



Chicago Park District

Legislation Details (With Text)

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Type: Action Item **Status:** Passed
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Title: AUTHORITY TO ENTER INTO AN EXTENSION TO THE OPERATING AGREEMENT WITH THE LINCOLN PARK ZOO SOCIETY
Sponsors: Chief Financial Officer
Indexes: Agreements (Not Bidded)
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
4/10/2019	1	Board of Commissioners	adopted	Pass

AUTHORITY TO ENTER INTO AN EXTENSION TO THE OPERATING AGREEMENT WITH THE LINCOLN PARK ZOO SOCIETY

To: The Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

It is recommended that an order be entered into authorizing the General Superintendent, or his designee, to negotiate and enter into an extension of the operating agreement with the Lincoln Park Zoo Society (Society) to continue to have the Society operate, fundraise and manage the Lincoln Park Zoo.

II. Agreement Information

Operator: Lincoln Park Zoological Society
2001 N. Clark Street
Chicago, IL 60614

Agreement Type: Operating Agreement

Agreement Term: December 31, 2049

Authorization: Authorize the General Superintendent to negotiate, enter into, and execute such agreements and instruments and perform any and all acts as shall be necessary or advisable in connection with the transactions described herein, including compliance with conservation easements, permits, applicable funding source requirements and regulatory requirements. Authorize the General Counsel to include other relevant terms and conditions in the written agreements and permit instruments. Authorize the Secretary to attest as to the signing of the agreements and other documents and keep an original of such documents on file.

III. Budget and Financial Information

Budget Classification:	Operating
Fiscal Year:	Various
Source of Funds:	001.8200.8200.625005.00001.01.01.00001

IV. Explanation

In 1995, the Park District and the Society entered into an agreement to transfer the operations, fundraising and management of the Lincoln Park Zoo to the Society. The agreement has a term that ends on 12/31/2024.

The Society has done an excellent job in managing the zoo and over the years has increased the budget to provide for new exhibits and improved animal welfare.

The Society receives an annual subsidy of \$5.59 million from the Park District which represents about 20% of the operating budget. The remaining operating funding is derived from food service, parking, fundraising and their endowment fund.

It is the desire of both parties to extend this agreement to allow the Society to continue to be able to fundraise for capital campaigns and be able to borrow monies on a long-term basis. The parties have agreed to extend the term to 12/31/2049. In addition, as the annual subsidy has been fixed since 1995, the Park District has agreed to an increase in the subsidy every five years based on the average annual inflation rate during that five year period. The first increase in the annual subsidy will take place in 2021.

Although the buildings and related infrastructure are owned by the Park District, no capital support has been provided for many years. The extended agreement will call for the Park District to provide a total of \$10 million over a period of ten years towards capital improvements.

In exchange for the changes noted above, the Society will include the Board President and Superintendent and CEO or their designees as Society Board members with voting rights.

In addition, the Society will be responsible to obtain general liability insurance for the zoo which was previously the responsibility of the Park District.

V. General Conditions

1. *Conflicts*: No agreement authorized herein shall be legally binding on the Chicago Park District if entered into in violation of the provisions of the Public Officer Prohibited Activities Act, 50 ILCS 105/0.01 *et seq.*

2. *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of all agreements authorized herein.

3. *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to Section 17(i) of the Chicago Park District Act, 70 ILCS 1505/17(i). All agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.