



*Niabi Zoo
Strategic Action Plan
October 27, 2014
Final Report*

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1. Overview

Schultz & Williams (S&W) was engaged by the Rock Island County Forest Preserve (Forest Preserve) to create a viable and sustainable five-year strategic action plan for the Niabi Zoo. The five-year implementation plan outlined within this report defines expectations, roles and leadership responsibilities for the Niabi Zoo, The Forest Preserve and The Niabi Zoological Society (Society) – the Zoo's not-for-profit partner. One of the key underlying objectives of the five-year strategic action plan is to position the Zoo to become re-accredited by the Association of Zoos & Aquariums (AZA). Becoming an AZA accredited member will allow the Zoo to increase and expand its animal collection and education programming while maintaining the highest standards of animal care, exhibits and visitor experiences under the guidance of qualified professional staff and County/Society leadership.

The strategic action plan positions the Zoo to achieve its mission, fulfill its vision, and identify an integrated organizational and financial “roadmap” for the Zoo – all within a viable and sustainable financial model and structure. The outcomes identified with the strategic action plan provide a roadmap for moving forward with the implementation of realistic, achievable, and actionable strategies and initiatives that allow the Zoo to remain a valued community and regional cultural and recreational asset.

The Niabi Zoo has a very bright future as a unique, compelling and fun Zoo experience that serves the educational and recreational needs of the residents and tourist of the Quad cities. There are a number of strong institutional building blocks that are already in place -- strong, growing attendance; new visitor amenities and renewed animal exhibits; compelling site location and land-use opportunities; Zoo staff that is eager to improve the Zoo; compelling Zoo experiences; dedicated and dynamic staff leadership; and dedicated partners/partnerships – in the Forest Preserve and the Society. However, as outlined in the Five-Year Action Steps of this report, there are a number of “must haves” for moving forward.

In completing the strategic action plan for the Niabi Zoo, S&W staff members Steve Taylor, Senior Consultant, and Rick Biddle, Vice President, completed the following: Note: Between Steve and Rick, they bring over 50 years of AZA zoo management/leadership experience with Steve serving for a number of years as the Chair of the AZA’s Accreditation Committee.

- Requested and reviewed background information on the Niabi Zoo and the Society;
- Met with the Forest Preserve Commission Members on June 12th to provide an overview of the planning process;
- Toured the Zoo on two separate occasions with Zoo Director Marc Heinzman;
- Reviewed and discussed with Marc Heinzman and Jeff Craver, Forest Preserve Executive Director, the facility master plan opportunities and weaknesses; and
- Held two planning meetings at the Zoo with Zoo leadership staff, the Society Business Manager, Forest Preserve leadership and Board members of the Society.

The Niabi Zoo

Established in 1963 as a zoological park and forest preserve, the Niabi Zoo is owned and operated by the Rock Island County Forest Preserve District. Governance of the Zoo is overseen by the Forest Preserve District Commission. The Niabi Zoological Society, a not-for-profit organization governed by an independent Board of Directors, exists to “serve the community by bringing together those who are interested in the continual development of the Niabi Zoo; providing, improving and expanding the zoological displays at the Niabi Zoo; stimulating the public interest in the continued improvement of the Zoo by developing and maintaining a high educational level of zoological displays therein; and by providing funds through charitable contributions, and other means at its disposal for the continued education of children of all ages by providing them with the best zoological displays and to otherwise foster and promote the best interests of the Niabi Zoo.” Historically, the Zoo/Forest Preserve and the Society have operated under a Memorandum of Understanding (MOU) that broadly outlined the roles, expectations and responsibilities of the Zoo and Society in operating the Zoo and its related services, programs and activities. The most recent MOU expired May 2014 and the parties have failed to execute a new MOU, which would redefine expectations and roles of the Zoo and the Society.

The Niabi Zoo is considered one of the most popular and most-visited attractions in the Quad City area and is the third largest zoo in the state of Illinois. With 40 acres of developed land and over 200 acres available for future development, the Niabi Zoo is well-known for its work in wildlife conservation, visitor experiences and public education. The Zoo consistently attracts between 250,000 – 300,000 visitors annually while operating under a seasonal schedule of early April through late October. The Zoo’s annual operating budget is over \$2.6MM with an additional \$700,000 generated annually from Society operations from the sale of memberships, retail, food and carousel rides. The Niabi Zoo has a high satisfaction rating from visitors, as it maintains high customer service ratings from both TripAdvisor and Yelp – two widely utilized and recognized internet/social media rating services.

The Niabi Zoo’s mission statement is ***to connect the community with the natural world through conservation leadership and engaging educational [and wildlife] experiences.***

The Niabi Zoological Society

The Society is a nonprofit 501(c)(3) independent organization governed by a Board of Directors that has expertise in financial, trades and business leadership. The mission of the Society is ***to constantly improve the educational value of the Zoo through continuous expansion and upgrading in the areas of exhibits, research opportunities, educational and volunteer programs, and personnel training.***

Over the last 10 years, the Society has funded, either in part with the Zoo/Forest Preserve or in total, and with the generous support of the Quad City communities, improvements to the gibbons, giraffes, colobus, tamarin, lorikeets and big cat exhibits. The Society has been fundraising for a new camel exhibit, improvements to the lion exhibit and expansion and improvement of a new rhino exhibit, which will replace the old elephant exhibit. Some funds have been secured for both projects but additional private support and contributions are required to renovate these exhibits to meet AZA animal management standards. The Zoo has completed design plans for these three exhibit improvements and is currently assessing funding options or a potential reduction in project scope to meet current, available resources.

The Society generates operating support from the sale of memberships and animal adoptions, and the operations of the carousel, gift shop and food concessions. The Society annually nets approximately \$380,000 from these operations with these resources available for re-investment in the Zoo and its programs/activities. As of August 31, 2014, the Society has cash resources available for Zoo operations or projects in excess of \$1MM.

Zoo Industry Trends

The competition to attract visitors and their related spending is fierce among cultural institutions. According to AZA research, zoos across the nation have been very successful in drawing audiences, crafting a positive image and providing a real benefit to children and families. Each year, over half (51%) of all adults in the United States visit a zoo. The general public has an overwhelmingly positive opinion of zoos and believes that they play an important role as a community asset and in educating people (especially children) about wildlife and conservation. Zoos provide an affordable opportunity for families to spend quality time together and offer kids the chance to connect with nature. Despite their status within the community, zoos must continually strive to differentiate themselves from other attractions and offer visitors compelling reasons to visit, spend money and return. For many institutions, this means finding ways to *actively* engage visitors in unique experiences.

Visitor Expectations

Today's families enjoy physical and engaging experiences, often involving water (splash, spray, mist), including many hands-on experiences (opportunities to encounter animals up close) topped off with thrilling attractions (zip lines, rides, ropes or adventure courses, climbing walls). Zoos can and do offer all of these activities to their visitors, which keep them coming back.

Of course, these activities at a zoo are only successful if they are built on a foundation of high-quality animal care and management. Visitors expect animals to be thriving in well-planned, naturalistic exhibits that are as reminiscent of the animal's native environment as possible. Visitors enjoy seeing animals in exhibits that are appropriately themed and well-designed for the maximum safety and enjoyment of the animals as well as for optimal viewing and interaction with the visitors.

Revenue Generators

Not only do these activities and high-quality animal exhibits make a memorable and fully enjoyable experience for the visitor/guest, but they generate additional revenues for the zoo on top of the admission or membership fee. ***Zoos must offer good, basic and fun visitor amenities (restrooms, walkways, food, retail, benches, rocking chairs, picnic areas, among others) as zoo visitors typically spend up to 66% of their zoo visit in non-animal activities – buying, resting, eating, sitting and walking.*** High-quality visitor amenities position the Zoo to generate additional income through food, retail and fees for activities.

These additional operating revenues are critically and strategically important for zoos as they seek to maintain financial viability and sustainability. Many zoos have steadily increased pricing and fees even as attendance has increased, while also shifting to a seasonal pricing strategy. Zoos have only been able to do this successfully when they have offered the visitor compelling reasons to visit and/or return to the Zoo. Offering exciting experiences for the visitor requires ongoing capital investment, as the cost to develop and maintain new exhibits/experiences is high. Zoos must continue to find ways to raise the funds necessary to meet the high expectations of their guests and visitors – a primary role of the Society as the Zoo's not-for-profit partner.

Visitor per capita spending is increasing especially in markets that have invested in new or expanded visitor amenities: food, retail and rides. These investments in “high-quality” facilities help to position visitor to buy and/or upgrade their purchases.

Funding

Funding for zoos today typically includes a strong public/private partnership. Earned support generally constitutes 60-65% of total operating revenues, with public-sector support providing 30-35% and an additional 10% from contributed revenues. The leveraging of public and private dollars/resources provides a balanced funding base, enabling the zoo to remain on solid footing despite the vagaries of economics and attendance shifts.

Direct funding from public-sector partners has been, for the most part, stable in terms of “real dollars” but declining as a percentage of total operating revenues as visitor or earned revenue programs have been increasing – due in part to high visitation but also due to higher admission fees. Capital investments in new exhibits and programs have been slowly increasing with creative funding approaches – sponsorships, partnerships and core mission-related focused programs in conservation and education. Donors are becoming more “restrictive” in their contributions, as donors are looking to connect to the Zoo’s brand and core mission. In addition, major donors “give to people and not to causes,” so having the right leadership in place within the Society and the right people making the ask is critical for success and cultivation.

New fee-based visitor experiences (walk-through experiences; behind the scene tours; animal feedings or encounters) create new revenues and serve to connect visitors/donors to the Zoo. All inclusive, high-quality “experiences” are easy for visitors to “engage.”

Successful, viable and sustainable Zoos around the country have four primary sources of funding:

1. Public-sector support (the Forest Preserve);
2. Visitors (earned revenue programs involving admissions, food, retail and rides, among others);
3. Contributed support (memberships, corporate, annual fund, sponsorships, among others); and
4. Capital fundraising/contributions primarily from individuals, foundations and corporations/businesses that support the Zoo’s facility master plan projects. The public-sector (Forest Preserve) typically helps to fund deferred maintenance and other less donor-centric projects.

Attendance Trends

Based on a recent cultural attraction trend report (2013), for the first time in over two years, both cultural attraction and general admission attendance grew. Of the total 227 cultural attractions surveyed, total attendance increased by 4.6%; general admission attendance increased 5.5%. For zoos, total attendance increased by 8.4% and general admission attendance increased by 6.9% (comparing 2012 to 2011).

For the purposes of this 2013 survey, Total Attendance is all attendance including groups, field trips, membership, general admission, discounted attendance, complimentary attendance, events and entry into any free areas of the attraction.

Admission Fees/Pricing

The recent cultural attraction trend report (2013) also revealed that admission prices continue to *increase by roughly 5% a year*. In 2012, the average adult admission cost was \$13.10, and the average child admission cost was \$8.95 – over 92% of the 227 participating institutions charged an admission fee. For zoos, adult admission to Zoos increased by 4.3% (average of \$12.72 for adults) and child admissions increased by 6.2% (average of \$8.93 for children).

The chart below identifies the annual increase in adult and child admission fees from 2003 – 2012 with the cumulative increase (change) noted – non-compounded – based on a survey of 227 cultural attractions in 2013.

	Adult Admission	Child Admission
2003	5.9%	5.6%
2004	5.1%	6.6%
2005	5.7%	7.2%
2006	6.6%	9.1%
2007	4.4%	6.3%
2008	6.6%	5.3%
2009	5.9%	6.4%
2010	4.8%	4.9%
2011	4.7%	5.1%
2012	4.7%	3.6%
Change Since 2003	54.4%	60.1%

**Adult and Child Rate
Changes from 2013
Cultural Survey**

Positioning of Admission Fee Increases

Since admission fees have and will/should continue to increase in the future (annually), we have highlighted a number of recent positioning statements from AZA institutions that outline their respective rationale for the admission fee increases:

- "We set our prices to reflect the value of the entertainment experience we offer. Our guests continue to tell us we offer great entertainment at great value," said Tom Schroder, park spokesman.
- "Increases in our admission prices reflect our efforts to stay current in a changing marketplace while also supporting our need to expand efforts to educate children and conserve species," spokeswoman Christina Simmons said.
- "We have been called world famous," Molter said. "It's a brand attribute that we've worked hard to earn and maintain every day. It's not that we actually go to the market with that ourselves; it's one that we're told and reminded about again and again, so clearly we're doing the right things."
- "One reason for the zoo's price tag: The zoo works with many animals, including endangered species, and conducts cutting-edge research." (surprising, but true statement by an AZA member institution).

2. Current Findings & Opportunities

From our two site visits to the Niabi Zoo and our discussions with Zoo staff and leadership, we have outlined below significant observations and findings that the Niabi Zoo has achieved and that will serve to position the Zoo for future growth and development. Our observations and findings form the basis for a number of the recommended strategic action steps outlined within this report, as well focusing the key “must haves” for the Niabi Zoo to insure its future viability and sustainability.

Strategic

- The Zoo property is well-landscaped; the many large trees are a plus, as is the “openness” of the Zoo grounds and green space. The overall impression is quite positive despite some weaknesses in exhibits (outdated animal exhibits; poor site-lines for visitors; empty exhibits at key locations (old elephant; outdated children’s playground area) and not very visually appealing food service facilities, which likely negatively impact visitor spending and stay-time.
- The quality and expertise of the staff (Assistant Director, ten keepers, a new education curator and part-time registrar) appears to be much improved since the last AZA accreditation inspection.
- It appears that the animal management and record-keeping policies required by AZA accreditation are now in place due in part to the new staff that has been hired.
- Relocation of the two elephants, “Babe and Sophie” was a good decision and their old exhibit provides a new opportunity to exhibit rhinos with other potential mix-species animals – making these improvements is critical to strengthening the current visitor experience, as this is one of the first exhibits that visitors encounter during their visit to the Niabi Zoo and this exhibit can be seen from the adjacent Zoo access road.
- The new entrance with ticketing, discovery center, offices and large paved parking lot are all pluses, as first impressions are critical to a fun, engaging visitor experience.
- Zoo Director Marc Heinzman has attended at least three AZA training programs and AZA conferences. Marc is also a member of ZCOG (Zoo Conservation Outreach Group). As we have discussed with the Zoo staff, staff training and participation in AZA and other similar organizations are critical to insuring the Zoo’s continued success.
- The Zoo participates and supports a number of conservation initiatives, both local and regional, and has started a Quarters for Conservation program – continued investment and expansion of these programs is very important.

We have created a brief summary of the Zoo’s strategic “strengths” and “challenges” below:

Strengths

Finances

- Operating revenues have increased in recent years while expenses have remained largely stable; a capital improvement fund has been created by the Forest Preserve funded annually by a percentage of general admission fees and train revenues – (~\$150,000 generated for Zoo capital improvements).

Visitor Services/Experiences

- Safe, family-friendly experiences for visitors.

Marketing

- Niabi Zoo is the most frequently visited attraction within the Forest Preserve and Quad City region.

Operations/Facilities

- A number of engaging animal exhibits including the lorikeet exhibit, giraffe, colobus and small primates.
- Landscape and open-lawn areas are a plus and add to the park-like setting of the Zoo.
- The train and carousel provide families additional experiences during their visit.
- The Jungle Trek Discovery Center offers additional opportunities to engage visitors both during the day and evening.
- Expansion of visitor experiences into the surrounding Forest Preserve areas – ziplines; adventure and ropes course; nature hikes; and experience camping are all potentials.

Organization

- Significant efforts have been made to address the concerns outlined in the AZA accreditation report including staff hires, animal records-keeping and exhibit improvements.
- Dedication and leadership of Marc Heinzman is a plus; would benefit from a mentoring program initiated by the AZA – specifically Jim Anderson from the Fort Wayne Children's Zoo, given its seasonal operating schedule and core animal/visitor focus.
- Zoo staff appears to have a strong passion for and pride in their work.

Challenges

Governance

- Lack of clarity and agreement surrounding the roles and responsibilities of the Zoo and Society in managing and supporting the Niabi Zoo; currently not operating under any MOU between the parties; lack of "trust" between the Zoo and Society leadership.
- Need to engage the Quad City communities in a capital campaign to support future facility and programmatic investments in the Niabi Zoo.
- The Zoo needs a compelling "story" or case for support with leadership of the Zoo and Society committed to the Zoo's success – "people give to people" and therefore transparency, commitment and agreement must be foremost.

Visitor Services/Experiences

- Initial visitor amenities (beyond the new entrance and parking lot) do not provide visitors with a positive first impression – food service, in our opinion, is a negative and the adjacent children's playground area is a major weakness, as the equipment is old and "hidden."
- Current empty exhibits (old elephant and wallaby) need to be addressed as "upfront" impressions of the visitor experience.
- Data collection on visitors and visitation/attendance data must be improved – who is visiting; from where; how often; size of family/families; member visits; tracking shifts in the seasonal visitation patterns; integration of advertising and promotional partnerships or purchases against actual visits; and reasons for visiting are critical management tools.

Operations/Facilities

- Needs continued investment in animal exhibits and facilities; create a real and perceived change for animals and visitors as expectations are higher today given competition and demands. Shifting perceptions of a "modern Zoo."

Organization

- Although currently not an AZA-accredited Zoo, the Zoo is positioning itself to seek re-accreditation in 2016.
- Continued investment in staff development and training.
- Someone needs to own the visitor experience to insure consistency in the delivery of service and expectations – from the entry through experiences to animal programs. A positive visitor experience/satisfaction rating will insure a repeat visit to the Zoo.

Governance

The Niabi Zoo is owned and operated by the Rock Island County Forest Preserve District. Governance of the Zoo is overseen by the Forest Preserve District Commission. The Niabi Zoological Society provides operational and funding support to the Niabi Zoo.

From our vast experience in working with zoos and cultural institutions, we strongly believe that this public-private partnership must and should exist - ***the Zoo/Forest Preserve needs the Society and the Society needs the Zoo/Forest Preserve.*** The Niabi Zoo will fail to achieve its full potential as a dynamic community and cultural resource without this partnership.

Background

Currently, over 75% of the AZA-accredited Zoos operate under a public-private partnership – S&W has lead this shift in zoo governance, as we have created and implemented most of the recent governance shifts within the zoo industry. Based our involvement and unique understanding, these shifts in governance primarily occur for the following reasons:

1. A “crisis” exists – typically a significant downward shift in public-sector funding; or
2. A shift in leadership – public (City/County/District) or private sectors (Zoo Director/CEO).

Based on our experience in creating successful public-private partnerships within zoos and other cultural institutions, the following “success factors” must be in place to consider a potential shift in governance:

- Leadership: The Board of the new/existing governance must be a leader within the greater community;
- Willingness & Timing: needs to be right to get the deal done in the best interest of all parties; and
- Financial Support: the public-sector support needs to be positioned as “the major donor” – needs to offer “stability” in the funding model.

The single most important factor in a successful transition is effective leadership.

At the Niabi Zoo, none of the above reasons and/or the success factors are in play and we are not envisioning or recommending, at this time, a shift in governance. However, as outlined below, we are recommending a shift in some of the Zoo's operating functions – specifically, shifts in food, retail and the allocation of membership revenues to better align with the core functions of the Society and Zoo/Forest Preserve.

Moving Forward

Since the Zoo/Forest Preserve and Society need one another, there must be transparency and clarity on “core roles and responsibilities.” Since the Zoo and Society do not have a current Memorandum of Understanding (MOU), as the current MOU has expired – we strongly encourage the leadership of both parties to move forward with the development and execution of a new MOU – one with a shared institutional core objective: *The Zoo/Forest Preserve and the Society wish to assure the continued success and growth of the Zoo in the future. The Zoo/Forest Preserve and the Society acknowledge that the continued operation, maintenance and improvement of the Zoo provide an invaluable asset to the residents of the Quad cities. The Zoo/Forest Preserve desires to continue to receive the support of the Society and the Society desires to continue its support of the Zoo.*

To build upon the Zoo’s growth and development over the past years – and to insure its future successes, viability and sustainability, the Zoo/Forest Preserve and Society must address the following core issues:

1. ***Core roles and responsibilities of the Zoo and Society*** – not in looking at the past but looking towards the future. Clarity, commitment and agreement on the roles of the Zoo and Society is the immediate issue to resolve as without it – the implementation of the priorities and securing new funding will not be achieved and the Niabi Zoo will be trapped in “status quo.” As noted below, the Society’s primary role must shift and focus on “fundraising” for the Niabi Zoo.
2. ***Commitment to the Zoo’s next Five-Year Strategic Priorities*** - in terms of new animal exhibits/visitor amenities; accreditation by the Association of Zoos and Aquariums (AZA); visitor programs and experiences, among others. This strategic action plan identifies the strategic priorities for next five years.

3. Leverage the Funding Opportunities – both operating programs and capital improvements. To achieve the next five-year strategic priorities – including the new/renewed exhibits, experiences, amenities and accreditation – new financial resources must be cultivated and secured from private sources within the Quad cities region and potentially the State.

As with other similar and successful zoo governance structures involving public and private (501c3) organizational partnerships, the primary role of the Society is to cultivate and solicit friends, members and contributions (fundraising) for supporting the Niabi Zoo's operating and capital improvement needs. We anticipate that the Zoo and the Society will jointly agree on the timing, sequence and funding requirements of capital projects. The Society has the opportunity to leverage the successes of its cultivation and solicitation efforts to gain the funding support of public partners including the Forest Preserve and the State of Illinois. As noted throughout this report, the Zoo needs the Society and Society needs the Zoo – the primary roles of the Zoo and Society need to be clearly defined to be successful. We also believe, based on other successful and sustainable governance models that we have created and implemented within AZA institutions, the Society's primary role as the Zoo's not-for-profit partner is to solicit and raise private sector fundraising dollars from individuals, foundations and corporations.

Within the interim report that we submitted on July 8, 2014, as a reference and potential benchmark model, S&W provided a copy of the MOU between Milwaukee County and the Zoological Society of Milwaukee County regarding the operations and support of the Milwaukee County Zoo. The entire MOU is 35 pages with the first 17 pages the contractual terms of the MOU and the remaining 18 pages incorporating the various "exhibits" of the MOU – a number of the "exhibits" do not relate to the Niabi Zoo or to the most recent Niabi Zoo MOU. Of specific note are the following:

- The Zoological Society of Milwaukee County's (ZSM Society) core role focuses on contributed revenue programs and capital fundraising including memberships, annual funds and sponsorships. The ZSM Society does not operate or manage any visitor-related activities.
- The ZSM Society receives in-kind services (offices) from the County.
- The MOU establishes membership fee "multipliers" for determining pricing structures as to insure a "balanced" funding model for both the ZSM Society and the Zoo (Exhibit B).
- The ZSM Society pays the Zoo a specific percentage of basic membership fees generated from memberships sold by either the ZSM Society or Zoo admissions staff (Exhibit E).
- The MOU clearly states the core roles and responsibilities of the ZSM Society and the Zoo with the Zoo Director having the right and responsibility to act on behalf of the Zoo in managing the contractual relationship with the ZSM Society.

The MOU between Milwaukee County and the ZSM Society is a benchmark of an MOU that should work at the Niabi Zoo and the Society.

Exhibits & Experiences

The core animal and visitor experiences are solid with opportunities to strengthen the quality and expectations of visitors and members through improvements to existing exhibits; renovations or refocusing of food services; new visitor activities (ziplines, rope courses, new playground/spray park, etc.); and new visitor amenities – benches, rocking chairs and wayfinding.

We have identified key "exhibit and experience" opportunities below:

- The old elephant exhibit is currently empty – this is a key exhibit that must be improved, as it is the first large animal exhibit that visitors encounter in the Zoo and is visible from the Zoo's access road. In addition, this exhibit has been empty for some time with little visual changes since the elephants' departure.

An Asian rhino exhibit, with additional mixed species, was designed with an anticipated construction cost of \$2.5 million (higher than originally anticipated, but the estimate appears reasonable for the improvements proposed). The Society has begun to raise funds for these improvements (approximately \$1MM in hand) but recent efforts have stalled due to uncertainties. Completing this exhibit in a timely basis going forward would be a huge improvement to the Zoo and its image.

- Current Lion Exhibit, and not the proposed expansion, has been partially modified with new grading and fencing. According to the 2012 AZA accreditation report, the perimeter fence was too short. Subsequently, a new “ugly” chain-link fence was installed - the fence should have been vinyl-coated to significantly improve visitor sight-lines. The Zoo developed design plans for exhibit renovation and expansion that have an anticipated capital investment cost of \$3.0MM – including a new adjacent camel exhibit. The construction estimate is higher than anticipated, according to the Society, but appears reasonable for the proposed plans and changes. Fundraising has stalled for a variety of reasons, including lack of funding leadership. This exhibit is critical to the overall visitor experience, as the lion exhibit is located in the center of the Zoo.
- Wallaby Walk-Through – another centrally-located animal experience with no animals, although hidden behind a containment fence for the Australian habitat – wallabies and lorikeets. Unfortunately, toxoplasmosis, probably from feral cats and/or raccoons entering the exhibit (or from hay that was contaminated with “barn cat” feces), killed eight wallabies. We believe that there is a relatively inexpensive fix to improving this exhibit – specifically, remove the grass and some six inches of soil and put down disinfectant; refill with clean dirt and install new sod in Spring 2015 and bring back the wallabies. As a bigger idea and investment, the Zoo could add something else Australian, perhaps emus (fenced) or put a flight aviary over whole exhibit. In our opinion, constructing an aviary would be costly and not a top priority.
- Big Cat Exhibit - As stated by staff, if the holding is adequate, then some simple improvements would make this exhibit more acceptable and visually appealing to visitors. We suggest installing modern “zoo mesh” tops on all exhibits; removing upper vertical iron bars; and deleting the chain-link barrier and replacing it with a more attractive guest barrier with additional small planting/landscaping. For a relatively low capital investment (less than \$500,000), this unique building structure could be significantly improved.
- Old Bear Exhibit – This is now removed, although several thousand dollars in a reserved fund can only be used for bears (a bequest from a Zoo patron). Although not a priority, this could lead to a determination on a future bear species; and an exhibit rendering could be created in anticipation of another donor who could fund such an exhibit in the future.
- Food concession, playground and restroom near the entry are awful. These amenities must be improved, as they will have a positive impact on the visitor/guest experience if replaced immediately. The current food service is contracted out to a local concessionaire who pays the Society \$15,000 annually in rent – with no cash reporting or controls to the Zoo or Society. The Zoo needs to control this part of the visitor experience, as new net resources can be generated (beyond the \$15,000 rent payment) while serving to increase visitor stay-time and satisfaction.

S&W encourages the Zoo to seek out proposals from qualified zoo/cultural attraction concessionaires to operate the Zoo's food service amenities. These concessionaires would bring new capital investment for new/improved facilities and new net operating revenues, as they would pay a commission to the Zoo as a percentage of sales. The financial and visitor satisfaction return to the Zoo would also be significant.

S&W also recommends that new restrooms be constructed near the renovated food service facilities (from Zoo Improvement Fund potentially), as the current facilities are not acceptable. A concessionaire could also develop a new site plan for the entry/exit plaza to best leverage the location and positioning of both food and retail amenities. If the Zoo decides to continue to operate as is or self-operating, investing in a new site plan for the food and retail services is a great investment, as additional revenues can be generated from both food and retail operations.

S&W would also recommend that the Zoo consider relocating the current playground, with new animal-themed play equipment (standard stock items), to a more visible and accessible location – the current location is hidden beyond the existing food facility and needs to be replaced. Having a new playground or future children's spray park would increase visitor stay-time, per capita purchases for food and retail and greatly enhance visitor satisfaction ratings of these key amenities. Zoo families look for opportunities, in a controlled setting, to allow children to "experience and explore play." An outdoor, potentially covered with a shade-structure, animal-themed play zone will significantly enhance visitor stay time and create opportunities for a repeat visit – further increasing the value of being a Zoo member, if a membership is purchased.

- New activities and experiences: The Zoo should explore new fee-based partnerships to create/install a zip-line or "roller zip-line" utilizing the existing trees within and surrounding the Zoo. The new zip-lines do not negatively impact the trees, as they are constructed via pressure and tension lines. In addition, an adventure or challenge ropes course could be constructed; an adventure tent/camping experience could be created and new special behind-the-scenes tours could be offered.

3. Priorities

AZA Accreditation – Why Important?

AZA (Association of Zoos and Aquariums) Accreditation is official recognition and approval of a zoo or aquarium by a group of industry/professional experts. These experts, members of the Accreditation Commission, fully examine all facilities and exhibits, programs and standards to assure an institution is of high quality.

The greatest benefit of Accreditation is public trust. The public knows that accredited zoos and aquariums comply with current state-of-the-industry animal, programmatic, staff and visitor standards. Accredited zoos and aquariums are recognized for excellence in such things as animal welfare, education programs and conservation. Accredited zoos and aquariums represent only 10% the North American's public facilities exhibiting animals and AZA accreditation distinguishes AZA zoos and aquariums from the many roadside attractions.

AZA zoos and aquariums are better positioned to receive grants from foundations and individuals and are often exempt from certain state and federal “red tape.” AZA promotes professional development and helps to train staff and Board members on all aspects of the operation of an excellent zoo and/or aquarium. AZA promotes professional recognition of the accomplishments of its members and provides an impartial evaluation on a periodic basis (an institution is re-accredited every five years). These evaluations, along with other AZA programs, result in the continual improvement of these institutions. AZA provides staff with opportunities to learn from each other and fosters staff and community pride.

AZA institutions have access to critical AZA programs and services, including participation in the Species Survival Plan, AZA’s flagship animal conservation program. Only through cooperation in managing endangered species can zoos and aquariums play an important role in saving these species from extinction. AZA provides wonderful opportunities for staff collaboration with those who are considered experts in their fields.

AZA represents over 229 of the very best zoos and aquariums in North American - large institutions such as the Bronx Zoo, Smithsonian’s National Zoo, San Diego Zoo and the Monterey Bay Aquarium. Some of the smaller high-quality zoos and aquariums are also members, such as The Northeast Wisconsin Zoo, The Butterfly House in St. Louis and the Buttonwood Park Zoo in New Bedford, MA.

Critical Steps for the Niabi Zoo’s AZA Accreditation

- Although Marc Heinzman provided S&W with a comprehensive tour of the Zoo, we did not examine in great detail the animal collection and veterinary care, education, conservation and research programs, staff morale, safety, facilities (especially animal holding) and guest services. Our observations are from our “front-of-the-house” tour and our review of the accreditation team’s findings and recommendations in 2012. We are pleased that the Zoo and its staff have addressed all of the major “issues” identified with the 2012 accreditation inspection. These improvements and the subsequent maintenance of these initiatives offer confidence to the Zoo being reaccredited when it re-applies – ***we envision that such re-application would take place in early 2016 with an approval at the September 2016 annual conference.***
- However, we would not recommend moving forward with applying for re-accreditation without being under construction on rhinos, solving the wallaby exhibit issue, improving the food service and playground amenities and having moved forward with a capital campaign for the identified projects.
- In addition, the Zoo/Society relationship issues must be resolved prior to an accreditation inspection. These issues may have not been apparent during the last inspection, but the current relationship and partnership needs to be re-focused and addressed as soon as possible. As we have noted earlier in our report – ***the Zoo/Forest Preserve needs the Society and the Society needs the Zoo/Forest Preserve*** – to be a viable, sustainable, successful community resource and asset.
- In addition to the steps identified above, to further position the Niabi Zoo to become re-accredited, we would strongly suggest the following:
 1. Marc Heinzman should seek out Jim Anderson, Zoo Director of the Fort Wayne Children’s Zoo, to help mentor Marc over the next two years. Jim operates a seasonal zoo experience in Fort Wayne and is a member of the AZA’s accreditation Commission.

Jim's insights and knowledge in working within our industry for over 25 years will be invaluable to Marc both as an individual and a Zoo Director.

2. Once the Zoo's five-year capital investment plan has been outlined, and prior to being approved, meet with the leadership of the Society to gain their input and buy-in to the sequence, timing and funding of the projects. Zoo and the Society must be partners to successfully implement the capital projects identified.

4. Positioning the Niabi Zoo for Success: Five-Year Action Plan

We have identified below the critical factors that will provide the Niabi Zoo with the best opportunities to be successful in both the short- and long-term.

A Vision for the Niabi Zoo

The Niabi Zoo should position itself to be embraced by the local, regional and tourist markets. Its image must promote compelling reasons to visit. The Zoo must differentiate itself as the Quad City's unsurpassed venue for family entertainment, offering visitors:

- A desirable destination for safe, wholesome fun (with engaging rides and experiences with opportunities for structured play);
- A naturalistic haven in which to experience wildlife, connect with nature and develop a sense of responsibility for animals and the environment ("the place to explore and connect with wildlife in a natural environment"); and
- A place to make new family memories.

In addition, it is crucial that the Zoo promote itself as a vital asset and resource to the communities that it serves - offering unique venues for events and activities both day and night.

A new vision statement must be created to guide the Niabi Zoo with input from the staff and Forest Preserve leadership. The above statements help to position this discussion among the staff and leadership, including buy-in with the Society.

"Must Haves" for Moving Forward

In order to move forward, there are a number of absolutely necessary conditions that must be met for the Niabi Zoo to be successful:

- **AZA Accreditation**: Without AZA Accreditation, the Niabi Zoo will lose a fundamental stamp of quality and professionalism which will negatively impact everything from its animal collection to the visitor experience it offers. If the Zoo and Society focus on moving forward with the proposed facility improvements (primarily rhinos, wallabies and lions), the Zoo will be well-positioned to become re-accredited in September 2016 – assuming an early 2016 re-application.

- *Partnership Agreement between the Zoo and Society:* A new MOU needs to be developed **now** that:
 - Promotes the best interests of the Niabi Zoo;
 - Refocuses the core activities of the Society;
 - Creates clear understanding, expectations and accountability for the Zoo/Forest Preserve and Society; and
 - Provides opportunities in the future, ***if the timing, need, funding and leadership are in place***, to consider options and opportunities for either expanding the role of the Society or considering a shift in Zoo governance – again, if the timing, need, funding and leadership are in agreement and in place.

In at least the short-term, and to allow the Niabi Zoo to move forward, S&W recommends the following primary roles for the Zoo/Forest Preserve and Society – a change in the current responsibilities:

- **Key Role of the Zoo/Forest Preserve:**
 1. Manage and operate the Zoo including all visitor-related revenues – admissions, food and retail concessions, directly or indirectly via a third-party concessionaire – excludes the carousel as separately funded and owned by the Society. The Zoo would incur the current payroll expenses for retail and any additional overhead administrative expenses.
 2. Manage the animal collection and its related functions.
 3. Create and develop the Zoo's facility master/concept plan including the implementation sequence of capital projects. The Zoo will seek the Society's input, opinions and buy-in to the facility master projects as they will be responsible for securing the necessary private-sector support.
 - i. The Zoo and the Society must be in agreement on any project, program or piece of Zoo equipment that the Society is funding. The progress of the program or project must be regularly communicated.
 - ii. The Zoo must develop policies for donated services and materials, either from their partner or donor, as to avoid conflicts of interests or the competitive bid process.
- **Key Role of the Society:**
 1. Manage the Zoo's contributed operating revenue programs including membership, annual fund, sponsorships and grants. **Note:** Membership services could move to the Zoo, as most members are “valued-driven” but for now, we recommend remaining with the Society with both “multipliers” and percentage allocation structures as noted below.

- i. The Zoo and the Society must agree on member benefits to insure that benefits and fees are balanced – consider utilizing a “multiplier” as a guide to position the fees against the Zoo’s current admission fees.
- ii. Develop and host member events, special events and Society events to build greater awareness of the Niabi Zoo and the unique programs and activities that it offers.

2. The Society would manage, operate and own the carousel and be responsible for all revenues and expenses related to its operations.
3. Based on the new facility master/concept plan and its implementation sequence, cultivate, solicit and fundraise for the identified capital projects and/or programs.
 - i. Develop a capsule case for support for the Zoo’s capital projects including compelling reasons for donors to engage – among them, Zoo/community legacy; WOW factor; mission-related; conservation; and species survival need, among others.
 - ii. Cultivate and engage community stakeholders and business leaders to engage in a multi-year, seven- figure capital fundraising campaign to be implemented over the next three–five years from private donors/contributions. The Society could hold-back a small percentage of each gift/contribution received to cover administration and fundraising-related expenses or a specific project budget covering these expenses could be developed and approved by both the Society and the Zoo/Forest Preserve.
 - iii. Discuss leveraging options and opportunities with the Forest Preserve (Zoo Improvement Fund) to support the Zoo’s capital projects and new exhibits.
4. Finalize Solicitations and Donations policies including gift acceptance policies.

- o **Support for the Zoo from Membership Programs:**
 1. To insure a balanced funding model in promoting, selling and servicing the Zoo’s membership program, develop a simple percentage allocation to be paid by the Society to the Zoo based on total annual membership revenues. The typical allocation for membership revenues is 50% of total revenues.
 - i. Eliminates the internal tension created from members visiting the Zoo multiple times during the year.
- o **Support for the Zoo from Capital Projects:**
 1. All funds held by the Society as raised by the Society.
 2. Discuss creating and funding a Niabi Zoo Capital improvement Fund that could combine funding from the Forest Preserve and the Society to implement the identified capital projects. **Note:** the Zoo would determine the implementation sequence and exhibit content of each project. With the advice and guidance of the Society, the Society and the Zoo would develop the construction/project budget.

Once a facility master/concept plan is completed and vetted, the Society and the Zoo/Forest Preserve should discuss and agree on the best and highest use of the current cash balances maintained by the Society to support the Zoo. Potentially, these financial resources could be utilized to match a potential “challenge grant” from private donors to support various projects identified within the facility plan.

A compelling case for support must be developed and the right community stakeholders must be in place within the Society to cultivate and raise the capital resources required – in fundraising, “people give to people” and not to causes. Therefore, the right people must be engaged as members of the Society Board and/or an Advisory Committee to raise the necessary capital funds needed to improve the Zoo’s capital projects – clearly, there is capacity within the Quad Cities market to raise private support for the Zoo if the right leaders and stakeholders are involved, engaged and committed to the Zoo’s vision and plan. As a preliminary target goal, the Niabi Zoo needs \$6MM - \$9MM in capital funds over the next five years to support its facility, animal and visitor needs and to insure its continued success, viability and sustainability.

We envision that the target goal of \$6MM - \$9MM (some resources have already been acquired or could be generated from new partnerships with concessionaires or via the Forest Preserve/Zoo Improvement Fund) to be raised from public/private supporters of the Niabi Zoo would support the following projects:

I.	Rhino Renovations (including smaller hoofstock)	\$2.5MM
II.	Lion Improvements & Expansion with Camels	\$3.0MM
III.	Big Cat Exhibit Renovations	\$.5MM
IV.	Wallaby Improvements	\$.2MM
V.	Food Service/Restroom/Play	\$1.0MM
VI.	African Savanna (mixed species)	\$.5MM
VII.	Temporary Exhibit for 2015	\$.2MM
VIII.	Projects of Opportunity	<u>\$1.0MM</u>
Total		\$8.9MM

Note: Adventure experiences such as zip-lines, roller zips, adventure courses or rope courses could be capitalized by a third-party concessionaire with the Zoo receiving admission fees and a percentage of experience/ride ticket sales.

Implementing the facility plan will require strong leadership capable of engaging the various constituencies involved in and impacted by the Zoo’s plans. The Society’s Board and Zoo leadership must build and nurture relationships with the Forest Preserve and State officials, potential synergy partners and Zoo friends and donors if the Zoo is to succeed in moving forward with its viable plan. Board members must serve as “good stewards” of the Zoo’s mission and seek to promote the Zoo’s image and raise awareness of the Zoo wherever and whenever possible.

- *A "Champion" for the Zoo's Cause:* The leadership of the Zoo/Forest Preserve and Society should identify and foster a relationship with an influential individual and/or corporate partner who can and will actively promote the Zoo and its plans, including taking a leadership role in fundraising – both giving and getting.
- *A Public/Private Partnership in the Zoo:* No plan would be successful if the Zoo must rely too heavily on earned revenue to support itself. A solid financial footing will require significant public support (Forest Preserve), a partner in the Society and bolstered by valued and engaging visitor experiences, visitor services, programs and the support of individuals, corporate sponsors and foundations.

The Niabi Zoo generates a significant portion of its annual revenues from the Forest Preserve and visitor-related revenue programs. Increased and expanded revenues would be generated by re-focusing the current food and retail venues (either self-operating by the Zoo or outsourced) and provide the Zoo with additional \$150,000 in net operating – could be less if outsourced and if additional investments are made in food and retail facilities as the Zoo would trade off short-term commissions for capital investment dollars. Currently, the Society has a strong membership base of support that generates over \$160,000 in membership revenues while providing over 90,000 free member Zoo visits in 2013 – part of the Zoo's total annual visitation. If the Zoo and Society agree to implement an “admission multiplier” and percentage allocation funding model (similar to Milwaukee County Zoo and others) – this new approach would generate approximately \$75,000 - \$80,000 in net operating revenues for the Zoo – instead of remaining with the Society.

- *Executive Leadership Development:* Marc Heinzman serves as the Zoo Director overseeing the management and operations of the Niabi Zoo. Marc has risen from Zoo keeper to Assistant Director to Zoo Director – serving in his current capacity for little over two years. Marc has a great passion for the Niabi Zoo and the communities it serves, as he is a life-long member of the community. Marc needs to continue to develop his leadership skills to better serve the growing needs, expectations and demands of the Zoo's visitors, animals, members and communities. We strongly suggest the following to help Marc grow personally and professionally in his position:
 - Seek a mentoring relationship with Jim Anderson, Zoo Director of the Fort Wayne Children's Zoo.
 - Apply to the AZA's Executive Leadership Program with the intent to be part of a future leadership class.
 - Participate in a “leadership” program within the Quad Cities to interact with other local and regional leaders and peers.
 - Continue to attend the AZA's Management School to gain hands-on learning experiences from Zoo industry leaders.
 - Annually, visit at least one other similarly-managed and operated AZA Zoo.
- *A Realistic Implementation Timeline for Animal and Visitor Improvements:* Implementing changes requires significant thinking, planning, information gathering, input seeking and consensus building. The Zoo and Society must work together to create a realistic timeline to account for the planning and the fundraising necessary to implement the identified facility and visitor plans.

The Five-Year Timeline for Change:

2014 – 2015

- Develop a new MOU between the Zoo/Forest Preserve and Society with re-focused activities and programs and commitment for both parties to work together to develop and implement a facilities plan for the next five years. A new MOU needs to developed and executed by December 2014 to move forward. If unable to move forward with an MOU, re-assess the capacity of the Society.
- Develop a case for support for fundraising under the new MOU with a focus on capital projects – March 2015. The highest priority is funding the improvements to the new rhino exhibit (old elephant yard).
- Update the membership plan and funding strategies per the revised MOU. Completed March 2015.
- Develop an integrated facility plan based on the priority projects identified within this report. Note: this is not a comprehensive facility master plan but a plan that tests and confirms the program scope, scale, budget and its relationships (circulation patterns, utilities, visitor amenities) with the existing Zoo features. Completed by March 2015.
- Renovate the existing wallaby exhibit so that it is operational in the Spring of 2015 and can be promoted as a new visitor attraction in 2015. Finalize construction and plan to renovate by December 2014.
- Assess and discuss outsourcing options/opportunities with qualified concessionaires by December 2014. Determine the feasibility of transitioning by Spring 2015; else self-operate for 2015 season.
- Develop facility plans to renovate restrooms near the current food and retail facilities and how best to position new children's play zone – design completed by March 2015 with construction completed and opened for the Spring 2016 season.
- Late 2015 or earlier, begin construction on the rhino yard renovations and improvements.
- Assess the current "free day" policy and re-position it to improve the quality of visitor experience on "free days."
 - With the Society, test the concept of identifying and securing sponsorship support for "free days" – presented by John Deere, as an example.
 - Test the concept of charging for parking during "free days" as a means of generating incremental revenues and improving the quality of the visitor experience.

2016

- Complete improvements to the new rhino exhibit (total budget \$2.5MM). Assess options to value engineer some of the improvements if funding resources are not available. If construction is delayed due to funding, consider relocating existing camels to the old elephant yard or add Bactrian camels (maybe consider adding a camel ride).

- Continue to roll-out the capital campaign and cultivate and promote the Zoo's success stories. Update the case for support.
- New children's playground zone to be completed and open for the 2016 season.
- Assess options for retail – remain as self-operated or outsource to leverage capital investment.
- In 2015 with opening in 2016, assess opportunities to engage a third-party concessionaire to install and operate a zip-line or roller-zip experience either in whole or part of the existing Zoo's site plan. If not, consider options to utilize the adjacent forest land.
- Finalize fundraising for the renovated and expanded lion exhibit with a new camel yard.
- Submit AZA accreditation paperwork in early 2016 with inspection in the summer of 2016 and approval in September 2016.
- Late 2016, complete construction of rhino yard (soft opening in late 2016 with official opening for the 2017 season).
- Develop new branding and marketing materials to promote AZA membership and new animal and visitor experiences: wallaby, children's play and new visitor amenities – food and zip-line.
- Admission fee increase to support enhanced visitor experiences and expanded programs.
- Test paid parking concept during peak visitation peaks to better manage visitor expectations.

2017

- Official opening of new rhino exhibit.
- Complete construction of lion renovation and expansion (budget of \$3MM) with new camel yard – soft opening late in 2017 with official opening in 2018.
- Renovate the “Big Cat” exhibits to include wire mesh tops and new viewing barriers.
- Develop an integrated facilities master plan for the Niabi Zoo.
- Re-assess the Zoo's deferred maintenance needs and create a plan to fund.

2018

- Official opening of the renovated and expanded lion exhibit with camels.
- Determine future exhibit improvements and funding potentially impacting new bear habitat, barbary sheep, African savanna with mixed species and bobcats.