

ARTS, PARKS, AND RIVER COMMITTEE REPORT relative to the Los Angeles Zoo Department (LA Zoo) and Greater Los Angeles Zoo Association (GLAZA) overall budgets including salaries and expenditures, and a comprehensive picture of funding and services of both the LA Zoo and GLAZA.

Recommendation for Council action:

NOTE and FILE the December 22, 2015 LA Zoo report (attached to the Council file No. 15-0600-S64) relative to the overall budgets including salaries and expenditures, and a comprehensive picture of funding and services of both the LA Zoo and GLAZA.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On February 1, 2016, the Arts, Parks, and River Committee considered the December 22, 2015 LA Zoo report relative to the overall LA Zoo and GLAZA budgets including salaries, expenditures, and comprehensive picture of funding and services.

Representatives from the LA Zoo, GLAZA, and City Attorney provided some background on the matter and responded to questions from the committee members. During the discussion, the LA Zoo states that the December 22, 2015 report was prepared in response to the 2015-16 Budget and Finance Committee Report adopted by the City Council on May 26, 2015 through Council file No. 15-0600. The instruction was for the LA Zoo and GLAZA to report on their overall budget including salaries and expenditures, with a comprehensive picture of funding and services. According to the LA Zoo, the City Council in 1997, approved a 25-year Operating Agreement, between the City and GLAZA to establish and govern the relationship between the two parties for the primary purpose of providing a high quality Los Angeles Zoo for the residents of the City. The current Agreement will expire on September 29, 2022. It specifies the responsibilities and roles of each, including GLAZA's responsibility to obtain financial contributions and similar support from the private sector, to be used for the City's operations and capital improvements at the Zoo.

The LA Zoo mentioned that sponsorships are secured by GLAZA and revenues are used to augment the marketing budget in addition to the funds in the operating budget. The GLAZA states that a dedicated team was assigned to work on zoo sponsorships that brought in sponsors such as the Children's Hospital Los Angeles, Honda, and the 99cents Only Store. The 99cents Only Store renewed for another three years, and Honda is set to renew. LA Zoo states that every sponsorship agreement is customized to the needs and desires of the sponsor but in general, the sponsor receives a certain number of tickets to the zoo, a certain number of activation days on site, and tickets to special events. GLAZA states that sponsorship is getting close to the \$1 million mark and that the initial three-year goal was set at \$2 million.

The LA Zoo referenced two sources of off budgeted funds, revenue from concessions and the surplus development fund that was established in the original concessions agreement which

allows surplus revenues to stay with GLAZA for the operational needs of the zoo. In terms of admission pricing, the LA Zoo shared that across the country, LA Zoo is at the top-tier. Compared to other attractions in Southern California, the \$20 admission price to the zoo is extremely reasonable and competitive.

LA Zoo mentioned that at the time the MOU was drafted 17 years ago, it was supposed that the operating agreement which provides 25 percent for GLAZA was advantageous to the City. The 25-25-50 set up, and GLAZA's membership marketing strategy, along with pricing and the recoup factors will be reevaluated for optimization. After consideration and having provided an opportunity for public comment, the Committee moved to note and file the December 22, 2015 LA Zoo report. The matter is now submitted to Council for its consideration.

Respectfully Submitted,

ARTS, PARKS, AND RIVER COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
PRICE:	YES
KORETZ:	YES
BLUMENFIELD:	YES
RYU:	YES

A handwritten signature in black ink, appearing to read 'M. O'Connell', is written over the right side of the page.

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-NOT OFFICIAL UNTIL COUNCIL ACTS-