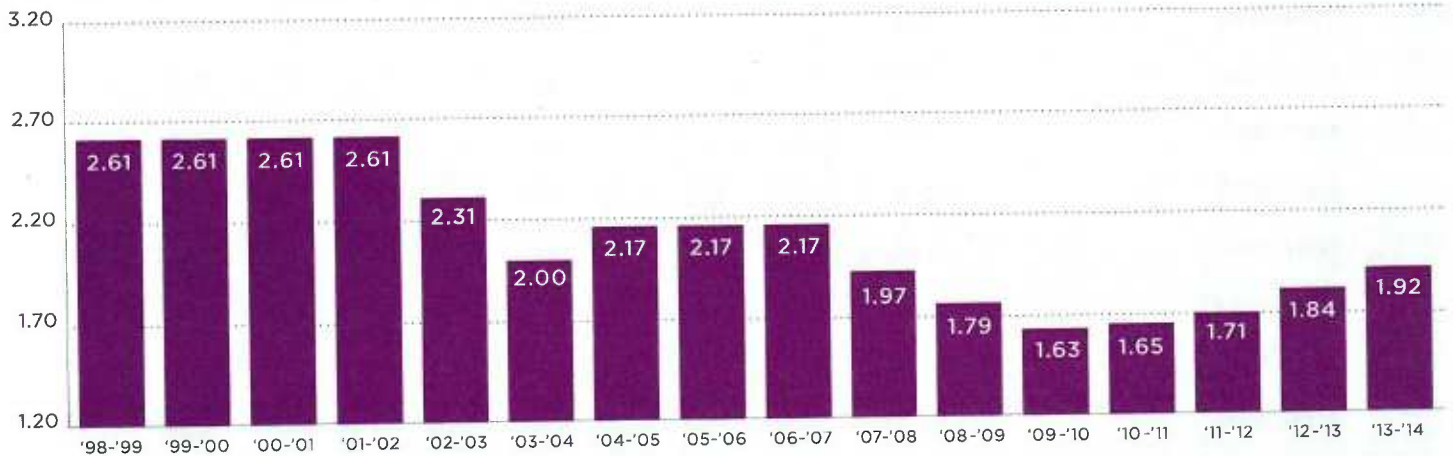
As such, the industry looks at the cost of admission against the cost of membership to see how many visits it would take to “recoup” the membership investment. For families, industry experts recommend that the ratio be between 1.9¹ and 2.1².

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 Gnus, 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

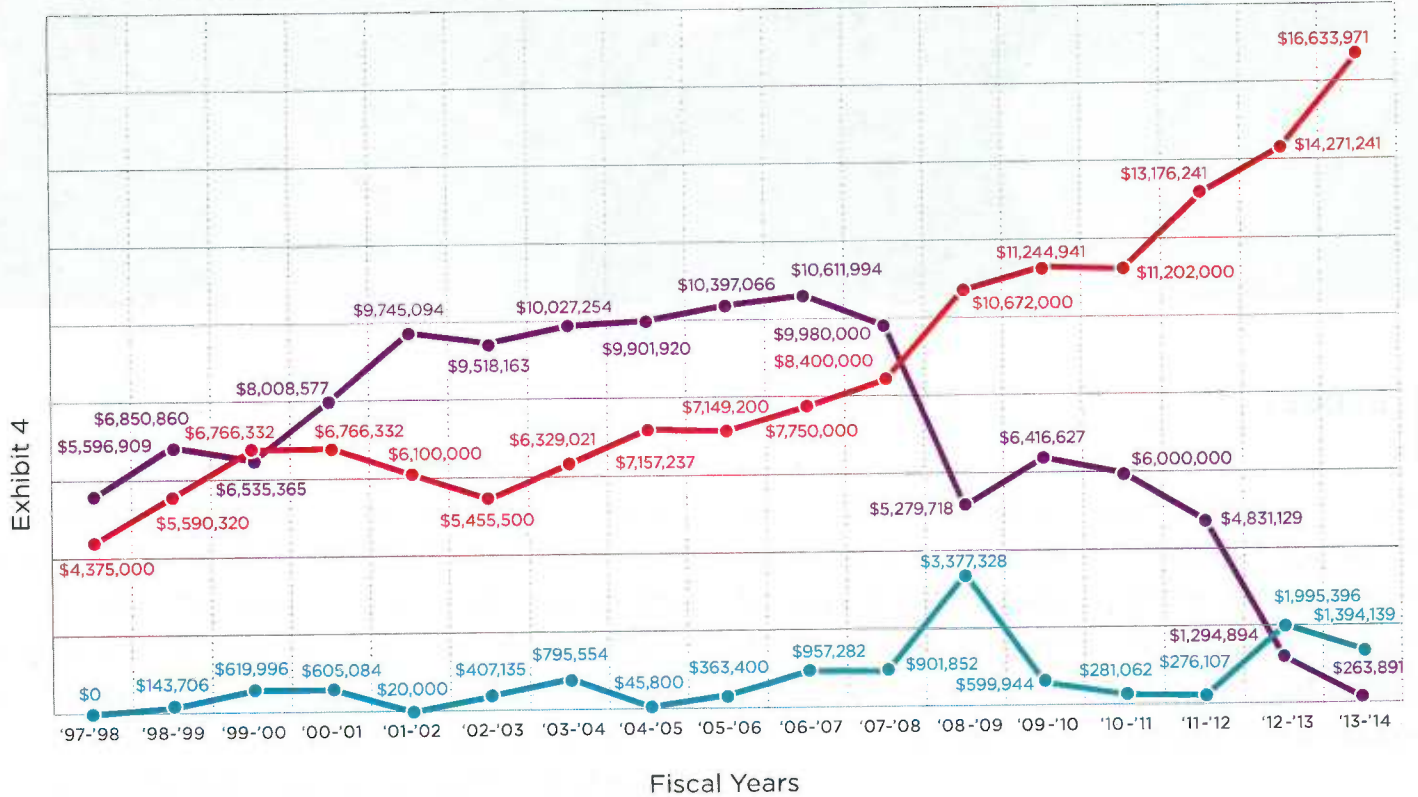
The Zoo Department was created by Ordinance No. 171636 and the Los Angeles Administrative Code Section 22.700 effective June 19, 1997. As part of the Los Angeles Administrative Code, Sec. 22.714, entitled Zoo Enterprise Trust Fund, was created. This section specifically states the following:

“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:

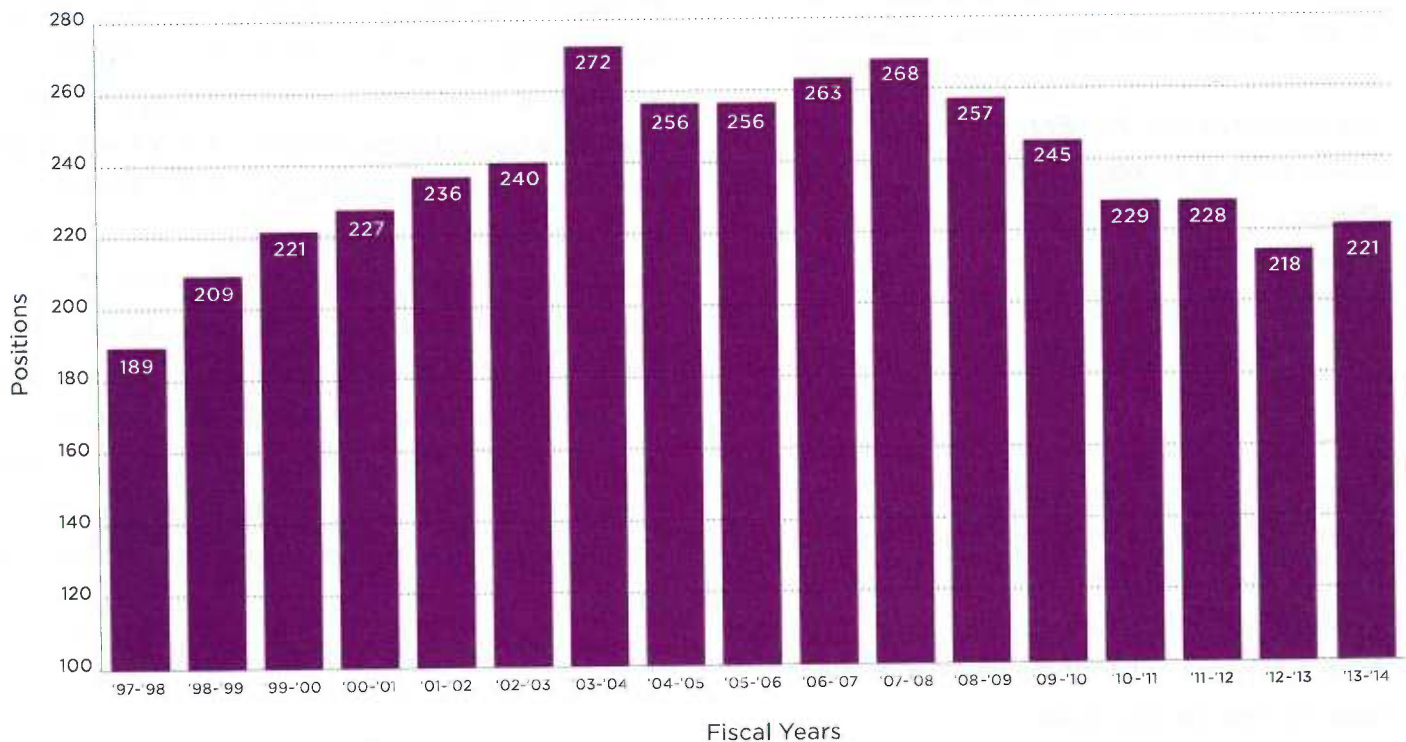
Zoo Department Direct Budget Source of Funds

● 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-LAUSD \$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

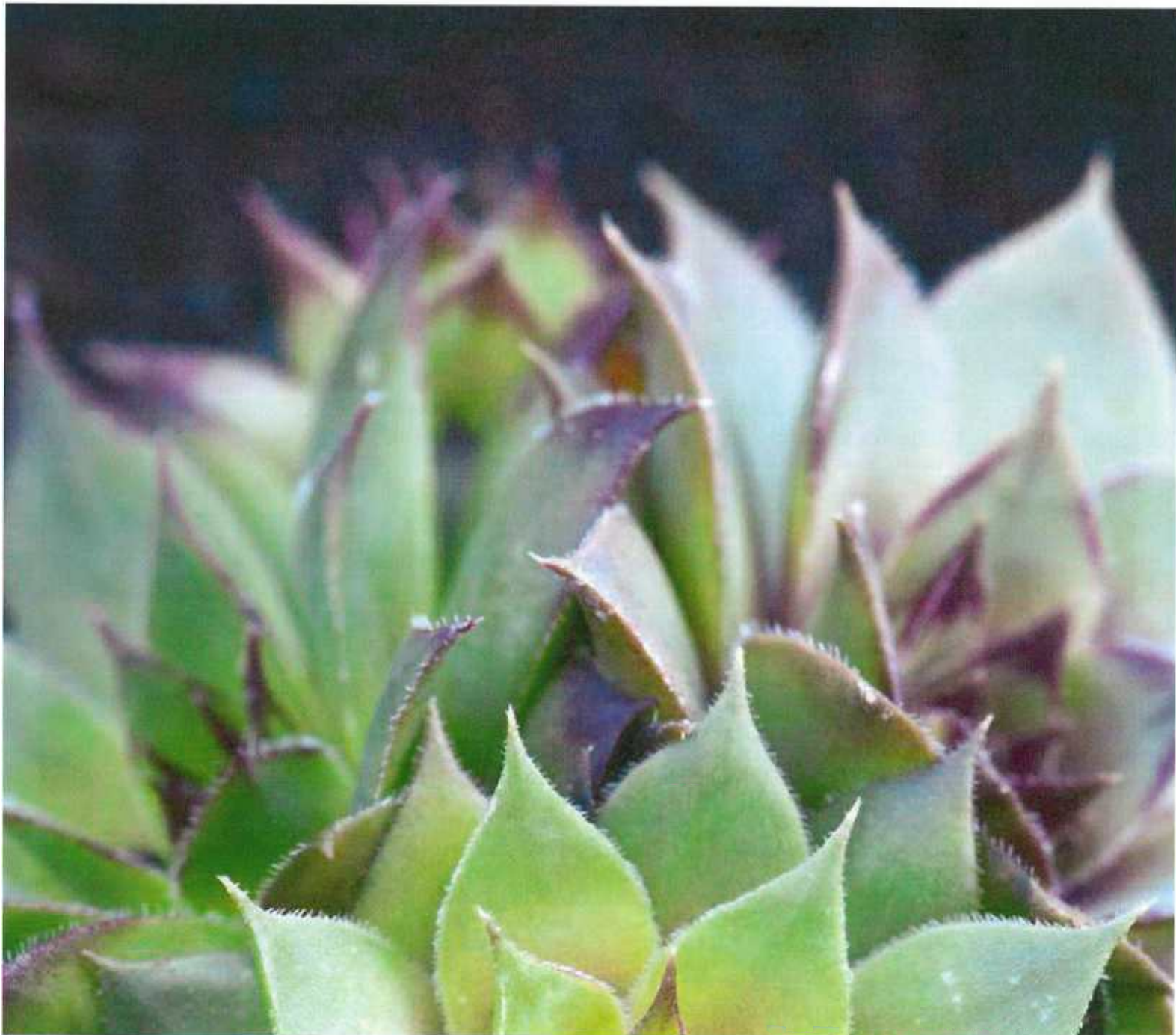
¹ - Any General Fund appropriation is considered on an annual basis as part of the City budget process, subject to Mayor and Council approval.

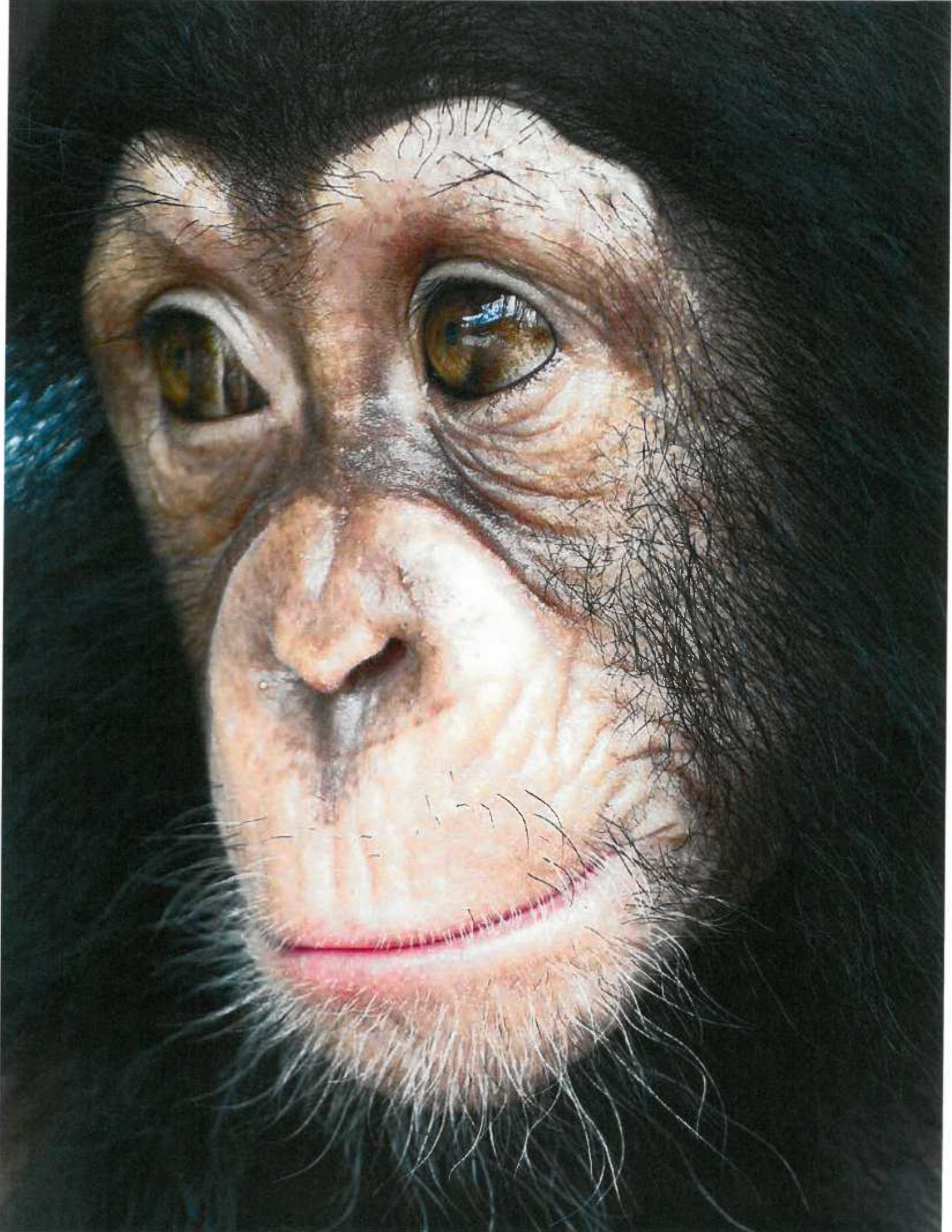
2014 - 2017 LOS ANGELES ZOO PLANNING SAMPLE BUDGETS EXPENSE BASED ON ACTUAL & PROJECTIONS

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

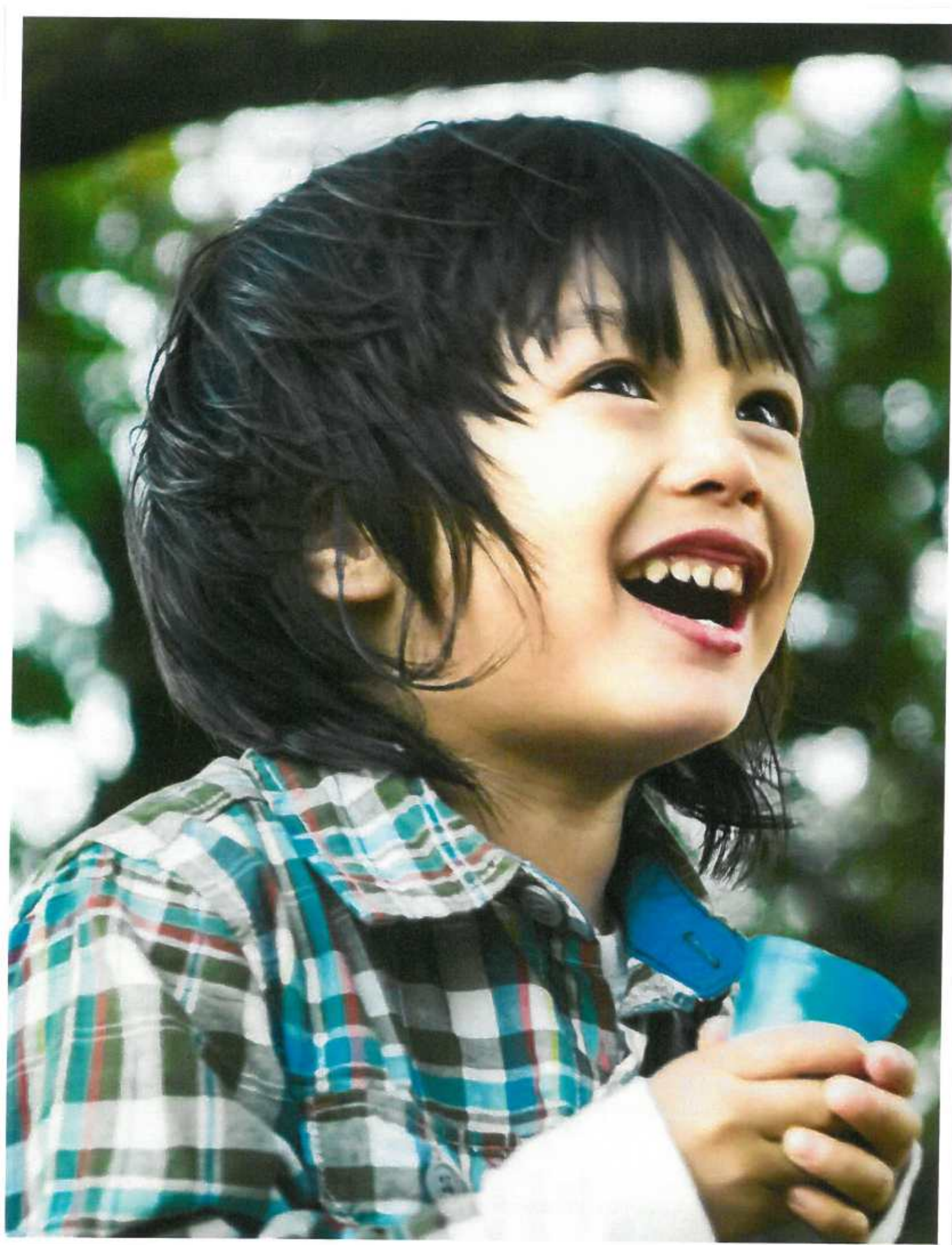
With 80% of our visitors coming from Los Angeles County, it's clear there is an opportunity for expansion into neighboring counties, as well as a virtually untapped tourism industry. However, with limited budget and resources, we have to be selective in our efforts. For the past year or so, the marketing 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

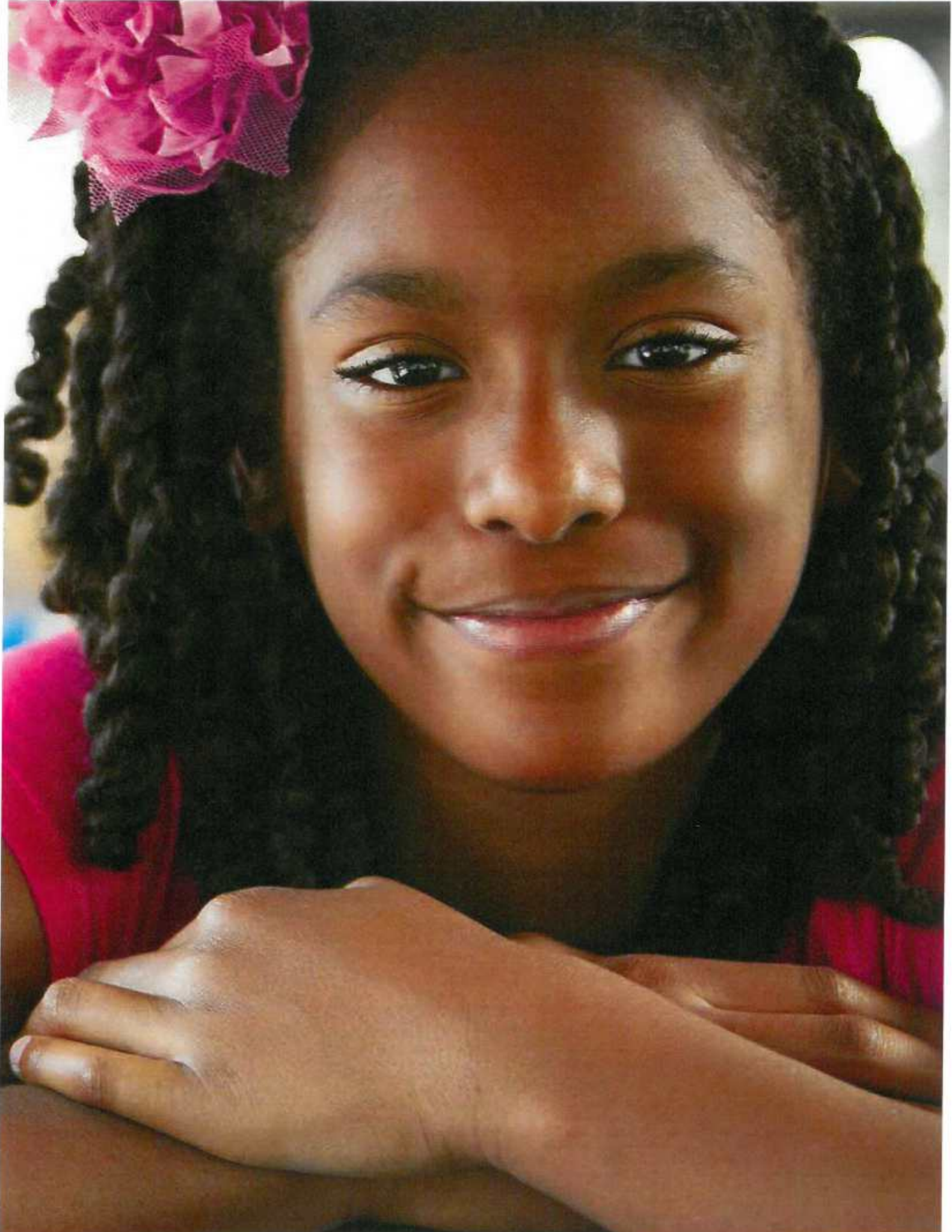
Share of Voice measures the percentage of advertising for the Los Angeles Zoo in the attraction category as compared to other brands in the same category. As a point of reference, the marketing budget and attendance levels for the Zoo have remained largely unchanged over the past 20 years.

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.

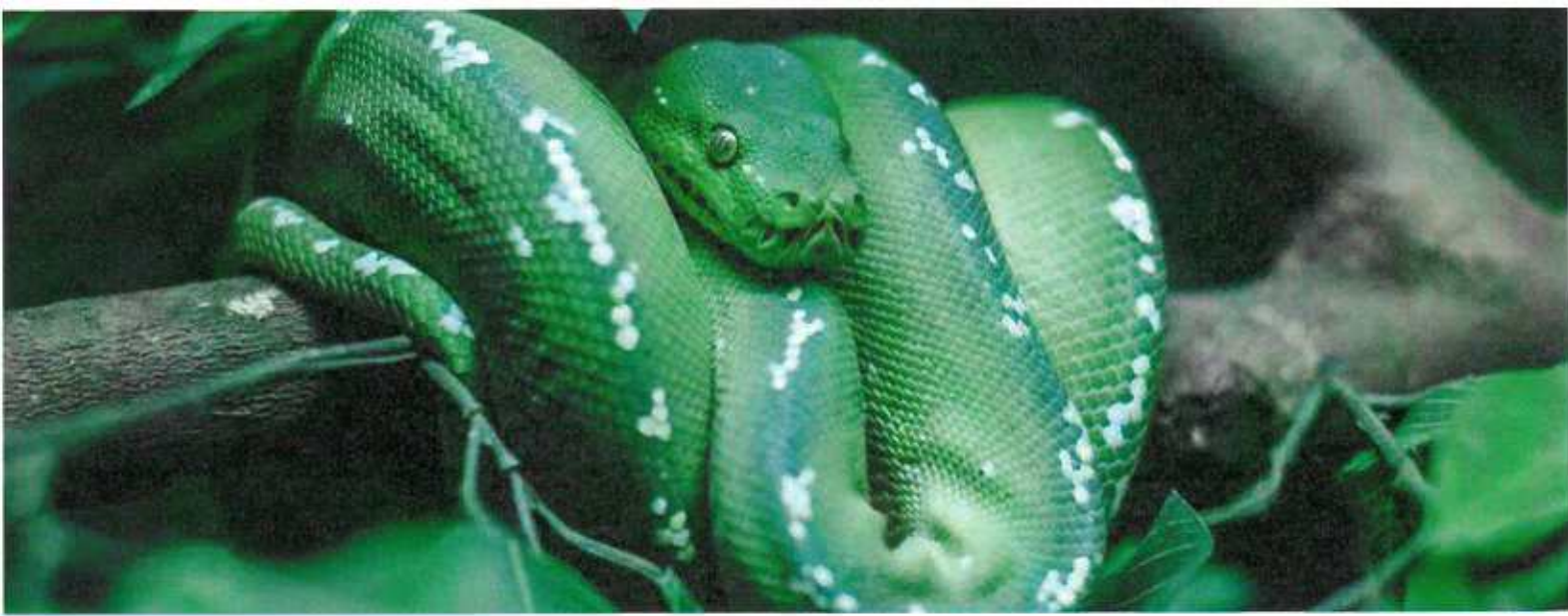
Tactics:

- 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

