

**INITIAL MEETING OF
OREGON ZOO FUTURE VISION COMMITTEE
MEETING SUMMARY**

April 18, 2006

Committee members present

Co-Chairs:

Brian Newman (co-chair) Councilor, Metro
Penny Serrurier (co-chair) Oregon Zoo Foundation Board President

Metro/Oregon Zoo Foundation Members:

Bruce Berning Oregon Zoo Foundation Board Member
Robert Liberty Councilor, Metro
D. Carter MacNichol Oregon Zoo Foundation Board Member
C. Kregg Hanson Oregon Zoo Foundation Board Member
John R. Kruse Oregon Zoo Foundation Board Member

Citizen Members:

Sandra McDonough Portland Business Alliance Director
John Inskeep IFC Foundation
Walt Pollock Portland General Electric, Former Vice President

Ex-officio members:

Tony Vecchio Director, Oregon Zoo, Metro
Jeff Miller MERC General Manager, Metro
Michael Jordan Chief Operating Officer, Metro

Committee members absent

Metro/Oregon Zoo Foundation Members:

David Bragdon Council President, Metro
George Passadore Wells Fargo Northwest, Former Chief Executive Officer

Introduction and charge of the committee

Brian Newman opened the meeting and introduced himself and Penny Serrurier as co-chairs of the committee.

Brian reviewed the charge and role of the committee.

The Oregon Zoo Future Vision Committee is charged with crafting recommendations on strengthening and improving the Oregon Zoo consistent with its conservation and environmental education mission

The committee will make recommendations on the following:

- **Physical Planning:** An update of the Oregon Zoo's master plan to guide physical improvements and new exhibits at the zoo for the next decade. Specifically, the

master plan must be designed to be fiscally and environmentally sustainable and responsive to input from OZF members, zoo patrons and the general public. The zoo should continue to inspire and entertain visitors in ways that are consistent with its conservation and environmental education mission. The plan will include a realistic phasing and financing strategy for implementation and operations. Financing strategies could include operating levies, general obligation or revenue bonds, federal and state grants, private fundraising from foundations, businesses and individuals, new enterprise activities, and other financing mechanisms.

- **Programming:** Changes and improvements to the Oregon Zoo's conservation and environmental education programming. This may include expanding and/or creating new program activities while reducing and/or eliminating others, as well as identifying new partnerships and financing strategies to fund program activities.
- **Operations/business model:** A new operations plan and business model to stabilize the Oregon Zoo's day-to-day maintenance and operations in light of challenging fiscal trends. The committee will look at reducing costs and increasing revenue in order to stabilize the zoo's finances and should include recommendations on how to make the zoo operations more entrepreneurial in nature.

Role of the committee

The Oregon Zoo Future Vision Committee will act as an advisory committee. The committee will:

- Advise the Metro Council (which owns the zoo and sets zoo policy)
- Advise the Oregon Zoo Foundation
- Advise other groups that are involved in the process (e.g. Children's Museum)

The committee will be asked to advise on the following questions:

- What should the Oregon Zoo be like in 10 years?
- How should the institution change to incorporate public tastes, interests and needs?
- How can the zoo better achieve its mission of "inspiring our community to create a better future for wildlife"?
- What changes need to be made in the Oregon Zoo's master plan, programming, and operations to ensure its success and stability in the future?

The committee will use consensus, not a majority vote, to make decisions. However, if the committee desires it, modified consensus may be used.

The Metro Council has approved \$250,000 to fund the committee work.

Committee timeline

The committee will meet for approximately 15 months, once a month. Towards the end of the process a more frequent meeting schedule may be necessary. The process should result in recommendations made by June 30, 2007.

A tentative meeting schedule has been set:

Tuesday, May 16

Tuesday, June 20

Tuesday, July 18

Tuesday, August 15

Tuesday, September 19

Tuesday, October 17

Tuesday, November 21

Tuesday, December 19

Vision statements presented by committee members at the initial committee meeting on April 18,2006

As way of introduction co-chair Penny Serrurier asked committee members to introduce themselves and to briefly describe their vision for the zoo.

- Expand conservation and education role of zoo
- The zoo can play a role in informing and educating the public about the environmental challenges the planet faces
- Broaden the long-range vision of the zoo
- Increase outreach to communities that do not have access to the zoo
- Expand the current wildlife program of the zoo
- Create a fiscally sustainable business model
- Fully integrate the zoo's conservation mission with Metro's vision for conservation
- Create a business and governance model that will allow the zoo to remain the premier zoo of its kind and the top destination choice for families
- Continuing to replace old exhibits with new exhibits, attracting more visitors to the zoo
- Rename the zoo - Oregon Zoo and Environmental Education Center
- Increase parking and transportation options
- Simplify the governance structure
- Change long term thinking regarding revenue
- Expand focus on environmental protection
- Expand the definition of what can be given back to the community
- Focus on the zoo's relationship with children
- Expand opportunities for cold, rainy days – opportunities for indoor experiences

History and current state of the Oregon Zoo

Tony Vecchio briefly outlined the history of the zoo from its establishment in 1887. The zoo is the oldest operating zoo west of the Mississippi. Vecchio touched on the transfer of

management of the zoo from the City of Portland to the Portland Zoological Society and the transfer of zoo ownership and management from the City to the Metropolitan Service District (MSD), Metro's predecessor, in 1976. Committee members were provided with a zoo timeline that specified major zoo events.

Today the zoo is successful on a number of levels. The zoo is highly respected and considered to be one of the top 15 zoos in the country. One of the zoo's greatest strengths is its conservation efforts and its focus on regional conservation. The Oregon Zoo is a member of the Northwest Zoo and Aquarium Alliance. This organization and the role of the Oregon Zoo and its regional conservation efforts are being watched closely and may be duplicated around the country.

The zoo's five biggest attendance years have been in the last five years, and membership is at an all time high.

Attendance

The zoo does annual polling and surveys to find out who is coming to the zoo. However, there is a lack of information on who is *not* coming to the zoo. The zoo has a volunteer group – VAST- that collects data on visitors, so the zoo has good information on the demographics of visitors.

- 80-90% families with young children
- Most visitors are from the Metro region and SW Washington

Visitor patterns change seasonally. Off-season most visitors are from the region. During the summer the zoo sees many more visitors from outside the region. These are two very different markets and demographics. The zoo works with Portland Oregon Visitors Association (POVA) to increase zoo visibility with tourists.

During the summer the zoo is maxed out. The parking lot is full and the zoo loses visitors because of a lack of parking. Ridership on the MAX has declined since it opened.

The zoo needs to know more about the trends over time of changing demographics and who/where the underserved populations are.

The zoo has seen increased attendance primarily from:

- Increase in population
- The addition of Stellar Cove and other new exhibits that replaced old and outdated exhibits

The average amount spent per zoo visitor has increased a dollar since last year and food and catering are picking up again.

Site/master plan

The last Master Plan for the zoo was completed 15 years ago and is outdated. For example, while the master plan calls for a new waters exhibit, aquariums today are

difficult to build because of the high costs of building and upkeep. Elements of the plan such as this, as well as the business strategy, need to be revisited.

Now is an excellent time to review the Master Plan. There is not enough money to fund the current \$100 million plan, and this is the ten-year anniversary of the last bond measure that was passed (\$30 million for the zoo).

Zoo neighbors: The zoo is land locked. The zoo is hemmed in on all sides by the Sunset Highway, Arboretum, World Forestry Center, and the Children's Museum, and does not have room to expand. There are also private landowners in the area. The Forestry Center is an independent organization, which leases land from the City. The Children's Museum used to be part of the City, desired autonomy, moved in that direction but has taken steps back. The City owns the land.

Parking lot: The City owns the parking lot and leases it to the zoo, the Children's Museum, and the World Forestry Center. There is a small fee for parking. The parking lot has about 900+ spaces. All of the institutions share the parking lot and are attracting more visitors. Structured parking has been investigated. Not only is it expensive, geographical constraints would also make it very difficult.

The auxiliary parking lot, located between the Children's Museum and the World Forestry Center, is leased by the institutions from the City. The zoo has to go back to the City and ask that the lot be made permanent. Some neighbors would like to see the lot removed.

Geographical constraints: The zoo campus covers 64+ acres of land. The terrain is difficult to develop. The land is an old slide area. Fourteen acres are not available for development because it is environmentally sensitive. There are some zoo activities that could be moved off site.

Business model

The zoo needs a financial plan that matches the vision of the zoo.

The zoo has used two business models over the years.

1. Traditional model: The zoo goes to the voters for revenues to build a large new area/exhibit. With the new exhibit attendance soars, and then drops back down, though hopefully higher than the original baseline.
2. The zoo has not relied only on the traditional model above. The zoo opens new smaller exhibits throughout the year, so there is always something new at the zoo.

The philosophy behind the new exhibits model is that increased attendance will cover the increased operation costs of the new exhibits. However, the costs of running the zoo are rising faster than revenue generated.

By U.S. standards (excluding zoos that are free to the public) the Oregon Zoo has a low admission cost (\$9.50). Determining zoo admission costs is a political decision. There is

an effort to keep the zoo accessible to everyone. The zoo does not want to be an elitist attraction. The zoo has been able to balance admission cost and accessibility pretty well. The second Tuesday of each month was at one time a free day. In August 2004 the second Tuesday of each month became a reduced-admission day, now called \$2 Buck Tuesday. The zoo also has a scholarship program and gives out free passes to social service agencies.

The committee discussed the need for additional information on costs and revenues, and requested information on the sources of revenue for the zoo. Concerns about the unreliability of tax revenues were raised.

Budget issues

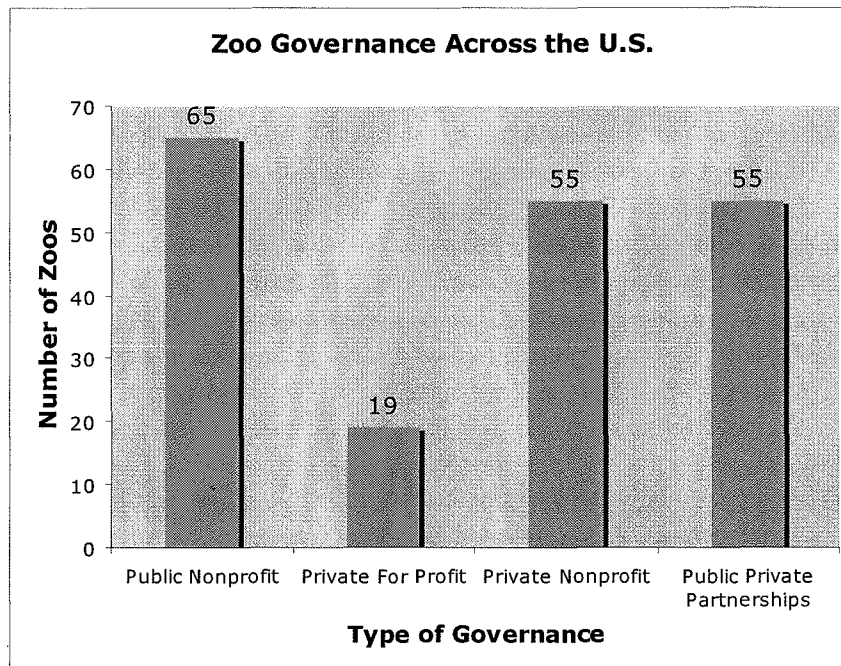
- Costs are rising faster than revenues
- The zoo is aggressively trying to conserve electricity and water, but rates continue to increase. The zoo reduced its water bill by \$88,000 this year
- Health care costs are rising everywhere, and Oregon is no exception.
- Central service costs
- Parking constraints
- Renewal and replacement – Business choices have been made and over time renewal and maintenance has been neglected in place of funding new exhibits.
- New hospital facility. Costs for a new facility have been estimated from \$10-30 million. It is probable that the zoo will not be reaccredited by the AZA if the new facility is not built.

Future bond measures

The zoo needs to reexamine what resonates with the public. In the polling for the current Greenspaces bond measure the zoo hurt the measure, when it had been assumed that the zoo would add value to the measure.

Governance

The way in which zoos are managed has changed. Fifty years ago almost all zoos were publicly owned and operated. Today over half have some form of public private ownership/management. Few zoos are completely private. These tend to be the Disneys.



N=194

Data source: AZA

There was a movement in the 1980s towards privatization. Privatization failed for most zoos, because most zoos need public money to survive. Public/private partnerships are working for many zoos. Many public/private zoos have contracts that enable either party to get out of the contract.

Stakeholders identified for involvement with the Future Vision Committee

- Employees of the zoo – include in the process constructively and sincerely
- Neighbors: Children’s Museum, City of Portland (specifically because of the parking lot, which the zoo leases from the city), World Forestry Center

Information Requested

- Budget: in depth costs and revenues
- Zoo attendance: demographics, draw, where visitors come from, seasonal information
- Additional map of the zoo that shows in context of the surrounding properties and area
- Organizational chart of the zoo and Metro
- Aerial map of the zoo
- How costs at the Oregon Zoo compare to the costs of zoos in other cities of comparable size (taking into other factors such as the cost of living)
- Parking lot and transit use information
- List of renewal and replacement needs (and projected costs)

- 5-7 year trend of utility use (consumption and conservation) and rates

Next Meeting

Tuesday, May 16, 2006
Sunset Room, Oregon Zoo

- Possible presentation on information requested
- Discuss workplan of the committee
- Discuss committee's organizational approach to workplan
- Review consultant RFP
- Outreach to stakeholders

Prepared by:

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