Recreation and Park Department

San Francisco Zoological Society Loan Agreement, De-appropriation and Appropriation

Budget and Finance Committee, May 6, 2026

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Inspire, Connect, Play!

Background: RPD–SFZS Operating Model

- City (RPD) owns SF Zoo (grounds, facilities, animals)
- Operations managed by the San Francisco Zoological Society (SFZS) under the 1993 Lease & Management Agreement
- RPD pays SFZS $4M annual management fee
- SFZS manages Zoo operations
- Recreation and Park Commission reviews and approves certain Zoo matters (admission fees, budget, animal transactions)

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Financial Challenges & Immediate Need

- Declining attendance since covid led to operational deficits
- SFZS faces operating-budget pressure requiring immediate cash support
- SFZS anticipates significant attendance and revenue increases in 2027 with the arrival of Giant Pandas

Loan Terms & Conditions

Loan Agreement:

- Up to $8.5M total
- 4 payments in 2026-2027 totaling $6.5M
- $2M reserve

De-appropriation and Appropriation

- $2.5M to facilitate first loan payment
- De-appropriation from Open Space Acquisition Fund and appropriation to the Park, Recreation and Open Space Fund

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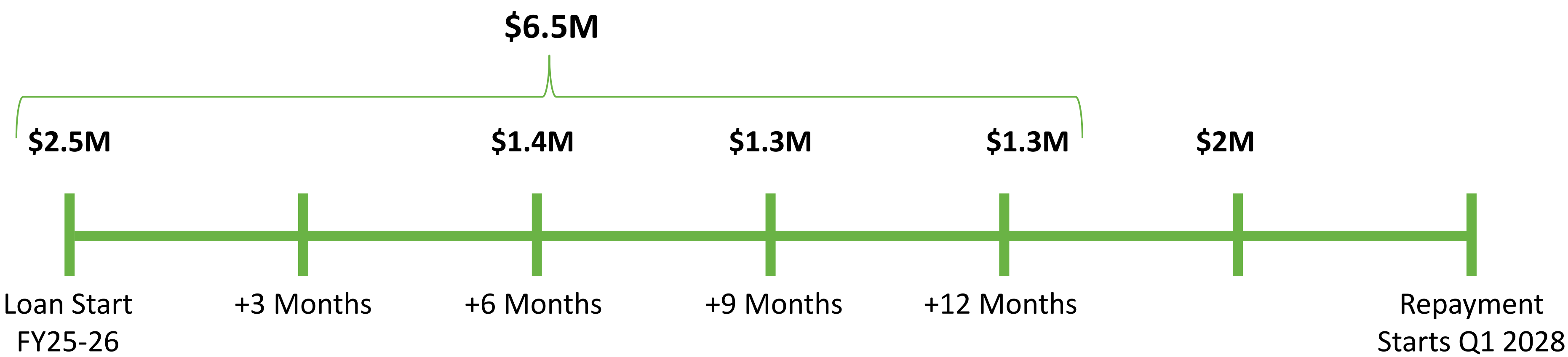
Loan Terms & Conditions

Loan disbursements: tied to specific conditions and milestones, including:

- Financial sustainability plan & aligned 5-year strategic plan
- Immediate expense reduction by minimum 10%
- No new financial liabilities/animals (Giant Panda exception)
- SFZS Board changes
- Quarterly reporting (attendance, cost reductions, membership, fundraising, long-term solvency progress, Giant Panda progress)

Repayment:

Starting in Q1 of 2028 and over 10 years, via management fee reductions



Requested Board Actions

- Approve Resolution:
  Authorize RPD to enter into $8.5M loan agreement with SFZS

- Approve Ordinance:
  Allow budget action required for near-term cash infusion

THANK YOU

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