

**Key Points in the Proposed Operations and Management Agreement**

|   |   |
|---|---|
| <p><b>Term - Section 2</b></p>                | <p>Authorizes a 20-year term + 10-year option to extend (consistent with current agreement).<br/>         Effective Date: March 2022</p>  |
| <p><b>Financial Support Section 5</b></p>     | <p>Annual funding is contingent on City Council approval; the Superintendent will make annual appropriation requests for the following:</p> <p><u>Continue Annual Operations Support (~\$7.3M)</u>: Proposal escalates by 100% of CPI (July to June) versus current agreement at 70%. An increase of \$116,845 for 2022. This amount also includes a \$500K annual routine maintenance payment from the current, expiring agreement.</p> <p><u>Continue Annual Major Maintenance Support</u>: In 2015, the Park District began funding major maintenance (\$2M/year + 2.5%/year escalation). New agreement continues payment and escalates at 100% CPI (July to June) regardless of fund source (currently REET due to realignments). An increase of \$61,545 for 2022. If a pre-existing condition is found, WPZS will first apply this support to remediate the item.</p> <p><u>Support County Funding</u>: Superintendent will take reasonable action to advocate for Zoo funding at an amount not less than what is included in the most recent County levy. If County funding declines or becomes unavailable, WPZS may request a reduction of services/operations to a level commensurate with available funding.</p> <p>Fiscal Emergency Language:</p> <p><u>Operations</u>: City funding can be reduced by the amount provided the previous year by up to the percentage decline in expected General Fund or Park District revenue or by 5%, whichever is less. This is consistent with the current agreement.</p> <p><u>Major Maintenance</u>: Can be withheld during a fiscal emergency and resume without obligation to reimburse any missed or reduced payments. (New provision not included in prior agreement.)</p> |
| <p><b>Long-Range Plan (LRP) Section 8</b></p> | <p><b>Collaboration Process</b></p> <ul style="list-style-type: none"> <li>• WPZS will collaborate with SPR as LRP planning process proceeds to include periodic updates and inclusion of City representatives selected by the Superintendent to resolve SPR concerns before the LRP is submitted. Goal is a LRP approved by the Superintendent and acceptable to WPZS.</li> </ul> <p><b>Submission</b></p> <ul style="list-style-type: none"> <li>• WPZS to submit a new LRP to the Superintendent within five years of agreement’s effective date.</li> <li>• The LRP will adhere to guiding principles noted in Exhibit 4 of the Agreement.</li> <li>• The projects in the LRP must comply with all City ordinances, land use requirements, and other regulatory requirements.</li> </ul> <p><b>Review Process</b></p> <ul style="list-style-type: none"> <li>• Superintendent will review the LRP and provide written feedback. The Superintendent may approve the LRP in part and WPZS may implement the resulting modified LRP.</li> <li>• SPR and WPZS may continue to work together to resolve Superintendent’s concerns for up to two years after submission to achieve a final approved LRP or WPZS may accept the Superintendent’s decision to approve the LRP in part.</li> </ul>   |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• If the Superintendent does not approve the LRP within two years of submission by WPZS, WPZS and SPR will confer about whether to seek agreement on a revised LRP, continue operations without a LRP or take other action.</li> </ul> <p><b>Termination</b></p> <ul style="list-style-type: none"> <li>• If the Superintendent does not approve the LRP within two years of initial submission, either party may exercise its right to terminate the Agreement provided, however, that neither WPZS nor SPR may exercise its termination right if engaging in good faith negotiation to resolve the Superintendent’s concerns and that the negotiation period shall not extend longer than four years after WPZS submitted the LRP.</li> <li>• Neither WPZS nor SPR can terminate the agreement at least two years after WPZS submits LRP to the City if parties are engaging to resolve the non-approval of the LRP.</li> </ul> <p><b>Funding</b></p> <ul style="list-style-type: none"> <li>• WPZS and City may agree on project scope and funding which may in City’s sole discretion include an additional City funding commitment.</li> <li>• WPZS agrees to good faith effort to raise the funds needed to construct improvements contemplated in the LRP City approval of the LRP should not be construed as a commitment to fund any items in it.</li> </ul> <p><b>Updating/Amending LRP</b></p> <ul style="list-style-type: none"> <li>• The LRP may include procedures for updating and amending the LRP when necessary or otherwise appropriate if mutually agreed in writing by WPZS and SPR.</li> </ul> |
| <p><b>Admissions<br/>Section 10</b></p>                                    | <p>New agreement sets no restrictions for WPZS’s admissions pricing. Parties agree that Zoo should remain affordable, particularly for families with children. Language is in alignment with Aquarium agreement.</p>   |
| <p><b>Public Benefits,<br/>Equity and<br/>Inclusion<br/>Section 11</b></p> | <p>Public Benefit listing added in the agreement’s Appendix A (Public Access, Scholarships, Programs, Community Outreach Events, Capital Improvements).<br/>       WPZS will annually report on Public Benefits. Public Benefits can be reduced if WPZS’s funding is reduced.<br/>       Public Benefits are subject to reviews every five years.</p>  |
| <p><b>Workplace<br/>Harmony /Social<br/>Equity<br/>Section 11</b></p>      | <p>WPZS will follow social equity requirements for Zoo CapEx Projects (capital improvement, non-routine maintenance, construction, alteration, repair projects for which independent contractors are retained).</p> <p><u>WMBEs</u> – projects &gt;\$300K and any City funding shall ensure open and fair opportunities to compete for contracts/subcontracts.</p> <p><u>Community Workforce Agreement</u> – Zoo CapEx projects with budget of \$5M+ and City funding shall enter into a master community workforce agreement.</p> <p><u>Apprentices</u> – Zoo CapEx projects with a total construction budget of \$1M+ and City funding shall utilize apprentices.</p>  |
| <p><b>Reporting<br/>Obligations<br/>Section 16</b></p>                     | <p><u>Annual Report</u> – summary of Zoo operations, audited financial accounting, list of major maintenance projects undertaken and accounting, list of capital investments made, public benefits provided, equity and inclusion programming, self-evaluation of customer service performance.</p> <p><u>Annual Plan</u> – 1-year capital improvement plan, major program changes planned, planned admissions prices, description and estimate of City-funded major maintenance projects.</p>   |

|                                       |  |
|---------------------------------------|--|
| <b>Indemnification<br/>Section 21</b> | The City’s financial obligations under the indemnification will not exceed the appropriation authorized at the time that the City must fulfill its obligations. City’s Environmental Indemnity includes similar language.  |
| <b>Termination<br/>Section 22</b>     | <u>City’s Termination Rights</u><br>City shall have the right to terminate if 1) WPZS does not comply with Agreement – 60-day cure before default unless the Superintendent grants more time up to 180 days; if 2) WPZS transfers or abandons the agreement or property without City’s consent, or 3) if a court appoints a “receiver” to take WPZS’ assets.<br><u>WPZS’ Termination Rights</u><br>WPZS will have termination rights if the City fails to pay – 60-day cure date allowed.<br><u>Mutual Termination Rights</u><br>Mutual termination rights related to the LRP (see Section 8 above). |
| <b>Insurance<br/>Appendix B</b>       | Provisions updated -WPZS is recognized as an additional insured on property insurance. City may decide to start charging WPZS its share of property insurance if other cultural organizations (Aquarium, Seattle Asian Art Museum) are also charged. City agrees to consult with WPZS on any claim replacement value, dispute resolution process and claim settlements unless City assigns authority to WPZS.  |