

November 23, 2021

MEMORANDUM

To: Public Assets and Native Communities Committee
From: Brian Goodnight, Analyst
Subject: CB 120164: Woodland Park Zoo Agreement

On December 7, 2021, the Public Assets and Native Communities Committee will continue its consideration of, and possibly vote on, [Council Bill \(CB\) 120164](#) authorizing the Superintendent of Seattle Parks and Recreation (SPR) to enter into an agreement with the Woodland Park Zoological Society (WPZS) for the operation and management of the Woodland Park Zoo. SPR and WPZS provided a presentation on the proposed agreement at the committee's September 10, 2021, meeting, and the committee also held a public hearing.

This memorandum provides background information on the current agreement with WPZS and highlights a number of significant changes between the proposed agreement and the current agreement that will expire on February 28, 2022.

Background

In December 2001, the Council passed [Ordinance 120697](#) authorizing the current 20-year agreement with WPZS for the operation and management of the Woodland Park Zoo. The park land that the Zoo resides upon and all of the Zoo's facilities and buildings continue to be owned by the City. Prior to approval of the agreement, the Zoo was managed by SPR and staffed with City employees. The current agreement provides that WPZS shall manage and operate the Zoo as a state-of-the-art zoo, with an emphasis on scientific and educational purposes and programs.

WPZS is a nonprofit corporation that was organized in 1965 and had previously provided a limited range of services in support of SPR at the Zoo, including educational programs, habitat conservation efforts, fundraising, and operation of the Zoo's food and gift services.

The Council has approved two amendments to the current agreement with WPZS, [Ordinance 121620](#) in October 2004 and [Ordinance 124369](#) in December 2013, both of which related to parking facilities.

The Woodland Park Zoo consists of approximately 92 acres of land and improvements located between N. 50th Street and N. 59th Street, between Phinney Avenue N. and Aurora Avenue N. The area also includes the Woodland Park Rose Garden and two neighborhood parks that are primarily used for park, recreation, and open space purposes and are not to be programmed for Zoo purposes. In addition, the agreement authorizes WPZS to manage and operate an approximately 120-acre City-owned off-site facility located in Enumclaw, which includes a

house, outbuildings, and a barn. Currently, the off-site facility is not used for any Zoo operations; WPZS tends to the land, and it leases a portion of it for grazing. WPZS expects that the Enumclaw property will be needed in the future for off-site breeding and holding capacity.

Proposed Agreement

The proposed agreement that would be authorized by CB 120164 would continue the City's arrangement with WPZS for operation and management of the Woodland Park Zoo. Similar to the current agreement, the proposed agreement would be effective for approximately 20 years, beginning on the effective date and expiring on December 31, 2041. The proposed agreement could also be extended for one additional 10-year term, if agreed to by WPZS and the Parks Superintendent.

Many of the elements from the current agreement are effectively continued in the proposed agreement. A few examples are:

- a) Both WPZS and the Zoo must continue to be accredited by the Association of Zoos and Aquariums, licensed with the U.S. Department of Agriculture, and licensed by Public Health – Seattle and King County;
- b) WPZS must prepare and submit to the Superintendent an Annual Plan (including the one-year capital improvement program for the Zoo, a description of programmatic changes planned for the ensuing year, and admission charges to be implemented in the coming fiscal year), and an Annual Report (including an audited financial accounting for all funds, a list of major maintenance projects undertaken using City funds, a list of all capital investments made at the Zoo, and a description of public benefits provided); and
- c) At the end of each fiscal year, WPZS must arrange for an independent audit of its books and records by a certified public accountant that will be delivered to the Superintendent.

The proposed agreement also contains significant changes relative to the current agreement, some of which are described below. Each of the following items includes a summary of the proposed changes as well as at least one table describing the relevant section(s) from the current agreement and the relevant section(s) of the proposed agreement.

A. City Financial Support

The proposed agreement continues two types of annual financial support payments from the City to WPZS: operations support payments and major maintenance support payments. These types of support payments are described in detail below.

The current agreement also contains two additional types of financial support that are not proposed to continue in the proposed agreement: routine maintenance payments and contributions from levy proceeds. The routine maintenance payments, \$500,000 per year, are described in the current agreement as intended to fund ordinary maintenance and

repair of facilities and equipment, and the replacement of supplies. Rather than continuing as a separate category of financial support, the support is incorporated into the operations support payment in the proposed agreement.

The contributions from levy proceeds, from the 2000 Neighborhood Parks, Green Spaces, Trails, and Zoo Levy, averaged approximately \$2.7 million per year, but this expired at the end of the levy term in 2008. Since then, the Zoo has been supported by various King County parks levies, including the current levy in effect from 2020–2025. In 2021, King County’s support for the Zoo from its parks levy is approximately \$5.4 million, and that support is scheduled to increase to an estimated \$6.6 million in 2025.

Operations Support Payments

The proposed agreement would escalate the operations support payment by 100 percent of the increase in the Consumer Price Index for Urban Consumers for the Seattle-Tacoma-Bremerton area (CPI) each year, whereas the current agreement escalates the payment by 70 percent of the CPI increase. This change would result in estimated operations support payments being approximately \$14.1 million higher over the 20-year term of the agreement relative to the annual increase remaining at 70 percent of CPI. The proposed agreement would also make the payments contingent upon sufficient legislative appropriations, which is not a provision in the current agreement.

Table A-1: Operations Support Payments
<i>Current Agreement – Section 5.2</i>
<p>City payment of \$5 million in the first fiscal year (2002), escalated by 70 percent of the increase in the CPI each year thereafter. The payment in 2021 was approximately \$6.7 million.</p> <p>In times of a “fiscal emergency” (an expected decline in General Fund (GF) revenues), the City can reduce its payment by either the percentage decline in GF revenues or by 5 percent, whichever is less.</p>
<i>Proposed Agreement – Sections 5.2.1 and 5.2.2</i>
<p>City payment of approximately \$7.6 million in the first fiscal year (2022), escalated by 100 percent of the increase in the CPI each year thereafter. Using CPI estimates from the City Budget Office for 2023–2025 and a flat 2.5 percent CPI assumption for 2026–2041, the 2041 payment is estimated to be approximately \$12.2 million.</p> <p>In times of a “fiscal emergency” (an expected decline in GF or Park District revenues), the City can reduce its payment by either the percentage decline in GF or Park District revenue or by 5 percent, whichever is less.</p> <p>The payment would be contingent on City legislative appropriation of funding sufficient to cover the payment. The agreement provides that the Superintendent must request sufficient appropriation from the City Council or the Park District Governing Board.</p>

Major Maintenance Support Payments

The proposed agreement would provide an annual major maintenance support payment that would escalate by 100 percent of the increase in the CPI each year. In contrast, the current agreement provided a lump-sum amount for the first seven years of the agreement that was contingent upon WPZS raising matching funds. The City did not provide any major maintenance support payments between 2009–2015 (except for a one-time payment for support of the Sensory Garden funded by a parks levy). Since 2016, the Park District has been making annual major maintenance payments with a flat 2.5 percent annual escalation.

The proposed agreement would also provide for the payments to be reduced or suspended during a fiscal emergency, and it would make the payments contingent upon sufficient legislative appropriations, neither of which are provisions in the current agreement.

Table A-2: Major Maintenance Support Payments
<i>Current Agreement – Section 5.4</i>
City to provide a lump-sum amount (\$6.4 million) to be paid over the first seven years of the agreement. The payments are required to be matched by WPZS fundraising: \$1.00 of City funds for every \$2.50 raised by WPZS. The Park District began providing funding for major maintenance in 2016 at \$1.8 million, with a 2.5 percent annual escalation. The payment in 2021 was approximately \$2 million.
<i>Proposed Agreement – Sections 5.2.3 and 5.2.4</i>
City payment of approximately \$2.1 million in the first fiscal year (2022), escalated by 100 percent of the increase in the CPI each year thereafter. Using CPI estimates from the City Budget Office for 2023–2025 and a flat 2.5 percent CPI assumption for 2026–2041, the 2041 payment is estimated to be approximately \$3.4 million. In times of a “fiscal emergency” (an expected decline in GF or Park District revenues), the City may reduce or withhold its major maintenance support payment for the duration of the fiscal emergency. When the fiscal emergency ends, the City would not have an obligation to reimburse WPZS for reduced or withheld payments. The payment would be contingent on City legislative appropriation of funding sufficient to cover the payment. The agreement provides that the Superintendent must request sufficient appropriation from the City Council or the Park District Governing Board.

In 2021, the combined amount of City support payments (operations, routine maintenance, and major maintenance) totaled just under \$9.3 million. For 2022, under the proposed agreement, the combined amount of City support payments (operations and major maintenance) would total just under \$9.8 million.

Using CPI estimates from the City Budget Office for 2023–2025 and a flat 2.5 percent CPI assumption for 2026–2041, City support payments during the 20-year term of the proposed

agreement would total approximately \$250 million (\$195 million in operations support and \$55 million in major maintenance support).

B. Long-Range Plan and Capital Improvements

The section of the current agreement that addresses the creation and adoption of a Long-Range Plan does not provide detail regarding how the plan should be developed, nor does it explicitly require the Council to approve the plan. The Council did adopt the Long-Range Physical Development Plan for the Zoo in 2004, however, via [Resolution 30701](#). The adoption of the plan superseded previous long-range plans for the Zoo that had been adopted in 1976 ([Resolution 25172](#)) and 1986 ([Resolution 27452](#)).

In contrast, the proposed agreement requires WPZS to develop a Long-Range Plan in close collaboration with the Superintendent, and it requires WPZS to submit the plan to the Superintendent for review and the Superintendent’s approval within five years. The proposed agreement specifies that the approval of the Long-Range Plan, in whole or in part, is the responsibility of the Superintendent and not of the Council.

The proposed agreement also contains a new provision, in Section 9.3, that would allow WPZS to propose other capital improvements or alterations to the premises or Zoo facilities that may not be addressed by the Long-Range Plan. The agreement would allow the Superintendent to approve or reject those proposals, or the Superintendent could condition approval on amendment of the Long-Range Plan.

The City would also gain a new termination option in the proposed agreement that is not provided in the current agreement. The current agreement only allowed WPZS to terminate the agreement if an acceptable Long-Range Plan was not adopted by a date certain. In contrast, the proposed agreement would allow either the City or WPZS to terminate the agreement if a mutually agreeable Long-Range Plan is not approved within two years of its submission.

Table B-1: Long-Range Plan and Capital Improvements
<i>Current Agreement – Sections 9 and 13</i>
Section 9 of the agreement was amended in 2004. As amended, adoption by the City of the Long-Range Plan, as deemed acceptable by WPZS, on or before December 31, 2004. If not adopted by that time, WPZS may terminate the agreement.
Capital improvements and alterations to the premises and Zoo facilities must be in accordance with the Long-Range Plan and must comply with all applicable local, state, and federal laws, rules, and regulations. WPZS must obtain any required permits at its expense, and any improvements or additions attached to or installed in the premises shall be and remain the property of the City.

Proposed Agreement – Sections 8, 9, and 22.3; Exhibits 3 and 4

WPZS shall develop the Long-Range Plan in close collaboration with the Superintendent, and City representatives shall be included on WPZS committees or work groups preparing the plan. WPZS must submit a new Long-Range Plan to the Superintendent, for the Superintendent's review and approval, within five years of the effective date of the ordinance approving the proposed agreement.

The Superintendent may approve the plan in whole or in part, and the City and WPZS may work for up to two years after plan submission to resolve any concerns or disapproved elements. If the Superintendent does not approve a Long-Range Plan within two years of initial submission, then either the City or WPZS may terminate the agreement.

The Long-Range Plan should consider and address the guiding principles identified in Exhibit 4, such as: complying with zoo accreditation standards, including multi-cultural viewpoints and narratives, minimizing the Zoo's carbon emissions, and community participation. All projects stemming from the plan must comply with all applicable City ordinances, land use requirements, and other regulatory requirements in effect at the time the projects are undertaken.

Capital improvements and alterations to the premises and Zoo facilities must be in accordance with the Long-Range Plan and must comply with all applicable local, state, and federal laws, rules, and regulations. WPZS may also propose capital improvements that are not addressed in the Long-Range Plan, which may be approved or rejected by the Superintendent.

WPZS must obtain any required permits at its expense, and any improvements or additions attached to or installed in the premises shall be and remain the property of the City. The City and WPZS also agree to continue to observe the requirements of a memorandum of understanding, attached to the agreement as Exhibit 3, that addresses coordinated planning and SPR review of WPZS capital projects.

C. Admissions

In the current agreement, WPZS has the authority to set admissions charges, but it must receive approval from the Council before raising prices by more than the rate of inflation. The proposed agreement eliminates the requirement for Council approval and authorizes WPZS to set admissions prices without restriction. Both the current and the proposed agreements state an intent by the City and WPZS for the Zoo to remain affordable to individuals from all economic circumstances, and both agreements reference the provision of public benefits.

Table C-1: Admissions
<i>Current Agreement – Section 12.1</i>
<p>WPZS has the authority to set admissions charges, subject to prior Council approval for any increases that are more than the rate of inflation being experienced by the Zoo (which includes, but is not limited to, costs such as personnel, supplies, equipment, and utilities). The City and WPZS intend for the Zoo to remain accessible to individuals from all economic circumstances, and in general, admissions prices should reflect market rates for comparable attractions in Seattle and elsewhere.</p> <p>Subject to public benefits contained in Section 12.2. (See item D below.)</p>
<i>Proposed Agreement – Section 10.1</i>
<p>WPZS has the authority to set the amount of all prices and fees for admissions, as well as for other items, such as services, concessions, memberships, and special events. The City and WPZS intend for the Zoo to remain affordable to individuals from all economic circumstances and particularly to families with children.</p> <p>WPZS will continuously provide the public benefits delineated in Section 11 and Appendix A. (See item D below.)</p>

D. Public Benefits

The proposed agreement provides a greater level of specificity than the current agreement regarding WPZS’s provision of public benefits. The proposed agreement commits WPZS to perform or otherwise ensure the provision of public benefits as identified in Appendix A to the agreement. Appendix A includes WPZS’s commitment to public benefits and includes a table showing examples of public benefits that were provided in 2019 along with an estimated value of those benefits (approximately \$3.1 million).

In the proposed agreement, the City and WPZS acknowledge that the level and value of public benefits is expected to increase over the term of the agreement at a pace generally consistent with the growth in City support for the Zoo. Additionally, five years following the effective date of the agreement, and every five years thereafter, the City and WPZS must review the public benefits being provided and may modify Appendix A to reflect the goal of providing public access to Seattle’s underserved populations.

Table D-1: Public Benefits
<i>Current Agreement – Section 12.2</i>
<p>WPZS agrees at a minimum to maintain the practice of providing substantially reduced admission to the Zoo for school groups, making available at least 40,000 free passes annually to human services agencies, and pursuing other options for ease of access to the Zoo for children, seniors, people with disabilities, and low-income individuals.</p>

Proposed Agreement – Sections 11 and Appendix A

WPZS will perform or otherwise ensure the continuing provision of the public benefits identified in Appendix A. Although the specific means of delivering such public benefits may evolve, WPZS will continue providing public benefits at no less than the scale and impact of the effort reflected in the current specific programs described in Appendix A.

WPZS will provide annual public benefits reports that describe the benefits provided during the reporting period, the scale and impact of those benefits, and a commercially reasonable dollar valuation of the benefits. If the Superintendent determines that the value of public benefits does not equal or exceed the value required for the reporting period, WPZS shall remedy the shortfall in the next reporting period by increasing the public benefits provided.

The City and WPZS recognize that WPZS's ability to provide and increase the value of public benefits may be disrupted by financial circumstances outside WPZS's control. WPZS will make a good faith effort to maintain public benefits under such circumstances, but the City recognizes that the value of public benefits may be reduced during the time of disruption. WPZS shall endeavor to restore the scale and value of public benefits to the level before the disruption as soon as reasonably possible.

Five years following the effective date of the agreement and every five years thereafter, the City and WPZS will review the public benefits and may modify Appendix A to reflect the goal of providing public access to Seattle's underserved populations and allow room for adjustments based on programming and facility changes.

The City and WPZS acknowledge that the level and value of public benefits is expected to increase over the term of the agreement at a pace generally consistent with the growth in City support for the Zoo.

The City and WPZS share the core value of ensuring resources at the Zoo are operated with deliberate attention to promoting equity, including geographic equity and inclusion. WPZS will develop programs and conduct outreach to serve historically underserved populations and create more equitable access to Zoo resources.

Appendix A includes WPZS's commitment to public benefits, including: providing the widest possible access by targeting efforts based on community needs, continuing programs for every age group from infants to seniors, investing in equity programming and robust engagement strategies, and seeking philanthropic support and earned income. It also includes a table showing examples of public benefits provided in 2019 along with an estimated value of those benefits. The table includes seven categories of services, including free tickets, camp scholarships, and community outreach events, and shows a total estimate public benefit value of approximately \$3.1 million.

E. Zoo Animals

The proposed agreement is consistent with the current agreement in recognizing that the Zoo animals are considered the personal property of WPZS during the term of the agreement, and will become the property of the City upon termination of the agreement. Both agreements also specify that WPZS will care for the Zoo animals in accordance with all applicable federal, state, and local laws, and any guidelines and policies adopted by the Association of Zoos and Aquariums (AZA). Additionally, both agreements provide WPZS with the authority to acquire, sell, or otherwise dispose of Zoo animals, as long as WPZS complies with (a) all applicable federal, state, and local laws, regulations, and policies, and (b) the guidelines and policies of the AZA.

The current agreement also requires WPZS to comply with existing and any adopted acquisition and disposition policies approved by the City. The proposed agreement does not contain a comparable requirement.

Table E-1: Zoo Animals
<i>Current Agreement – Section 15</i>
<p>All Zoo animals owned by the City when the agreement became effective and all rights to animals acquired during the term of the agreement are the sole property of WPZS. The Zoo animals shall become the property of the City when the agreement is terminated.</p> <p>WPZS will care for all Zoo animals in accordance with all applicable federal, state, and local laws and regulations, as well as the Long-Range Plan and policies and guidelines adopted by the AZA.</p> <p>WPZS shall have the authority to acquire, sell, or otherwise dispose of Zoo animals in accordance with: (a) all applicable federal, state, or local laws, (b) the guidelines and policies of the AZA, and (c) existing and any adopted acquisition and disposition policies approved by the City.</p>
<i>Proposed Agreement – Section 12</i>
<p>All Zoo animals are and will remain the personal property of WPZS for the duration of the agreement, but they will become the property of the City when the agreement is terminated.</p> <p>WPZS will care for all Zoo animals, as well as any animals on loan from other zoos, under AZA auspices in accordance with all applicable federal, state, and local laws and regulations, and policies and guidelines adopted by the AZA.</p> <p>WPZS shall have the authority to determine the composition of the Zoo animal collection, including breeding, acquisition, sale, or other disposition, and shall strictly comply with requirements of (a) all applicable federal, state, or local laws, regulations, and policies, and (b) the guidelines and policies of the AZA.</p>

F. Naming Rights

The proposed agreement modifies the parties responsible for approving a change in the Zoo’s name from Woodland Park Zoo. Currently, any name change must be approved by the Board of Park Commissioners and the City Council. In the proposed agreement, the Zoo’s name may change with prior written approval of the Superintendent. According to SPR, the Superintendent’s approval would be subject to SPR’s policy for the naming of all properties and facilities ([SPR Naming Policy](#)), which includes consultation with a naming committee that includes the Superintendent, the Chair of the Board of Park Commissioners, and the Chair of the Council committee with oversight of SPR.

Table F-1: Naming Rights
<i>Current Agreement – Section 16</i>
The Zoo’s name may only be changed upon formal action by the Board of Park Commissioners and the City Council. Any donor recognition at the Zoo will be consistent with SPR’s naming policy for facilities, and the Superintendent will consult with WPZS prior to making any changes to the facility naming policy.
<i>Proposed Agreement – Section 13</i>
The Zoo’s name may only be changed upon prior written approval by the Superintendent. Any donor recognition at the Zoo will be consistent with SPR’s naming policy for facilities, and the Superintendent will consult with WPZS prior to making any changes to the facility naming policy.

G. Public Involvement

The proposed agreement contains many of the same public involvement provisions as the current agreement, including the noticing for and public participation in WPZS Board of Directors (Board) meetings, the opportunity to review and comment on annual reports and plans, and the authority for the Superintendent, the Mayor, and the City Council committee with oversight of SPR to each appoint one person to the Board.

The proposed agreement contains slight differences relative to the current agreement with respect to the public involvement processes for major capital projects. The current agreement provides that the Superintendent and WPZS will work together to create a public involvement process that is consistent with SPR’s public involvement policy. The proposed agreement would require WPZS to develop a public involvement process for major capital projects and other major activities at the Zoo, which must receive approval of the Superintendent before implementation.

The proposed agreement also reduces WPZS commitments for liaising with the four surrounding neighborhoods, specifically Phinney Ridge, Wallingford, Fremont, and Green Lake. The current agreement calls for WPZS to designate a Board member and staff member to communicate with those communities “on a regular basis.” The proposed agreement reduces this commitment to only a WPZS staff member who is charged with communicating with the communities at least annually. The current agreement also refers to a Neighborhood Liaison committee having a formal role in WPZS decision making on certain parking matters. The proposed agreement does not address a Neighborhood Liaison committee, and SPR has indicated that the original committee was disbanded after a few years in favor of WPZS joining existing community groups to provide updates and receive feedback.

Table G-1: Public Involvement
<i>Current Agreement – Section 20.6</i>
<p>The Superintendent, the Mayor, and the City Council committee with oversight of SPR each have the authority to appoint one person to the Board.</p> <p>WPZS will provide the public with an opportunity to review and comment on both the Annual Report and Annual Plan, and WPZS will submit responses to those comments to the Superintendent.</p> <p>The City and WPZS agree that the development process for major capital projects must include significant opportunities for public involvement. The Superintendent and WPZS will develop a public involvement process for each capital project that is consistent with SPR’s public involvement policy. The WPZS Public Affairs Committee may also recommend to the Board that a public involvement process be held for other major activities at the Zoo.</p> <p>WPZS will designate a neighborhood liaison from both the Board and staff to communicate with the Phinney Ridge, Wallingford, Fremont, and Green Lake communities on a regular basis. Among matters to be addressed by WPZS through such liaisons is the impact of Zoo programming on the neighborhoods. The Neighborhood Liaison committee will also have a formal role in any decision to consider implementation of a restricted parking zone.</p> <p>The WPZS Board shall provide advance notice of meeting times, locations, and proposed agenda items, and the Board Chair will provide for a public comment period at each meeting.</p>

Proposed Agreement – Section 16.7

The Superintendent, the Mayor, and the City Council committee with oversight of SPR each have the authority to appoint one person to the Board.

WPZS will provide the public with an opportunity to review and comment on both the Annual Report and Annual Plan, and WPZS will submit responses to those comments to the Superintendent.

The City and WPZS agree that the development process for major capital projects must include significant opportunities for public involvement. WPZS shall develop a public involvement process for major capital projects and other major activities at the Zoo. The process requires approval of the Superintendent before implementation.

WPZS will designate a neighborhood liaison from staff to communicate with the Phinney Ridge, Wallingford, Fremont, and Green Lake communities at least annually. Among matters to be addressed by WPZS through such liaisons is the impact of Zoo programming and events on the neighborhoods.

The WPZS Board shall provide advance notice of meeting times, locations, and proposed agenda items, and the Board Chair will provide for a public comment period at each meeting.

cc: Esther Handy, Central Staff Director
Dan Eder, Central Staff Deputy Director
Aly Pennucci, Policy and Budget Manager