



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 31

Agenda Date: November 9, 2023

In Control: City Council A Session

DEPARTMENT: Parks & Recreation Department

DEPARTMENT HEAD: Homer Garcia III

COUNCIL DISTRICTS IMPACTED: District 1, District 2

SUBJECT:

San Antonio Zoo Agreements

SUMMARY:

This ordinance authorizes 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.

BACKGROUND INFORMATION:

Located at Brackenridge Park in Council Districts 1 and 2, the San Antonio Zoo has resided at this location since 1914. The San Antonio Zoological Society, Inc. (Zoo) has managed, operated, and maintained the San Antonio Zoo for over 80 years. This City Council action is for three agreements – a Bond Project Funding Agreement, a Perimeter Fencing Funding Agreement, and a renewed

Lease and Management Agreement.

BOND PROJECT FUNDING AGREEMENT

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.

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. 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. The City's contributions, including the Zoo's fundraising, 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.

As part of the early project planning, Congo Falls is anticipated to be the largest habitat for gorillas in the United States and will include three oversized outdoor yards featuring elevated walkways, water features, and innovative enrichment features such as browse gardens, climbing structures, and keeper engagement stations. The indoor area will include three oversized living areas, eight gorilla bedrooms, two nursery rooms, a medical suite, a specialized kitchen, and staff support areas. Design work began in 2017 with the first iteration of San Antonio Zoo's 20-year master plan, followed by conceptual and schematic design for the Congo Falls exhibit in August 2020, and advanced to construction drawings in 2022.

This agreement will be executed in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular agreement to maximize the amount of small, minority, and women-owned business participation on the agreement. The Goal Setting Committee set an 11% Small Business Enterprise subcontracting goal. The Zoo has committed to meeting these goals.

PERIMETER FENCING FUNDING AGREEMENT

Included in the FY 24 Capital Budget, \$1,250,000 is allocated 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.

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

LEASE AND MANAGEMENT AGREEMENT

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. Recently, the Zoo has added a kangaroo petting exhibit, a new koala exhibit, renovations to various animal exhibits, administrative spaces, a 4-D theater and more. Additionally, the Zoo purchased and relocated Kiddie Park within its leased premises, keeping the legacy of Kiddie Park thriving for the San Antonio community to enjoy. The San Antonio Zoo is home to over 3,500 animals representing 750 species on 56 acres and welcomes over one million visitors annually. The Zoo has been named Best Zoo in Texas as well as the Number Two Zoo in the Country for their continuous work in Education, Conservation, and Animal Welfare.

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. The Parks and Recreation Department and the Zoo wish to combine the two agreements – the lease and concessions agreements – into one which will maintain consistency with reporting and contractual requirements.

A new Lease and Management Agreement is proposed to commence upon Council approval and expire December 31, 2044, with the option to extend the agreement for one term of 20-years subject to Council approval. The proposed term is consistent with the Bond Project funding agreement. In lieu of rent, the Zoo shall continue to be responsible for management, operations, and maintenance of the Zoo and associated experiences.

ISSUE:

BOND PROJECT FUNDING AGREEMENT

This ordinance authorizes the Public Works Department to execute a funding agreement with the San Antonio Zoological Society in an amount not to exceed \$10,000,000 for improvements to the San Antonio Zoo. Funds are available from the 2022 – 2027 General Obligation Bond Program included in the FY 2024 – FY 2029 Capital Improvement Program.

The funding agreement will provide for the construction of a new gorilla exhibit enclosure referred to as Congo Falls. Construction of this new exhibit is scheduled to begin in December 2023 and is anticipated to be completed in Spring 2025. Completing this project will allow the San Antonio Zoo to become a leader in gorilla conservation worldwide, drive destination visitation to the City, and add to the already sizable economic impact that the Zoo has on the City, Bexar County, and south Texas.

PERIMETER FENCING FUNDING AGREEMENT

This ordinance authorizes the Parks and Recreation Department to execute a funding agreement with the San Antonio Zoological Society in an amount not to exceed \$1,250,000 for the fabrication and installation of perimeter fencing around a portion the Zoo's leased premises. Funds are available from Certificates of Obligation and included in the FY 2024 – FY 2029 Capital Improvement Program.

The funding agreement will provide for the fabrication and installation of perimeter fencing, primarily on the park-interior facing portion of the Zoo with 8-foot curved top fencing with animal deterrent picks at the base providing security and safety for both animals and humans, while remaining aesthetically pleasing for Zoo and park visitors.

LEASE AND MANAGEMENT AGREEMENT

This Ordinance authorizes the Parks and Recreation Department to execute a renewed Lease and Management Agreement with the San Antonio Zoological Society for operations and maintenance of the San Antonio Zoo and various experiences within the leased area. This action complements the 2022-2027 Bond Program and is consistent with the Brackenridge Park Master Plan, which promotes a seamless dynamic between the Zoo facility and the park. Additionally, this action is consistent with the adopted SA Parks System Plan, by leveraging community partnerships to expand recreational opportunities in the community.

ALTERNATIVES:

BOND PROJECT FUNDING AGREEMENT

City Council could choose not to approve this agreement; however, doing so would delay the City from moving forward with its commitment to voters to provide funding for citywide Parks & Recreation improvements towards the San Antonio Zoo and the organization's vision to secure a future for wildlife.

PERIMETER FENCING AGREEMENT

City Council could choose not to approve this agreement, which would delay the Zoo from moving forward with new fencing and keep the existing chain link fencing in place foregoing modern day design which meets zoo industry standards.

LEASE AND MANAGEMENT AGREEMENT

City Council could choose not to approve this agreement, which would require the Department, at a later date, to seek approval to for the remaining 25-year extension of the original Lease Agreement.

FISCAL IMPACT:

BOND PROGRAM FUNDING AGREEMENT

This ordinance authorizes the execution of a funding agreement between the City of San Antonio and the San Antonio Zoological Society in an amount not to exceed \$10,000,000 for improvements to the San Antonio Zoo. Of the \$10,000,000, funds in the amount of \$200,000.00 will be retained by the City's Public Works Department for program management. Funds are available from the 2022 – 2027 General Obligation Bond Program included in the FY 2024 – FY 2029 Capital Improvement Program.

The San Antonio Zoological Society will oversee the construction of Congo Falls in accordance with the 2022 Bond Program and this agreement. The City's funding will be provided on a reimbursement basis once the construction is verified and approved.

PERIMETER FENCING AGREEMENT

This ordinance authorizes the execution of a funding agreement between the City of San Antonio and the San Antonio Zoological Society in an amount not to exceed \$1,250,000 for replacement of perimeter fencing on the park-interior portion of the San Antonio Zoo. Funds are available from Certificates of Obligation and included in FY 2024 – FY 2029 Capital Improvement Program.

The San Antonio Zoological Society will oversee this project in accordance with Federal, State, Local and Zoological laws and standards. The Parks and Recreation Department, as the landlord, will verify and approve installation.

LEASE AND MANAGEMENT AGREEMENT

There is no fiscal impact associated with this action. This renewed Lease and Management Agreement requires the Zoo to continue assuming all costs associated with operations and maintenance of its leased premises.

RECOMMENDATION:

Staff recommends authorizing the execution of all three agreements with the San Antonio Zoological Society: a funding agreement in an amount not to exceed \$10,000,000.00 for improvements to the San Antonio Zoo; a funding agreement not to exceed \$1,250,000 for perimeter fencing; and a renewed Lease and Management Agreement for operations and maintenance of the San Antonio Zoo and various experiences within the leased area.