



The Future Houston Zoo

STRATEGIC PLAN | MASTER PLAN | BUSINESS PLAN



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Introducing the new direction of the Houston Zoo

A ZOO IN TRANSFORMATION

Every year more than 2.5 million visitors enjoy the Houston Zoo. They discover more than 6,000 animals of over 800 species that represent the extraordinary variety of life on Earth. Our dedicated staff works around the clock to make sure that the Houston Zoo is running smoothly for the safety and well-being of every animal and guest in our 55-acre campus, set within beautiful Hermann Park in the heart of Houston. The Zoo has become one of the region's most successful and beloved cultural institutions.

For many animal species and populations around the world, however, time is running out. The number of vertebrate land animals on our planet has been reduced by more than half since 1970, and there have been even greater losses of animal life in the world's oceans. The mainstream view of peer-reviewed science predicts extraordinary continued loss of plant and animal species. Although major extinction events have been part of our planet's history, what is alarmingly different this time is the extremely accelerated rate of extinctions, and the fact that this event is the result of human activity.

In response to the looming extinction crisis, zoos and aquariums have undergone a major shift in focus—indeed the very reason for the existence of good zoos and aquariums has changed. It is no longer enough to simply provide recreational and educational experiences for people. Today's zoological institutions must play an active role in efforts to save animals in the wild. This is now universally accepted, as articulated in the recently-adopted global zoo and aquarium conservation strategy (“Committed to Conservation”) of the World Association of Zoos and Aquariums (WAZA), a seminal document that the Houston Zoo played a significant role in developing, producing and disseminating. To quote from the WAZA Strategy, “... zoos and aquariums, with their enormous global audiences, are uniquely qualified to effect positive change. Less frequently

“...zoos and aquariums, with their enormous global audiences, are uniquely qualified to effect positive change.”

mentioned is that the failure to act more forcefully and effectively will threaten the business model and ‘social license’ that allow our institutions to exist and thrive.”

Here at the Houston Zoo, we recognize that protecting the natural world is a collective task in which everyone can take part. We look for every opportunity to increase our impact and effectiveness. We support long-term solutions that promote harmony between animals and people, in experiences here at the Houston Zoo and in outreach that extends worldwide. We are acutely aware that we cannot do this acting alone. Instead, the Houston Zoo works to save animals in the wild by partnering with like-minded organizations and people. With our conservation partners, we are both expanding our reach and sharpening our focus on saving wildlife, locally and globally.

Thanks to enthusiastic community support, the Zoo has been a very special place in Houston for 95 years. It is a place of enjoyment, recreation and discovery. Beyond simply showcasing a wide variety of animals, Houston Zoo has long been a center for innovative and inspirational education programs designed to instill the importance of living in balance with the natural world. We are a dynamic conservation center working to help save animals from extinction. Because of our successes to date, the support of our community, our work in animal care, education and conservation, the expertise of our staff, volunteers and countless partners, and the urgent need to conserve species and their habitats locally and globally, the Houston Zoo is poised for continued leadership as a zoo-based conservation organization.

In order to set direction and priorities, focus our work to achieve meaningful results, inform our daily decision-making, and communicate our exciting vision for the Houston Zoo to the many stakeholders upon whose support we depend, in 2016 we embarked on the most intensive and inclusive planning process in our history. From

our Board of Directors, staff, volunteers and community thought leaders, we engaged scores of people in the process of shaping plans for the Houston Zoo's future.

To maintain momentum and to respond to the urgent need for our work, we ambitiously combined and consolidated three distinct planning and visioning processes to define and articulate our strategic direction, business operations and facility development. The results are a bold, six-year *Strategic Plan for the Houston Zoo* to clarify our vision and direction, a *Business Plan* to guide sustainable management of our resources and finances, and a long-range *Facilities Master Plan* that outlines a sequence of physical transformations of the Zoo for our guests, for the animals in our care, and for the communities we serve, here in Houston and around the globe.

These integrated plans create a trajectory of transformational advancement that will make the Houston Zoo a model zoo of the future. By the Houston Zoo's centennial celebration in 2022, significant improvements will be achieved throughout the Zoo and our programs. We aim to inspire our public to form a deeper commitment to wildlife and nature, and help influence people's behaviors so they can take concrete action to help save animals, here in our region and around the world.

Enthusiastically approved by the Board and embraced by staff, these interconnected plans are living documents that will evolve as the Houston Zoo looks to lead in a rapidly changing world. We believe in the power of collaboration and will continue to seek partners who also want to make a positive impact for our community, wildlife, and the natural world.

Key to implementation of the Strategic Plan is the Facilities Master Plan, a 20+ year roadmap for cohesively developing innovative animal environments, site infrastructure, and guest services and amenities on our entire 55-acre campus. The Master Plan prioritizes continued capital investments and our commitment to operate the Houston Zoo sustainably, both fiscally and environmentally. Underpinning the Strategic and Master Plans is a Business Plan that outlines the capital and operational funding and business practices needed to achieve the Houston Zoo's strategic objectives.

We invite you to join us on this journey. Together we will make our Houston Zoo—and by association the City of Houston and our many partners—a leader in the global movement to save wildlife.




STACY METHVIN
Houston Zoo Board President


LEE EHMKE
President & CEO

Mission, Vision and Guiding Principles

The growing challenges to the survival of wildlife and wild places necessitates a re-definition of the purpose of contemporary zoos and aquariums. Our new mission, vision and guiding principles form a powerful response to the challenges ahead, as the Houston Zoo looks toward its Centennial Anniversary in 2022 and beyond.

MISSION

Connect communities with animals, inspiring action to save wildlife.

VISION

Be a leader in the global movement to save wildlife.

Guiding Principles

- Be a zoo for all
- Provide exemplary animal care; assure animal welfare
- Deliver an outstanding, inspiring guest experience
- Be a workplace that provides staff development and instills empowerment, respect and teamwork
- Provide smart and fun education and learning opportunities
- Promote saving wildlife awareness and action
- Apply best business practices and sound financial management
- Inspire broad community support and collaborations
- Ensure safety for guests, staff and the animals in our care
- Operate sustainably to conserve resources; lead by example
- Change behaviors to help protect wildlife through engaging experiences that connect people





The Houston Zoo's newly-redefined mission articulates our focus on connecting communities with animals, inspiring action to save wildlife. It guides us toward realizing our vision to lead the global movement to save wildlife as we approach the Houston Zoo's centennial anniversary in 2022.

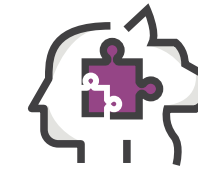
The success of the Houston Zoo is the sum of a complex, interconnected set of parts. These include the extraordinary animals in our care (and the remarkable staff who provide that care); our global and regional conservation projects and partnerships; learning opportunities that teach and inspire people of all ages; our commitment to provide a best-in-class visitor experience; our role as a community partner; being an economic engine in the Greater Houston region; and being an employer of choice to attract and retain the most talented professionals in their fields.

Reflecting this complexity, the strategic priorities set out in this plan are aspirational yet attainable, supported by goals and measurable objectives that will guide annual work plans and inform operational practices as we work to transform the Houston Zoo.



DEVELOP A "SAVING WILDLIFE" BRAND

Continue to grow the Houston Zoo's leadership in creating strategies, programs and partnerships to save animals in the wild—locally, regionally and globally. Be a bold voice for wildlife, communicating to the communities we serve the importance of this work. The Houston Zoo will be a leader in saving wildlife, and our brand will be synonymous with this leadership.



CREATE MEANINGFUL EXPERIENCES

Create meaningful experiences at the Houston Zoo that inspire our guests to take action to save animals in the wild. Engage guests of all ages in order to help them make informed decisions in their relationships with living animals and the ecosystems upon which all life depends.



ADVANCE CONSERVATION EDUCATION

Demonstrate the Houston Zoo's leadership in offering innovative and inspirational educational programs and experiences to teach how natural environments function and how human beings can manage behavior and ecosystems to live sustainably. Be a leader in conservation education by offering experiential programs delivered at the Houston Zoo and in the community.



ENSURE THE HIGHEST QUALITY OF LIFE FOR ANIMALS

Maintain intensive focus on animal care, welfare and well-being; provide modern facilities and practices for comprehensive veterinary care; and support scientific advancement in animal welfare and conservation. Every animal at the Houston Zoo will experience the highest quality of life through mission-driven collection planning and a well-supported animal care, health and welfare program.



BE A WORKPLACE OF CHOICE

Highlight how important every job at the Houston Zoo is to fulfilling the organization's mission, provide opportunities for professional staff development and training and recruit and retain the talent needed across all departments. Be a workplace of choice in the Houston region and zoological community. Support a culture of innovation and organizational excellence, and invest in our people.



DELIVER WORLD-CLASS GUEST EXPERIENCES

Create memorable experiences for guests of all ages, anticipate their needs and exceed their expectations, creating value and thereby maximizing earned revenue in support of the Zoo's mission. Maintain excellence in guest engagement and guest services, including: safety, security, comfort, ease of access, ease of viewing animals, food quality and selection, horticultural diversity, overall ambience and retail opportunities.



OPERATE SUSTAINABLY TO BENEFIT THE ENVIRONMENT

Houston Zoo operations will be designed to minimize environmental impact, to conserve natural resources and to lead and inspire sustainability practices by guests, community organizations and businesses.



MAINTAIN AND IMPROVE SUSTAINABLE FINANCIAL SYSTEMS AND SOUND BUSINESS PRACTICES

Encourage economic development and community partnerships, sound business planning and responsible financial management, and best practices for financial practices in order to ensure the Houston Zoo's resiliency in operations, create economic value and help build a stronger Greater Houston Community.



*“The wildlife and its habitat cannot speak,
so we must and we will.”*

— THEODORE ROOSEVELT



DEVELOP A “SAVING WILDLIFE” BRAND

The Houston Zoo will be a leader in saving wildlife and our brand will be synonymous with this leadership.

GOAL 1

Expand, improve and increase the number of projects and initiatives that use innovative solutions for sustaining and restoring animal populations and protecting wild places in key global regions.

GOAL 2

Influence behavior change that leads to the protection of wildlife and wild places.

GOAL 3

Align the Zoo’s brand and mission to deepen connections with community.

GOAL 1

Strategy 1.1: Grow wildlife-saving activities (Field conservation and Take Action) so that the primary regions from which the Zoo’s animal collection originates (and that planned exhibit concepts highlight) are the subject of conservation programs we operate or support.

Strategy 1.2: Align field conservation projects/Take Action programs with the Zoo’s Master Plan exhibit concepts, animal collection plan, and public events and communications efforts.

Strategy 1.3: Highlight Texas regional conservation programs to inspire and motivate our local community to develop stronger connections to wildlife and to bolster the Zoo’s credibility as a conservation organization.

Strategy 1.4: Maintain and enhance zoological community leadership in allocation of financial and human resources to support wildlife conservation.

Strategy 1.5: Be a model for the zoological community in the development of an internal conservation culture and be a resource for connecting institutions with wildlife-saving programs.

GOAL 2

Strategy 2.1: Serve as a resource for wildlife-saving information and action for our community.

Strategy 2.2: Collaborate with conservation partners on behavior change campaigns.

GOAL 3

Strategy 3.1: Increase visitor and general public awareness that a Zoo visit helps save animals in the wild.

Strategy 3.2: Evaluate the Zoo’s visual brand elements, including logo, tagline and messaging for consistency with and support of our desired brand identity.

Strategy 3.3: Focus on single-use plastics as a headline Take Action initiative. At the same time, grow the other identified initiatives.

Strategy 3.4: Strengthen connections between our staff, volunteers and board to our field conservation partners.

Strategy 3.5: Create emotional connections with our visitors through storytelling.

Strategy 3.6: Coordinate Zoo external communications for consistency and effectiveness of message.

Strategy 3.7: Increase use of digital marketing and social media channels to engage specific audience segments.

Strategy 3.8: Seek external partnerships with people who can help us tell our story.

Strategy 3.9: Weave saving animals messaging into announcements and marketing campaigns.

Strategy 3.10: Celebrate our Centennial Anniversary in 2022.





*“People never learn anything by being told,
they have to find out for themselves.”*

— PAULO COELHO



CREATE MEANINGFUL EXPERIENCES

Create meaningful experiences on Zoo grounds that inspire our guests to take action to save animals in the wild.

GOAL 1

Build opportunities into new and renovated animal habitats to create closer connections with wildlife that facilitate positive emotional experiences.

GOAL 2

Utilize staff and volunteers to proactively engage guests, facilitating bonds between them and animals and connecting them to the zoo mission.

GOAL 3

Use Sight, Sound, Smell and Touch to fully engage our guests.

GOAL 1

Strategy 1.1: Through the Master Plan and other capital improvement projects we will create opportunities to bring the animals to the front of the habitats, closer to the guests. This includes new opportunities for guests to feed animals, unique photo opportunities and platforms for staff (including keepers) to interact with both the animals and the guests.

Strategy 1.2: Utilize creative, artistic and interactive experiences to engage guests and provide opportunities to learn about the zoo animals and mission.

GOAL 2

Strategy 2.1: Position staff at each animal area for constant interaction with guests. This would be done with a combination of full time staff, volunteers, rangers and keepers.

Strategy 2.2: Train all Houston Zoo representatives—including staff, volunteers and food/retail partner employees—to be fully engaged as ambassadors of the Zoo's mission.

GOAL 3

Strategy 3.1: At each animal habitat utilize creative opportunities to engage the guests using multiple senses.





“Teaching children about the natural world should be treated as one of the most important events in their lives.”

— THOMAS BERRY



ADVANCE CONSERVATION EDUCATION

Be a leader in conservation education, offering experiential programs delivered in the Zoo and in the community.

GOAL 1

Provide a continuum of learning from birth through adulthood to engage all program participants in educational programming to inspire saving animals in the wild.

GOAL 2

Cultivate the next generation of conservation heroes.

GOAL 3

Inspire our school group audiences to partner with us to save wildlife.

GOAL 4

Share our conservation messages effectively and creatively so that Zoo guests change their behaviors to save animals in the wild.

GOAL 5

Create a culture of evaluation-based decision-making to increase effectiveness in order to change participant's behavior toward actions that save wildlife.

GOAL 1

Strategy 1.1: Create a document that is the roadmap to a successful program and use these principles to filter through all current and new programs.

Strategy 1.2: Develop programming for all ages to have the opportunity to partner with us in saving wildlife.

GOAL 2

Strategy 2.1: Connect teenagers to nature both locally and globally through Zoo programming.

Strategy 2.2: Immerse teens in the belief that they choose any career in life and be active in saving wildlife.

Strategy 2.3: Empower teens to make conservation action mainstream within their communities.

Strategy 2.4: Foster partnerships with local universities to engage college-aged students and professors in saving wildlife.

GOAL 3

Strategy 3.1: Pre-scheduled school group engagement involved in saving wildlife.

GOAL 4

Strategy 4.1: Be the experts in telling the stories of our animals and conservation partners.

Strategy 4.2: Design a Zoo-wide interpretation plan.

GOAL 5

Strategy 5.1 Develop methods to evaluate change in behavior to help save wildlife for all conservation education programs.

Strategy 5.2: Continue the ethic of using evaluation techniques to inform all program development.





“The greatness of a nation and its moral progress can be judged by the way its animals are treated.”

— MAHATMA GANDHI



ENSURE THE HIGHEST QUALITY OF LIFE FOR ANIMALS

Every animal at the Houston Zoo will experience the highest quality of life through mission-driven collection planning and a well-supported animal care, health and welfare program..

GOAL 1

Create and manage an adaptable, proactive animal care, health and welfare program to ensure the best quality of life for each animal in the zoo.

GOAL 2

Create a living and evolving Collection Plan through comprehensive selection criteria that align with the Zoo's mission, vision, master plan, SSPs, TAGs, conservation strategies, and messaging priorities. The practice of vetting species through these criteria and adhering to the collection plan will help ensure the Houston Zoo will be synonymous with saving animals in the wild.

GOAL 3

The Houston Zoo will be a global resource for maintaining the highest standards of animal care, health and welfare.

GOAL 1

Strategy 1.1: Set the standards of excellence in animal care, health and welfare through benchmarking with professionals, institutions and existing programs within the global zoo community and beyond, as preparation for creating a comprehensive program with measurable standards for our institution.

Strategy 1.2: Develop a monitoring system that includes assessment tools and strategies to measure life-long animal health, care and welfare at the Houston Zoo.

Strategy 1.3: Increase capacity to support best practices for outstanding evidence-based animal care, health, and welfare program at the Houston Zoo. Programs will require capacity/support for data collection, implementation, interpretation, measurements and overall management.

GOAL 2

Strategy 2.1: Create a species selection tool that will be used to evaluate the role of all current and future animal residents of the Houston Zoo.

Strategy 2.2: Create a Collection Plan that explains the roles and functions that each individual species plays in the Houston Zoo Mission, Vision, Conservation Strategies and Master Plan. The collection plan will guide the animal care department efforts and be the document that justifies the "why" we house a species and will outline our holdings and contributions to AZA and the greater WAZA Zoo community.

GOAL 3

Strategy 3.1: Enhance the impact of the Houston Zoo Animal Care, Health and Welfare Program, ensuring its place as a leader in the zoo community, through best practices evaluation and training.

Strategy 3.2: Share Houston Zoo best practices in animal care, health and welfare locally and globally in order to fulfill the responsibilities of a modern conservation organization and community leader that cares for animals.

Care | Foundation of basic requirements that includes Physiological needs (shelter, clean water, and sanitary living conditions).

Health | Veterinary Care (disease free, injuries treated, proper nutrition) and Safety Needs.

Welfare | Fostering of Social Needs, Mental Stimulus, and Choice.

Care, Health and Welfare combined, create wellness and well-being for every zoo animal.





“Sustainability includes how you run your business, and my bottom line includes how you treat your people. Sustainability starts with your staff.”

— TOM DOUGLAS



BE A WORKPLACE OF CHOICE

Be the workplace of choice in the Houston region and zoological community. Support a culture of innovation and organizational excellence, and invest in our people to help save nature.

GOAL 1

Build a united culture of inspirational purpose and mutual respect.

GOAL 2

Build a reputation that attracts, engages and retains top talent from the national zoo and aquarium community and the Greater Houston marketplace.

GOAL 1

Strategy 1.1: Ensure that staff feels the Houston Zoo and their position is synonymous with saving animals in the wild.

Strategy 1.2: Foster an environment of communications and collaboration among teams and within departments.

GOAL 2

Strategy 2.1: Create a targeted recruiting process that identifies specific skill set/technical skills, competencies, and cultural fit by position.

Strategy 2.2: Ensure that the zoo's workforce is compensated competitively within the Houston region.

Strategy 2.3: Build an integrated talent management program that fosters employee development, engagement and enrichment.

Strategy 2.4: Create opportunities to enhance expertise and share knowledge with zoological and scientific communities.

Strategy 2.5: Improve staff services, incentives, parking, and support areas reflective of the highly performing zoo.





“Your customer doesn’t care how much you know until they know how much you care.”

— DAMON RICHARDS



DELIVER WORLD-CLASS GUEST EXPERIENCES

Maintain excellence in guest engagement and effective guest services, including: Optimize guest safety, security, comfort, ease of access, ease of viewing animals, food quality and selection, horticultural diversity, ambience and shopping.

GOAL 1

Build overall master framework that allows technology use to enhance Zoo guest experiences.

GOAL 2

Improve guest arrival experience to the Zoo through partnerships with Zoo neighbors.

GOAL 3

Deliver the best guest experience in Houston.

GOAL 4

Provide experiences and amenities that are world class and set the industry standard. Our exhibit design, comfort amenities and overall guest experience will exceed all industry “norms.”

GOAL 1

Strategy 1.1: Upgrade the existing Zoo mobile app to create a functional tool for guests to utilize in planning their visit and providing useful information on Zoo grounds.

GOAL 2

Strategy 2.1: Build a stronger working relationship with Hermann Park to have more collaboration on opportunities.

Strategy 2.2: Build a stronger relationship with Texas Medical Center (TMC) to work on issues related to traffic and off-site shuttle service.

GOAL 3

Strategy 3.1: Provide a sustained Guest Enrichment Staff Training Program.

Strategy 3.2: Create a Guest Enrichment Training for all on-site partners.

Strategy 3.3: Enhance guest experience through dedicated staff providing storytelling and interactions with zoo visitors throughout the zoo.

GOAL 4

Strategy 4.1: Transform and design exhibits into captivating habitats that will excite and connect Zoo guests to animals and places they may not ever be able to experience otherwise.

Strategy 4.2: Focus on guest comfort and amenities in the master planning process.

Strategy 4.3: Provide unique culinary dining experiences that celebrate the Zoo’s local heritage.





“Small acts, when multiplied by millions of people, can transform the world.”

— HOWARD ZINN



OPERATE SUSTAINABLY TO BENEFIT THE ENVIRONMENT

Operate the Zoo to protect and conserve natural resources and to lead and inspire sustainability practices by guests and other community organizations and businesses.

GOAL 1

Implement innovative programs for sustainable resource use.

GOAL 2

Establish a highly efficient, multifunctional waste reduction facility and system that enables zoo-wide recycling.

GOAL 3

Reduce Zoo animal waste being disposed of in landfills, with a target of 100% of usable animal waste being composted by 2021.

GOAL 1

Strategy 1.1: Identify components of LEED and other “green” building guidelines to improve efficiency of new construction to address energy, water, and natural gas consumption, and sustainable building practices.

Strategy 1.2: Identify components of LEED and other “green” building guidelines to retroactively fit existing buildings to address energy, water, and natural gas consumption, and sustainable building practices.

Strategy 1.3: Identify, prioritize, and implement energy conservation measures.

Strategy 1.4: Identify, prioritize, and implement water conservation measures.

GOAL 2

Strategy 2.1: Establish a recycling system that aligns with Zoo operations.

Strategy 2.2: Engage the zoo staff and guests in recycling program participation.

Strategy 2.3: Develop long term/low impact partnerships.

GOAL 3

Strategy 3.1: Develop business relationships to help support the logistics of the program.

Strategy 3.2: Implement new programs to continue to reduce the amount of usable animal waste going to landfills.





“There are only three measurements that tell you nearly everything you need to know about your organization’s overall performance: employee engagement, customer satisfaction, and cash flow.”

— JACK WELCH



SUSTAINABLE FINANCIAL SYSTEMS AND SOUND BUSINESS PRACTICES

Operate in a financially-sustainable manner through innovative business and operational practices..

GOAL 1

Maintain and grow operating cash flow by optimizing revenue and controlling costs.

GOAL 2

Increase operational and restricted programmatic support by connecting our philanthropic community more closely to our mission.

GOAL 3

Leverage investment in technology to provide information and analysis for decision makers and support innovative and sustainable business operations.

GOAL 1

Strategy 1.1: Optimize attendance based revenue.

Strategy 1.2: Review potential increase or decrease in operating hours to maximize net income by 2019.

Strategy 1.3: Set up an outbound group sales effort in 2017.

Strategy 1.4: Add revenue opportunities by connecting guests with animals.

Strategy 1.5: Review operations for maximum efficiency and cost containment.

GOAL 2

Strategy 2.1: Complete quiet phase of the Centennial Campaign by the end of 2017.

Strategy 2.2: Build the permanent endowment to provide long-term sustainable income.

Strategy 2.3: Increase annual unrestricted operational giving.

Strategy 2.4: Grow restricted giving for programmatic support.

GOAL 3

Strategy 3.1: Define why business intelligence is needed for data-driven decision making.

Strategy 3.2: Use business intelligence for data driven decision making.

Strategy 3.3: Creating an innovative and green business environment.



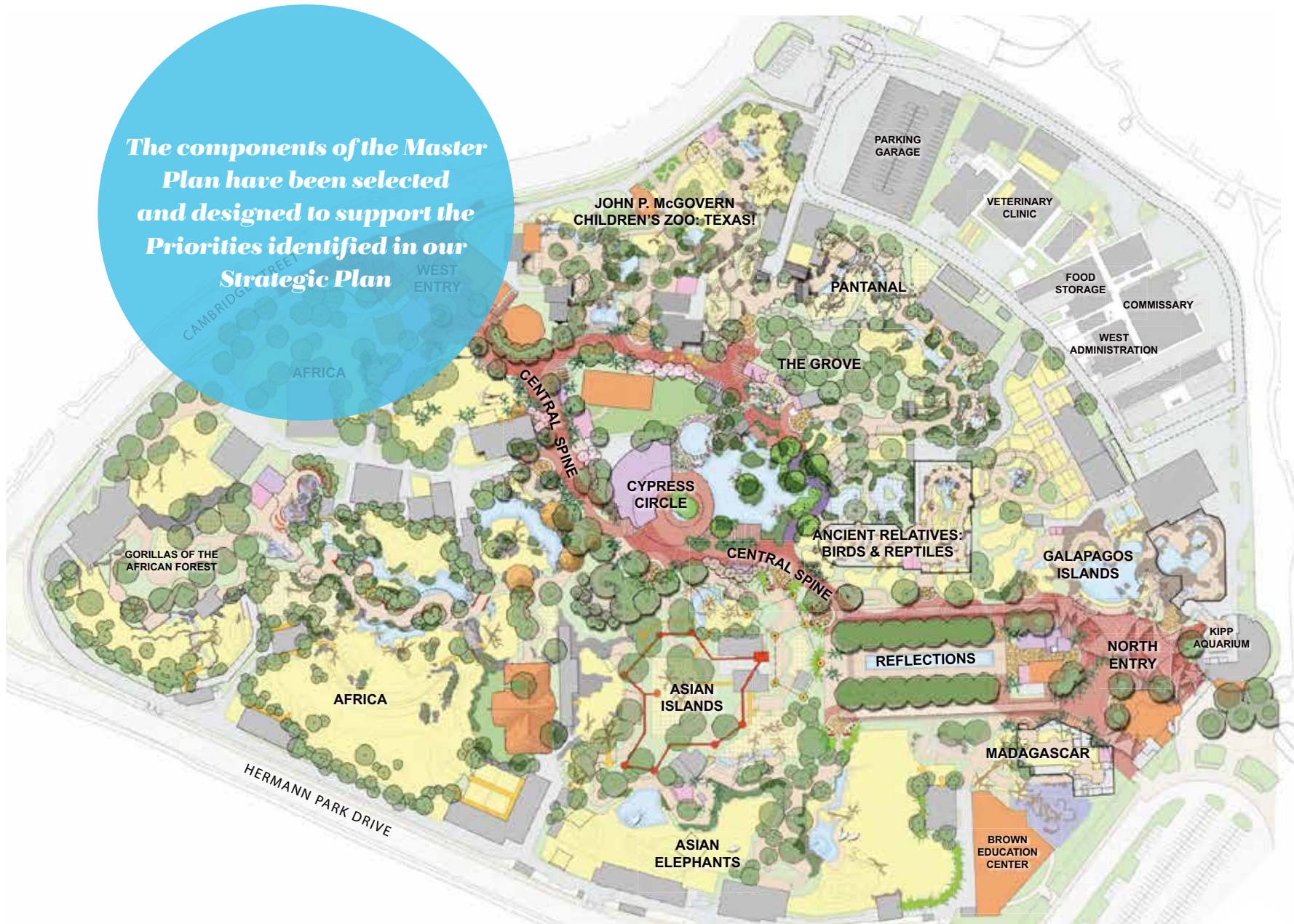
Master Plan Overview

The new Master Plan for the Houston Zoo—which will be executed in phases over the next 20 years—calls for a variety of changes across our Zoo. To provide a stronger sense of coherence, the campus will be reconfigured into a series of experiential zones focusing on distinct themes. Each zone will tell stories about wildlife and ecosystems from a particular part of the world or about groups of endangered animals that need our help, providing meaningful and engaging experiences at every turn.

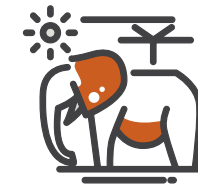
Major new exhibits and guest amenities will be added, while important existing facilities and features (including several large groves of mature oak trees) will be retained and improved. Conservation messaging will be integrated into every exhibit and augmented by programs informing and inspiring visitors about what they can do to save animals, all while having fun. The end result will be a much more intensive, immersive, and impactful experience for our guests, as well as optimal living environments and support areas for our animals and staff.



The components of the Master Plan have been selected and designed to support the Priorities identified in our Strategic Plan



ALIGNMENT OF MASTER PLAN AND STRATEGIC PRIORITIES



DEVELOP A "SAVING WILDLIFE" BRAND

As part of fundraising for the Phase 1 projects in the Master Plan, we will raise at least \$5 million to be committed to support field conservation programs directly linked to these new exhibits. In addition, the holistic messaging of the habitat-based approach of the Master Plan will make our conservation brand ubiquitous and visible to all our guests.



CREATE MEANINGFUL EXPERIENCES

New exhibits will provide intimate viewing and interactive opportunities, including animal feeding and contact, photo opportunities, staff presentations and engagement platforms, multi-media experiences and many points of staff/guest engagement.



ADVANCE CONSERVATION EDUCATION

In addition to the rich interpretive content offered by the new exhibits, many built-in areas will enhance staff interactions with guests and education program participants.



ENSURE THE HIGHEST QUALITY OF LIFE FOR ANIMALS

New and renovated facilities will create better homes for key species already at the Zoo (sea lions, birds, sea turtles, bears, orangutans, tortoises, iguanas, tapirs, birds, jaguars) as well as providing excellent care for added species. All exhibits will encourage natural behaviors and facilitate enrichment activities.



BE A WORKPLACE OF CHOICE

The Master Plan projects will result in improved institutional reputation, helping to attract and retain top talent. The Plan also incorporates upgraded staff amenities (meeting spaces, work areas, employee café etc.), and the proposed spatial realignments will encourage efficiency and cross-departmental operations.



DELIVER WORLD-CLASS GUEST EXPERIENCES

New developments will facilitate improved guest comfort, convenience, interactions with staff, dining, shopping and navigation. The exhibits themselves will be unique, exciting and industry-leading.



OPERATE SUSTAINABLY TO BENEFIT THE ENVIRONMENT

All new development will incorporate best practice water and power conservation systems. We will develop improved recycling facilities and processes, and all new buildings will meet or exceed LEED standards.

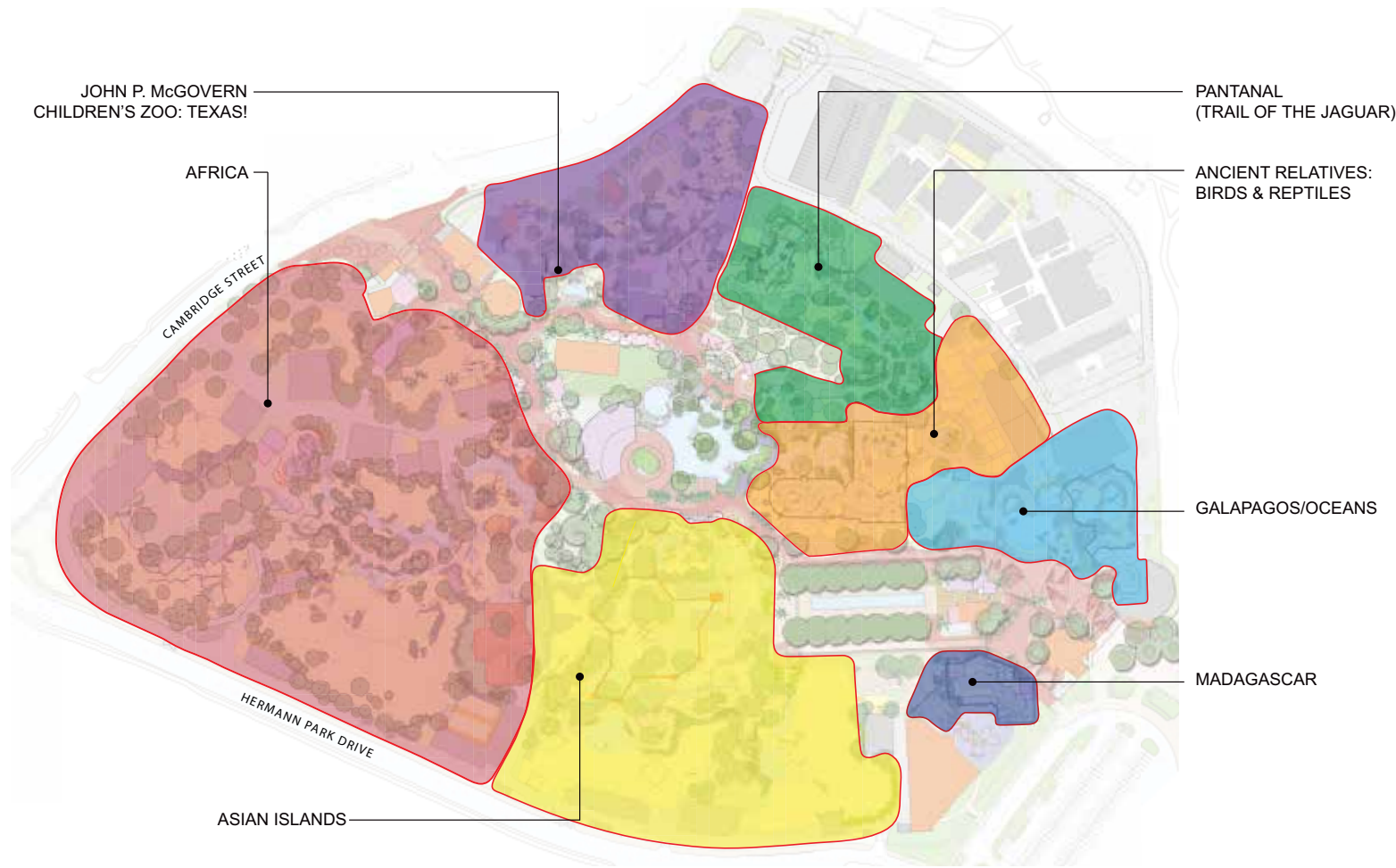


MAINTAIN AND IMPROVE SUSTAINABLE FINANCIAL SYSTEMS AND SOUND BUSINESS PRACTICES

New projects will drive attendance and increase earned revenue, with more and better event rental venues; higher food and gift per caps based on increased capacity and quality; increased admission revenues tied to new attractions; "value-added" animal interactions (giant tortoise feeding, sea lion behind the scenes etc.). The Capital Campaign that will be launched to build Phase 1 of the Plan will broaden and deepen community support for Zoo going forward.

SITE ORGANIZATION

The Houston Zoo's exhibits will be reconfigured and arranged to create distinct zones, thematically organized to illustrate biogeographic regions, providing opportunities for guests to experience encounters with animals in a naturalistic context. To the greatest extent possible, the animal communities, vegetation, geology and cultural elements in the exhibit zones will accurately reflect the habitat being represented, creating immersive environments with rich layers of interpretation.



GUEST CIRCULATION

The confusing web of pathways that Zoo guests now experience will be replaced by a simplified circulation system that will promote intuitive navigation. A clearly-defined central main pathway will connect our two public entrances, and each experience zone will be explored via loop pathways that begin and end on the main pathway.



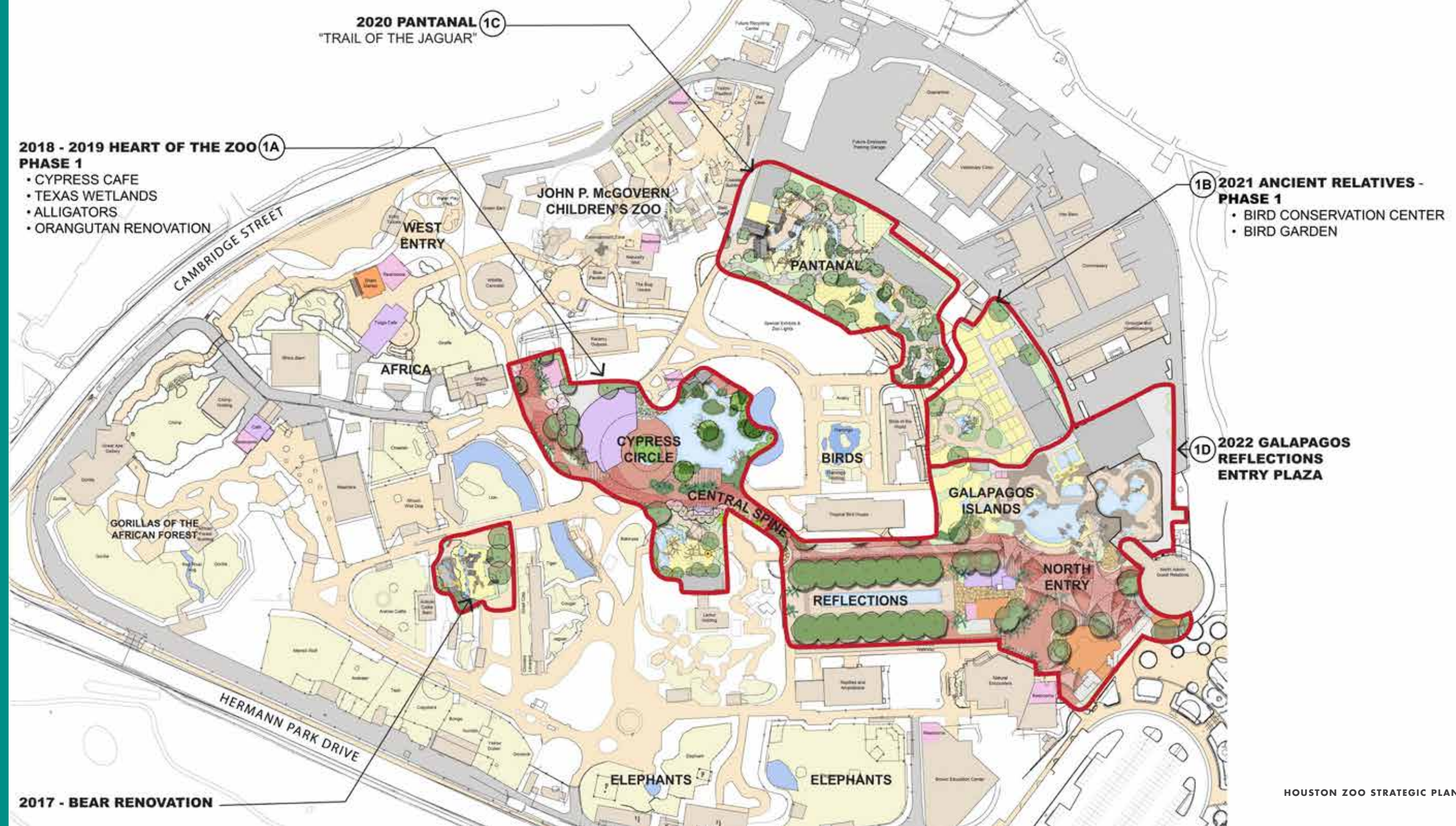


Master Plan, Phase 1

While the Facilities Master Plan proposes changes throughout the Zoo's entire 55-acre campus over a period of many years, we have identified four major projects to be accomplished during the timeframe of the Strategic Plan (2017–2022). These projects collectively comprise Phase 1 of the Master Plan.

MASTER PLAN, PHASE 1:

Over the next six years the Houston Zoo team will focus on reimagining four areas of the Zoo. These are Heart of the Zoo; Pantanal, Trail of the Jaguar; Ancient Relatives; and Galapagos, Reflections, Entry Plaza, which will open as part of our Centennial Celebration.



2018 & 2019: HEART OF THE ZOO

- Create a central east-west pedestrian thoroughfare ("central spine") to provide greater coherence to the campus, facilitate wayfinding and provide a series of new and improved guest amenities, including group event spaces, restrooms, food kiosks, shade and seating areas, and a thematic water play/sculpture area.
- Transform Cypress Circle Café into a signature gathering place and primary Zoo restaurant.
- Build a new Texas wetland exhibit for alligators, turtles, and waterbirds.
- Renovate the orangutan habitat.
- Expand and enhance the black bear habitat.
- Conservation connection: The Texas Wetlands exhibit will engage visitors in the Zoo's breeding, monitoring, rehabilitation, and release programs with local species of birds, reptiles, bats, and pollinators; students will use this exhibit in tandem with hands-on, in-the-field conservation work experienced through Zoo-led education programs.



2020: PANTANAL, TRAIL OF THE JAGUAR

- Transform a currently underutilized corner of the Zoo into a lush South American tropical wetland habitat featuring jaguars, anteaters, monkeys, giant river otters, birds, and tapirs, highlighting the Zoo's scientific exploration and wildlife protection efforts in this unique Brazilian environment.
- Build a shaded Animal Encounter Hacienda for informal presentations by Zoo staff and volunteers with animals from Latin America.
- Conservation connection: The Zoo partners with on-the-ground conservationists in Latin America to study and protect jaguars, macaws, tapirs, and other inhabitants of the Pantanal and other locations; the exhibit will strengthen the Zoo's conservation investment by offering visitors and students a more immersive, engaging experience of this ecosystem.



2021: ANCIENT RELATIVES PHASE 1

- Build a new Avian Conservation Center which will relocate many of our birds into a series of new, lushly landscaped aviaries, which in the future will be part of a major hub of bird, reptile and amphibian exhibits based around habitat themes.
- Relocate and re-imagine the Bird Garden, including interactive bird feeding opportunities for guests.
- Build an incubation and rearing room for a behind the scenes experience.
- Conservation connection: The new facility will directly enable the Zoo's breeding programs for rare curassows and macaws as well as our signature program to breed and release Attwater's Prairie Chickens, a highly-endangered Texas species.



2022: GALAPAGOS ISLANDS, NORTH ENTRY PLAZA, AND REFLECTIONS

- Create a unique and dramatic exhibit featuring sea lions, reef sharks, sea turtles, and barracuda as well as iguanas and a herd of giant tortoises, allowing visitors to experience the magic and world-changing discoveries made in the Galapagos Islands.
- Build a new Arrival Plaza to launch guests' Zoo experience with comfort, ease and drama.
- Develop a new Reflections Event Hall and Terrace, as well as a new casual café, and enhance the historic reflection pool and garden area.
- Conservation connection: No place better illustrates the wonders of unique species and biological processes, the delicate balance of ecosystems, or the pressing need for conservation action than the Galapagos Archipelago. This exhibit will immerse visitors in that sense of place; highlight the Zoo's ongoing field work with giant tortoises, birds, and marine animals; and serve as a jumping-off point for educational experiences.



Future Phases of the Master Plan

Following completion of the Phase 1 Projects, the Master Plan proposes several other major renovations and additions. The composition and timing of these projects is not yet determined, but all have been envisioned to support the Zoo's strategic direction while working with and adapting existing exhibits and site features.



COMPLETE AFRICA

- The existing African Forest exhibits will be complemented by a series of new habitats, creating a self-contained loop beginning and ending on the central pathway of the Zoo. Possible exhibits include forest habitats for okapi, primates and birds; a wetland area for hippos and shoebill storks; and a mixed savanna landscape with interconnected, rotational environments for antelopes, cheetahs, small mammals and birds. A major new indoor/outdoor special events space, themed as an African safari lodge, will overlook the expansive savanna habitat. The existing lion exhibit will be extensively renovated and augmented by associated habitats for mongoose and hornbills.

ASIAN ISLANDS

- The Wortham World of Primates and nearby areas will be re-developed with two immersive habitat loops and an associated adventure loop, each of which will bring visitors on a journey of discovery from the forest floor into the canopy of the Asian rainforest. Featured species may include orangutans, siamangs, babirusa, otters, gibbons, clouded leopards, hornbills and tigers. The longest of the habitat loops will encompass and integrate the existing Asian elephant exhibits, which will be expanded to provide a more natural forest setting.

MEDICAL CENTER ENTRY

- When new public parking and pedestrian access is created southwest of the Zoo, per the plans developed by the Hermann Park Conservancy, a major re-invention of the Zoo's Medical Center entry and nearby areas will be necessary. Increased volume of foot traffic will require new and expanded drop-off, ticketing, retail, food and guest services facilities. The existing Twiga Courtyard, Carousel and giraffe exhibit/feeding areas will need to be renovated, creating both a major portal into the African region of the Zoo and a strong connection to the central Zoo pathway.

MCGOVERN CHILDREN'S ZOO: TEXAS!

- The McGovern Children's Zoo, now approaching 20 years of operation, will be significantly renovated and be returned to its original concept, focusing on Texas wildlife and farming. Hands-on experiences and nature play will be facilitated, and new exhibits may include habitats for black bears, cougars, ocelots, amphibians, otters and sting rays. Two successful components of the current Children's Zoo—the Swap Shop and the Bug House—will be refreshed and augmented as well.

ANCIENT RELATIVES: BIRDS AND REPTILES

- This exhibit zone will combine collections from the current Tropical Bird House and Reptile and Amphibian House into one interpretive experience that celebrates the shared evolutionary history of birds and reptiles, and showcases their amazing diversity. Immersive interior rainforest and desert biomes will be augmented by seasonal outdoor exhibits of larger reptiles and birds, linked to the avian habitats developed in Phase 1.

MADAGASCAR

- The Natural Encounters building will be renovated (or replaced) to showcase the diversity of unique life found on the island of Madagascar, including lemurs, chameleons and bats.





Business Plan, Introduction

The strategic business plan integrates the Zoo's strategic and facility master plans to create a seven-year (2017–2023) financial and operational “roadmap” that will allow the Houston Zoo to remain a viable and sustainable community resource and asset.



With its Master Plan Phase 1 investment through 2022, the Zoo will be positioned to attract more than 3 million visitors to the Zoo—potentially 2.6 million from daytime Zoo visits and more than 400,000 from Zoo Lights. However, the strategic business plan identifies a more conservative attendance baseline projection through 2023 with the intent that the Zoo could achieve annual attendance levels that exceed the baseline projections.

THE STRATEGIC BUSINESS PLAN BUILDS UPON THE ZOO'S FINANCIAL AND OPERATIONAL STRENGTHS:

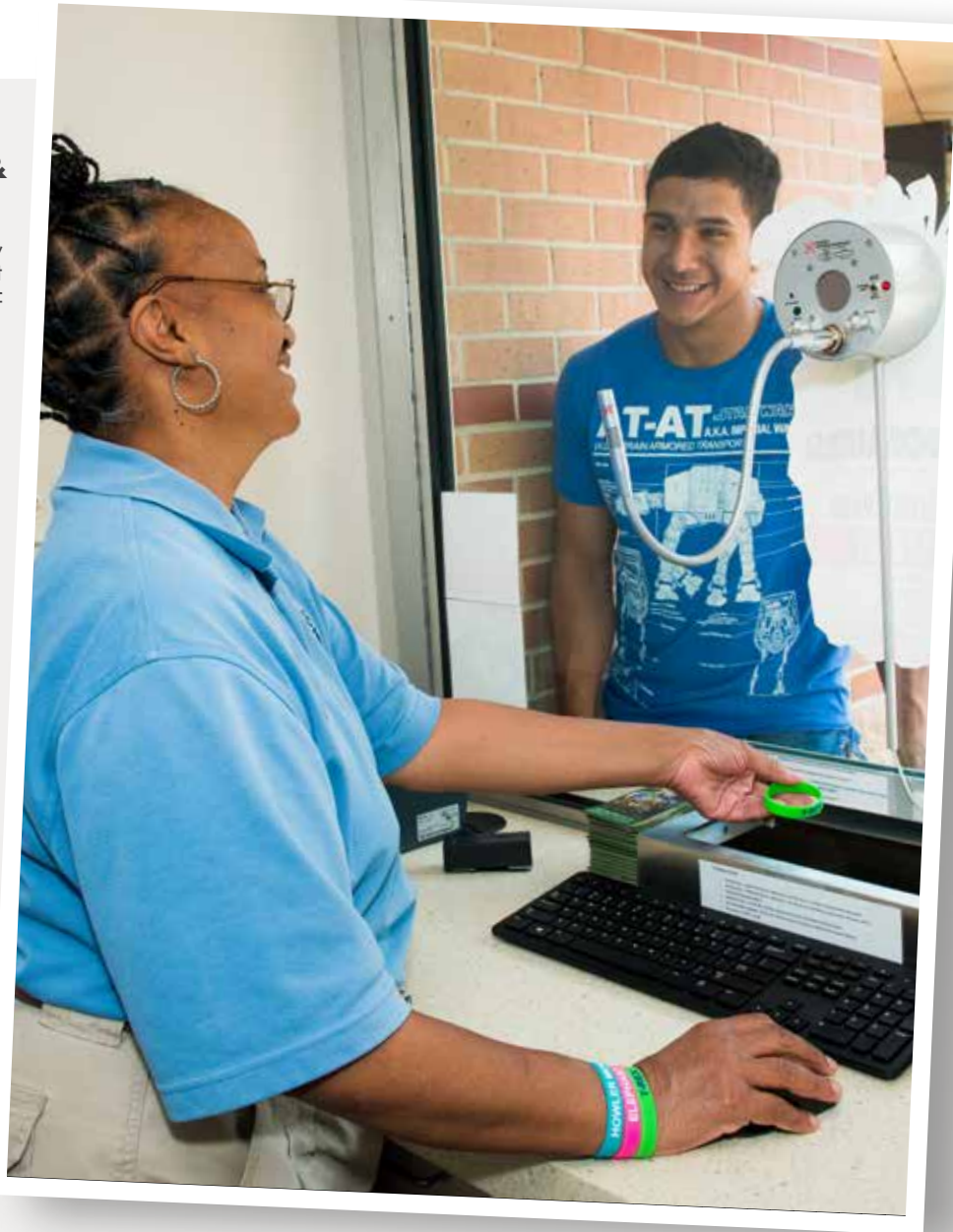
- Annually attracting over two million visitors to the Zoo (excluding Zoo Lights attendance) while providing accessible options for all to visit the Zoo.
- Promoting its conservation mission and compelling animal exhibits and experiences to create “reasons to visit” the Houston Zoo.
- Leveraging its partnership and financial relationship with the City of Houston to promote the Zoo’s brand, attract new donors, partners and friends to the Zoo, and position the Houston Zoo as a leading cultural institution.
- Generating net operating revenues from Zoo operations that offer:
 - High-quality visitor and animal experiences for a reasonable fee
 - Visitor stay-time to the Zoo (on average, more than three hours during the day and almost two hours for Zoo Lights) that provides value, new memories and high visitor satisfaction rating
 - Opportunities to re-invest, with new animal exhibits and public amenities while maintaining its significant infrastructure
 - Financial resources to support its depreciation expense

THE STRATEGIC BUSINESS PLAN LEVERAGES THE FOLLOWING:

- The financial investment for Phase 1 (2018–2022) of the Facilities Master Plan is estimated at \$135MM, with the Zoo raising \$105MM through a comprehensive capital campaign and \$30MM from HZI operations.
- The Zoo will celebrate its Centennial over a three-year time-period (2021–2023).
- The Zoo will build upon its partnership with the City of Houston to continue its re-investment in assets forever owned by the City—the City’s investment in the Zoo directly links to the Zoo’s financial operating success and its asset re-investment initiatives.
- The Zoo’s visitor services partner (SSA) will continue to invest in quality amenities that provide memorable, engaging and fun venues for food, retail and catering operations while providing the Zoo with capex investments that strengthen the overall quality of a visit to the Zoo.
- No new parking facilities are likely to be completed by 2023, but the Zoo will continue to explore potential new parking and access options. Since parking limitations will continue to impact the Zoo’s overall attendance growth, the Zoo must continue to explore remote parking options and locations that provide the Zoo visitor and member with easy access to the Zoo.

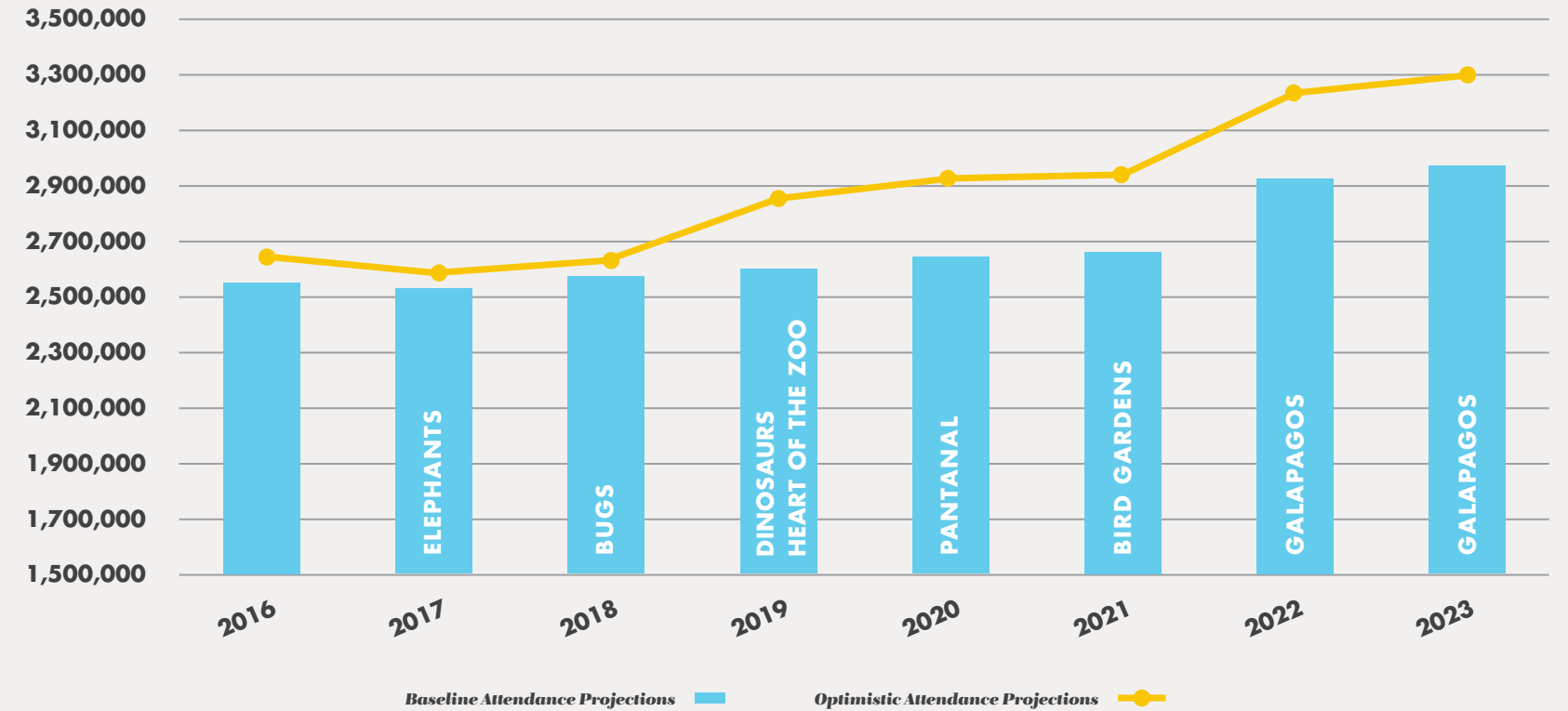
OBJECTIVES INTEGRATED WITH KEY STRATEGIC & MASTER PLAN OUTCOMES

1. Maintain the Zoo’s baseline attendance of 2.175MM visitors (2017), excluding Zoo Lights; Zoo Lights baseline attendance is projected at 290,000 visitors based on the current program schedule and number of nights utilized.
2. Attendance growth prior to the opening of the Pantanal and Galapagos exhibits could be achieved by diversifying the daily use of the Zoo to include evening events and programs during the summer/fall months.
3. Position the Zoo to generate at least 69%–71% of its total operating expenses from earned operating revenues programs and initiatives.
4. Achieve and maintain an annual Net Operating Margin (prior to depreciation) that is equal to or greater than the City’s Operating support +10%—approximately \$10MM–\$10.5MM in 2016—that can be utilized to support the Zoo’s core strategic initiatives:
 - a. Capital Investment in master plan projects—50%~\$5MM
 - b. Annual Maintenance expenses & investments—35%~\$3.5MM (on average)
 - c. Strategic Plan Investments—15%~\$1.5MM (on average; strategic plan expenses to be prioritized by the Houston Zoo)
5. Continue to invest in the Zoo’s conservation mission programs/initiatives and in its employees and staff by maintaining the following expense thresholds:
 - a. Salary & Benefits ranging from 62%–64% of total operating expenses
 - b. Field conservation programs and grants will be at least 3% of total operating expenses
6. Continue to invest in promoting and building awareness of the Zoo’s compelling visitor experiences and of its mission-related programs by allocating on average 8.5% of total operating expenses for the purchase of marketing, branding and capacity building initiatives, excluding salaries and related expenses.



Total Attendance Projections

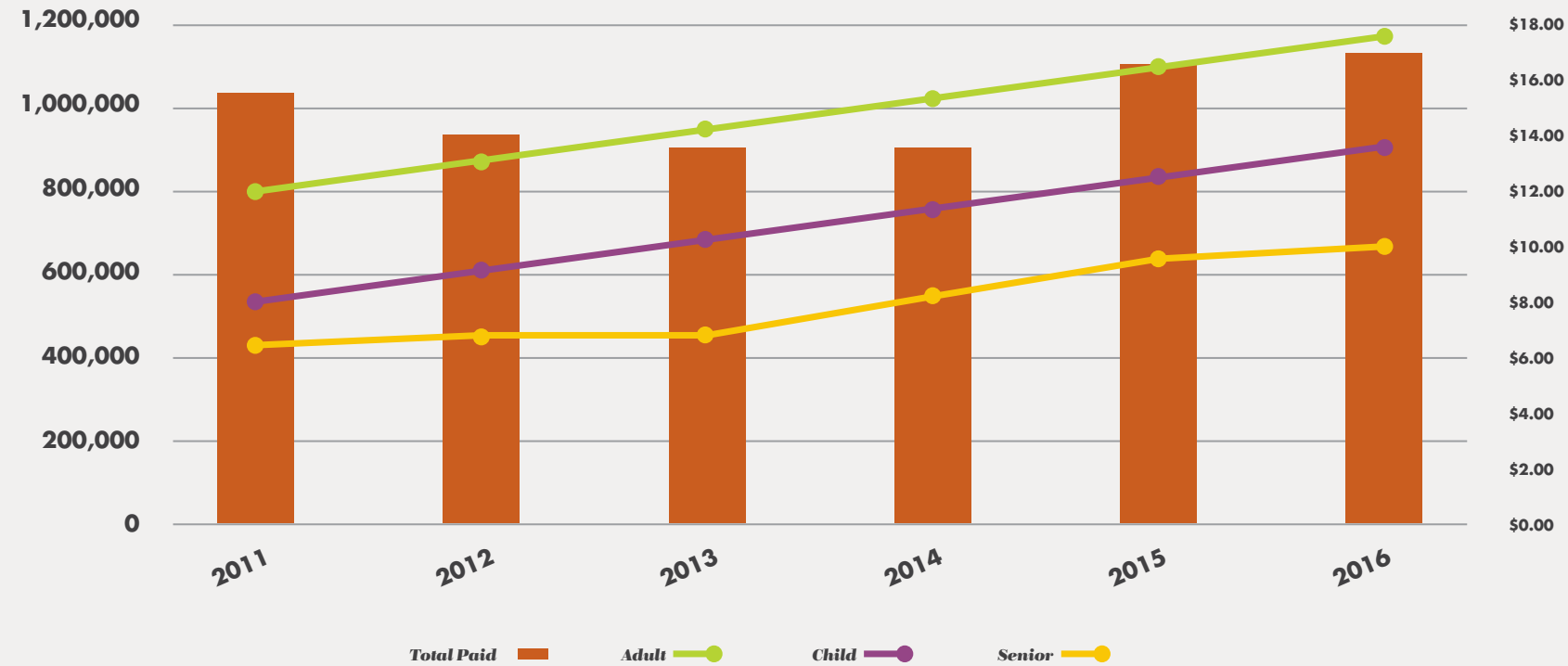
2016-2023



Total Attendance Projections

The attendance graph above identifies the conservative baseline total attendance projections as well as the optimistic total attendance projections that could be achieved—with optimal weather, we believe the Zoo could attract 3.180MM visitors with opening of the Galapagos exhibit in 2022. We project 2017 baseline Daytime Attendance to be 2.175MM. With the opening of the Pantanal Exhibit in 2020, Daytime Attendance is anticipated to increase by 5.7% to 2.3MM. With the opening of the Galapagos Exhibit in 2022, a significant increase of 11%–15% is projected (250,000–354,000 additional visitors, with 50% of these being members making additional visits).

Overview of Admission Fees 2011-2016



Paid Visitation Trended Against Admission Fees

The history represented in the Table above supports the likely success of future admission fee increases without negatively impacting total attendance. It is important to recognize that of the Zoo’s total visitors (~2.2MM) only 30% of the total visitors pay full-price...others are groups, members, discounts and free visitors.

With its future total Zoo attendance baseline of 2.175MM visitors and its continued investment in animal and visitor experiences, the Zoo can annually increase its general admission fees without any negative impact on its attendance—industry market research data supports this finding.

ADMISSION FEE STRATEGIES

- General Admission Fees will be positioned to remain under the cap allowance as defined by the Zoo’s Operating Agreement with the City of Houston, and will continue to rise incrementally in keeping with increased operational expenses and improved guest experience.
- With the opening of the Galapagos exhibit in 2022 (major new animal and visitor experiences to serve as the capstone of the Zoo’s Centennial celebration), admission fees will increase to align admission fees with the increased value created by new high-quality, engaging experiences.
- On-site admission sales and pre-sales will promote the Total Experience Fees (combo pricing) with less focus on the single general admission fee purchase. Pre-sales are not discounted but will promote easy entry and access to the Zoo.
- Total Experience Fees will provide unlimited usage on day of purchase.
- The Zoo will continue to promote on-site membership sales both at the entry and as part of the Zoo experience.
- The Zoo will continue to offer peak season and non-peak pricing options, as well as Free Tuesdays during the non-peak season to ensure the Zoo is accessible to the community.
- The Zoo will continue to test and evaluate pricing/value combinations to further leverage admission and membership revenues.
- Valued-Added fees in 2020 and beyond could include food and retail incentives.

ZOO LIGHTS ADMISSION FEES

- With its continued popularity, strong two-hour stay time and high visitor satisfaction, we would recommend that admission fees to Zoo Lights continue to increase with a significant increase in 2022 to celebrate the Zoo’s Centennial and new Galapagos exhibit.
- The Zoo will continue to test and evaluate pricing options with discounts for members and prime/value pricing options.
- We have assumed that Zoo Lights will operate 52–60 nights annually with annual visitation in the 290,000–320,000 baseline range.

COMBINATION/EXPERIENCE ADMISSION FEES

As a visitor experience and financial strategy, the Zoo will focus on positioning and testing the combination/experience ticketing at the point of admission with less focus on general admission pricing. The combination/experience fees reflect a discount on general admission fees, promote online ticketing to ease access to the Zoo and offer value for purchasing the all-in-one ticketing option. The combination/experience pricing fees would be seasonal and not offered during the non-peak visitation months of January–February and October–December (excluding special events and Zoo Lights experiences). Of paid visitors (~50% of total Zoo visitors) we anticipate that by 2022 (Galapagos opening) over 50% of paid visitors will be purchasing a combination or experience ticket.

Operating Revenues

MEMBERSHIP

- Total membership households will remain stable at 58,000 households (2017–2019) with only minor growth as new/major exhibits will not be opened until Pantanal in 2020 and then Galapagos in 2022. The Pantanal opening will be a “mini-blockbuster” with a projected 3% increase in household members. With the Galapagos opening and the Zoo’s Centennial celebration, we anticipate an 8% growth (5,000 new members) in membership households as the Galapagos exhibit will be a significant call to action for new members.

SPECIAL EVENTS

- Includes Zoo Lights (\$4.8MM in revenues in 2017); facility rentals and Feast with the Beasts (\$490K in 2017). In future years, facility rentals could have significant growth with new facilities, sales programs and regional economic recovery. In addition, if a second Feast with the Beasts, “Zoo Nights” or additional special events are offered, new incremental revenues would be generated with increases in the Zoo’s off-peak visitation.

OTHER REVENUES

- Primarily includes Carousel and Giraffe feeding revenues. We have assumed that the utilization and per cap will remain stable, especially with the combination/value pricing. Carousel fees could increase in 2022 as part of the Zoo’s integrated pricing strategy with the opening of the Galapagos exhibit.

CONTRIBUTIONS & SPONSORSHIP

- With the Zoo’s ongoing capital campaign, we would anticipate that contributions and sponsorships supporting operations will grow 7.5% annually, mainly due to the Zoo’s sponsorship initiatives, as it has a strong brand within the Houston region.

CONSERVATION GRANTS

- Includes a portion of annual Conservation Gala revenues, programmatic grants and conservation sales including Conservation bracelets. Programmatic grants are anticipated to increase with the hiring of a Development grants writer in 2017. While the Conservation Gala nets approximately \$900,000 annually, a large portion of these receipts are held as a restricted fund and released as conservation program expenses are incurred.

ASSETS RELEASED

- Will fluctuate annually based on funding (Conservation Gala, Foundation support and restricted support from donors); annually, revenues will match expenses with only minor unrestricted operating funds available. For planning purposes, we would anticipate the assets would remain in the \$2.25MM range, annually.

CITY MANAGEMENT FEE

- We have assumed that the contractually-required CPI adjustment would be 2-3% annually, with the City of Houston continuing to invest and re-invest in the Zoo and its assets. Any changes in the City’s funding support to the Zoo—unlikely due to the existing management agreement between HZI and the City—could be compensated for through admission fee increases and/or the reduction of the Zoo’s aggressive discount initiatives.

Operating Expenses

OTHER OVERHEAD OPERATING EXPENSES

- Represents approximately \$9MM of the Zoo’s total operating expenses (total operating expenses \$43MM in 2017). We have assumed that overhead expenses will increase by 2% annually, except for IT expenses (~\$1.1MM) that we project will increase by 5% annually due to the ongoing invest in the Zoo’s communication and technology infrastructure.

CONSERVATION & EDUCATION

- Annual investments in conservation (~\$3.4MM in 2017) is directly linked to funds received, generated, earned and/or released from restrictions. For planning purposes, we have assumed that the Zoo will annually investment approximately \$3MM in conservation-related programs, grants and initiatives.

DEPRECIATION

- Annually we have allocated \$7.5MM as the depreciation expense through 2019; increasing to \$8.2MM in 2020 and 2021 for the Pantanal opening and then increasing to \$9MM in 2022 and 2023, to reflect the new Galapagos exhibit being opened. Since depreciation expense is a non-cash allocation, we have identified the accrued expense for reporting purposes only.

SALARIES/BENEFITS

- Staffing plan includes 447 permanent full-time staff positions for 2017, including new positions converted from “contract labor” in 2016.
- New full-time staff positions identified within the strategic plan will be funded via the “cash flow model.”
- Annually, total salary expenses are adjusted by 3% through 2019 and then 2% due to compounding to reflect a salary pool available for distribution.
- Salaries and Benefits will continue to be approximately 61%–63% of total operating expenses.
- Employee Benefits are projected at 24% of total salaries.

MARKETING

- Includes advertising, public relations and graphics expenses and any advertising for seasonal attractions such as Bugs, Legos and/or Dinos. Annually, we will allocate 8%–8.5% of the Zoo’s total operating expenses for marketing-related expenditures (non-salaries). The AZA’s benchmark is between 5%–7% of total operating expenses for marketing-related activities, but given the Houston Zoo’s investment in visitor experiences and on-site programs and its Centennial celebration, additional advertising/branding resources will be required to maintain the attendance baseline of at least 2.2 MM Zoo visitors.

Planning Process and Participants

Through the most engaging and inclusive planning process in the Zoo's history, hundreds of people from our board of trustees, staff and community participated in shaping the plans for the future Houston Zoo.



Strategic Planning Process 2016



More than 420

STAFF, VOLUNTEERS AND BOARD MEMBERS PARTICIPATED IN SURVEY

APPROXIMATELY

100 Staff

PARTICIPATED IN AT LEAST ONE STRATEGIC PRIORITY TASK FORCE

12 Members

OF THE BOARD OF DIRECTORS PARTICIPATED IN STRATEGIC PRIORITY TASK FORCES

80 meetings

INCLUDING WORK SESSIONS, BOARD MEETINGS AND WORKING GROUPS HELD

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Strategic Planning Committee

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Co-Chair

Roxanne Almaraz

Philip Bahr

E. William Barnett

Monica Benton

Joe Cleary

Roberto Contreras

Michael Cordúa

Joshua Davidson

Joseph Dilg

Jeff Dudderar

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Dr. Amy C. Garrou

Dr. Cullen Geiselman

Marty Goosen

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Winell Herron

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Neal Manne

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