

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

AUTHORIZING THE EXECUTION OF THREE AGREEMENTS WITH THE SAN ANTONIO ZOOLOGICAL SOCIETY. THE FIRST IS A FUNDING AGREEMENT IN AN AMOUNT NOT TO EXCEED \$10,000,000 FOR IMPROVEMENTS TO THE SAN ANTONIO ZOO AS PART OF THE 2022 BOND PROGRAM FOR A TWENTY-YEAR TERM, OR UPON FINAL DISBURSEMENT OF CITY FUNDS ISSUED TOWARDS THE COMPLETION OF THE PROJECT, WHICHEVER IS EARLIER. FUNDS ARE AVAILABLE FROM THE 2022 – 2027 GENERAL OBLIGATION BOND PROGRAM AND INCLUDED IN THE FY 2024 – FY 2029 CAPITAL IMPROVEMENT PROGRAM. THE SECOND IS A FUNDING AGREEMENT IN AN AMOUNT NOT TO EXCEED \$1,250,000 FOR PERIMETER FENCING AT THE SAN ANTONIO ZOO FOR A ONE-YEAR TERM ENDING SEPTEMBER 30, 2024. FUNDS ARE AVAILABLE FROM CERTIFICATES OF OBLIGATION AND INCLUDED IN THE FY 2024 – FY 2029 CAPITAL IMPROVEMENT PROGRAM. THE THIRD IS A RENEWED LEASE AND MANAGEMENT AGREEMENT FOR OPERATIONS AND MAINTENANCE OF THE SAN ANTONIO ZOO AND VARIOUS EXPERIENCES WITHIN THE LEASED AREA FOR A 20-YEAR TERM ENDING DECEMBER 31, 2044, WITH ONE 20-YEAR RENEWAL OPTION. THERE IS NO FISCAL IMPACT ASSOCIATED WITH THE LEASE AND MANAGEMENT AGREEMENT.

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WHEREAS, the San Antonio Zoo has resided at its current location in Brackenridge Park since 1914. The San Antonio Zoological Society, Inc. (Zoo) has managed, operated, and maintained the San Antonio Zoo for over 80 years; and

WHEREAS, this City Council action authorizes three agreements between the City and the Zoo: a Bond Project Funding Agreement, a Perimeter Fencing Funding Agreement, and a renewed Lease and Management Agreement; and

BOND PROJECT FUNDING AGREEMENT

WHEREAS, in May 2022, voters approved the 2022 – 2027 General Obligation Bond Program authorizing \$10,000,000 in Parks, Recreation and Open Spaces for the construction of general and rehabilitation improvements at the San Antonio Zoo; and

WHEREAS, the Zoo raised \$47,000,000 for extensive current and proposed future capital improvements as part of their fundraising efforts in support of the construction of a new gorilla exhibit known as Congo Falls and the construction of a new, upgraded, and accessible visitor's entrance; and

WHEREAS, the City contributed \$10,000,000 from Mid-Town Tax Increment Reinvestment Zone (TIRZ) funds in FY 2023 towards the visitor's entrance. This TIRZ funding augments, and is in support of, the 2022-2027 Bond Program which included \$10,000,000 for the project; and

WHEREAS, the combined funds from the City and Zoo provide a total of \$67,000,000 for improvements to the San Antonio Zoo with the visitor's entrance anticipated to be completed in late Summer 2024 and Congo Falls anticipated to be completed in Spring 2025; and

WHEREAS, the Zoo has committed to meeting the 11% Small Business Enterprise subcontracting goal set by Small Business Economic Development Advocacy (SBEDA) Program's Goal Setting Committee; and

PERIMETER FENCING FUNDING AGREEMENT

WHEREAS, the FY24 Capital Budget allocated \$1,250,000 for the replacement of a portion of the Zoo's perimeter fencing which will enhance security and improve the visitor experience with an aesthetic design which better integrates into the park; and

WHEREAS, the current chain link fence will be replaced with 8-foot curved top fencing with animal deterrent picks at the base in order to increase the level of security along the perimeter, while also providing a more aesthetically pleasing outward appearance to the Zoo. This fencing meets the requirements of zoological industry guidelines and standards; and

WHEREAS, the portion of fencing replaced will be primarily park-interior facing – from the Zoo School, down Tuleta Avenue by the visitor's entrance and Kiddie Park, through Brackenridge Park and ending at Hildebrand Avenue. Construction is scheduled to be completed in by the end of FY 2024; and

LEASE AND MANGEMENT AGREEMENT

WHEREAS, the current Lease Agreement with the Zoo is effective through May 9, 2033 with a 25-year renewal term. During the term of its current lease, the Zoological Society has invested over \$50,000,000 in capital improvements over the last decade, exclusive of City funding; and

WHEREAS, the San Antonio Zoo has a separate, and concurrent, agreement for operations and maintenance of the miniature train ride, souvenir gift shop, and food & beverage concessions; and

WHEREAS, recently, the San Antonio Zoo is home to over 3,500 animals representing 750 species on 56 acres and welcomes over one million visitors annually and has made improvements including

adding a kangaroo petting exhibit, a new koala exhibit, renovations to various animal exhibits including administrative spaces, and more such as a 4-D theater and the Zoo purchased and relocated Kiddie Park within its leased premises; and

WHEREAS, the Parks and Recreation Department and the Zoo wish to combine the two agreements into one which will maintain consistency with reporting and contractual requirements; and

WHEREAS, a new Lease and Management Agreement is proposed to commence upon Council approval and expire December 31, 2044; the term is identical to the bond funding agreement term which requires a 20-year term, with the option to extend the agreement for one term of 20-years subject to Council approval; and

WHEREAS, in lieu of rent, the Zoo shall continue to be responsible for management, operations, and maintenance of the Zoo and associated experiences.

NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or designee or the Director of the Parks and Recreation Department or designee is authorized to execute three agreements with the San Antonio Zoological Society. The first is a funding agreement in an amount not to exceed \$10,000,000 for improvements to the San Antonio Zoo as part of the 2022 Bond Program for a twenty-year term, or upon final disbursement of City funds issued towards the completion of the project, whichever is earlier. Funds are available from the 2022 – 2027 General Obligation Bond Program and included in the FY 2024 – FY 2029 Capital Improvement Program. The second is a funding agreement in an amount not to exceed \$1,250,000 for perimeter fencing at the San Antonio Zoo for a one-year term ending September 30, 2024. Funds are available from Certificates of Obligation and included in the FY 2024 – FY 2029 Capital Improvement Program. The third is a renewed Lease and Management Agreement for operations and maintenance of the San Antonio Zoo and various experiences within the leased area for a 20-year term ending December 31, 2044, with one 20-year renewal option. There is no fiscal impact associated with the Lease and Management Agreement.

SECTION 2. The City Manager or designee, or the Director of the Public Works Department or designee, is authorized to execute a Funding Agreement between the City of San Antonio and the San Antonio Zoological Society to reimburse the San Antonio Zoological Society for improvements to the San Antonio Zoo in an amount not to exceed \$9,800,000.

SECTION 3. Upon acceptance of the Funding Agreement, payment is authorized to be encumbered and made payable to the San Antonio Zoological Society in an amount not to exceed \$9,800,000.00. Payment is in support of the San Antonio Zoo Project, using Fund 45099000, with the WBS 23-04019-05-02-01 and GL 5201140. Funding for this project is provided by GO Bonds and TIRZ, and is available in the FY2023-FY2028 CIP Budget.

Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 4. The City Manager or designee, or the Director of the Public Works Department or designee, is authorized to execute a Funding Agreement between the City of San Antonio and the San Antonio Zoological Society to reimburse the San Antonio Zoological Society for a perimeter fence in an amount not to exceed \$1,250,000.

SECTION 5. Upon acceptance of the Funding Agreement, payment is authorized to be encumbered and made payable to the San Antonio Zoological Society in an amount not to exceed \$1,250,000.00. Payment is in support of the San Antonio Zoo Infrastructure Improvements Project, using Fund 40099000, with the WBS 26-00709-05-02-01 and GL 5201140. Funding for this project is provided by Certificates of Obligation and is available in the FY2023-FY2028 CIP Budget.

Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 6. The City Manager or designee, or the Director of the Public Works Department or designee, is authorized to execute a Lease Renewal Agreement between the City of San Antonio and the San Antonio Zoological Society of the San Antonio Zoo for a 20-year term ending December 31, 2044, with a 20year renewal option.

SECTION 7. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Fund Numbers, Project Definitions, WBS Elements, Internal Orders, Fund Centers, Cost Centers, Functional Areas, Funds Reservation Document Numbers, and GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 8. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 9th day of November, 2023.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney