

## New Zoo at Elk Grove Financing Agreement Terms

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- The City of Elk Grove (City) shall retain ownership of the New Zoo site and its improvements.
- The Sacramento Zoological Society (Society) shall be the operator of the New Zoo. The City and Society shall enter into an Operating Agreement at a later date that will specify the operational terms and conditions of the New Zoo.
- The Financing Agreement is limited to development of Phases 1A/1B of the New Zoo (the Project). Future phases will be subject to separate financing plan(s) at a later date.
- The City shall be responsible for overseeing the design development, construction design, project bid, award, and delivery. Design decisions shall be in consultation with the Society.
- The current estimated Total Cost of the Project is \$302,343,307.
- Of the Total Cost, the Society is responsible for cultivating certain donor fundraising and assisting with repayment of the Bond, which is described more below.
- The Society is responsible for cultivating donor fundraising in a total amount of \$50,000,000.
  - The Society shall receive credit towards their fundraising obligation in the amount of \$1,657,374, as this is cost expended by the Society towards design development in the first half of 2024.
  - The fundraising shall be documented in an agreement or other form satisfactory to the City. Such documentation shall be made available to the City for review.
  - The Society shall, at a minimum, achieve the fundraising on the following schedule:
    - By May 8, 2024: \$12,500,000
    - By January 1, 2024: \$17,500,000
    - By May 1, 2025: \$27,500,000
    - By January 1, 2026: \$30,000,000
    - By May 1, 2025: \$40,000,000
    - By January 1, 2027: \$50,000,000
  - If fundraising milestones are not met, City may suspend design work until required fundraising is achieved.
  - The City and Society shall establish a process for the transfer of the Society fundraising to the City for payment of design and construction costs. The timing of these transfers shall be coordinated with timing of construction such that sufficient

funding is available to pay for the construction activities.

- Donations to the Project may include cash contributions or material donations. The City and Society shall establish a process for the acceptance of material donations consistent with City policy and that aligns with the contractual obligations of the Project contractor.
- Cash donations may be associated with naming or sponsorship rights for one or more portions of the Project. The Society may solicit for naming and sponsorship for the Project, subject to approval by the City consistent with the City's Naming Policy.
- Of the Total Cost, the City and Society shall jointly solicit fundraising towards energy efficient and animal care facilities within the Project in a total amount of \$30,000,000.
- The City has identified various one-time funds for design and construction of the Project, which are described in the Financing Plan, and total \$107,836,759.
- As provided in the Project Financing Plan, it is anticipated that the City would secure a Bond, in an amount of approximately \$114,506,548, to complete the funding necessary for the Project. Based upon an interest rate of 4.25%, the annual payment for this Bond would be \$7,804,958. The City and Society would split the Bond repayment as follows:
  - City portion: 68%, or approximately \$5,420,000 annually
  - Society portion: 32%, or approximately \$2,500,000 annually
- The Society is solely responsible for financing the operations and maintenance of the Project.