



CITY COUNCIL AGENDA

DATE: 4/27/2010 **REFERENCE NO.:** C-24194 **LOG NAME:** 80ZOO MANAGEMENT CONTRACT RENEWAL

CODE: C **TYPE:** NON-CONSENT **PUBLIC HEARING:** NO

SUBJECT: Authorize the Renewal Agreement with the Fort Worth Zoological Association for the Management, Operation and Development of the Fort Worth Zoo

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute a renewal agreement with the Fort Worth Zoological Association for the provision of management services and oversight of operations for the Fort Worth Zoo.

DISCUSSION:

The purpose of this M&C is to seek authority from the City Council to execute a renewal agreement with the Fort Worth Zoological Association (FWZA) for the provision of management services to the Fort Worth Zoo. On May 14, 1991, (M&C C-12867) the City Council authorized a 20 year agreement with the FWZA to manage the operations and development of the Zoo (City Secretary Contract No. 18454, as amended).

Although the initial term of the contract does not expire until May 2011, renewal discussions were initiated in advance because the brief time remaining under the term of the original agreement posed challenges to the Zoological Association's ability to obtain favorable rates and terms on financing for construction and other projects. Staff members from the City and FWZA began meeting regularly in May 2008.

History and Performance

Over the past 19 years the FWZA has managed, subsidized and underwritten capital improvements at the Zoo (of which titles for certified capital improvements vest to the City of Fort Worth) totaling \$120 million. This includes the recently opened Museum of Living Art which replaced the Herpetarium as authorized in the Fourth Amendment to the contract (M&C C-19035 Revised). The Zoo is also ranked by the Zagat Survey U.S. Family Travel Guide as the top attraction in the D/FW area. Annually, it attracts approximately 800,000 visitors from outside of Fort Worth and a total of one million visitors overall. A recent economic impact study commissioned by the FWZA indicates that the Zoo's annual economic impact to the City is \$124 million. The Zoo has also provided free admission annually for more than 5,000 children in Fort Worth and continues operating well-regarded educational programs that include outreach to area schools.

Terms of Proposed Renewal Agreement

In the nearly two decades since the original agreement was signed, four amendments have been executed. These amendments address a variety of issues ranging from designation of additional parking areas to transitioning to a staff of all FWZA employees. Because the current contract has undergone so many amendments and modifications, staff recommends that it be replaced with a new agreement that incorporates the previous amendments and eliminates the necessity of referring to multiple documents in order to ascertain the responsibilities of the parties.

20 year term beginning October 1, 2010, and expiring September 30, 2030;
 Annual management fee with incremental increases (see attachment) - adjusted to reflect cumulative, compounded increases in the Consumer Price Index (CPI); and
 Caps on admission fee increases that are not to exceed an annual adjustment and a set dollar amount (see attachment).

As indicated on the attached schedule, in addition to compounded CPI adjustments, the unadjusted or "base" management fee would undergo a series of incremental increases over the first five years of the contract. The intent is to bring the FWZA's compensation to a level that is comparable to similar public-private partnerships between zoos and municipalities, while also phasing the increase in over time to address current economic challenges facing the City. Beginning with the sixth year, increases in the management fee will be limited to the compounded CPI adjustment.

Other substantive changes from the current contract, as amended, consist of: 1) acknowledgment that there is no plan to pave the Archery Range or Colonial North properties, which are assigned to the FWZA for use as additional parking areas; 2) consolidating financial matters related to repayment of the costs associated with paving of the main parking lot; 3) authority for the City Manager to administratively approve projects of which the estimated cost does not exceed the City Manager's delegated contracting authority and to waive up to \$50,000.00 in permit and other fees per project; and 4) commitment to work together on flood mitigation efforts. The other elements of the current agreement, as amended, remain in place, including the Zoo boundary, which was established by City Ordinance No. 10261, which was adopted on February 28, 1989 (M&C G-7944).

The major terms of the proposed contract include the following:

FISCAL INFORMATION/CERTIFICATION:

The Financial Management Services Director certifies that funds will be included in the Fiscal Year 2011 Operating Budget, as presented in the City Manager's Proposed Budget, of the General Fund.

TO Fund/Account/Centers

FROM Fund/Account/Centers

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ATTACHMENTS

[exhibit for M&C.doc](#)