

To: Executive Committee

From: Chief Executive Officer
Toronto Zoo

Subject: **2019 TORONTO ZOO LUMINA EXPERIENCE**

Date: March 5, 2019

SUMMARY:

This report recommends approval of a loan of \$5.0 million to the Toronto Zoo to finance the installation of a special exhibit Lumina experience at the Toronto Zoo for an opening in December 2019.

RECOMMENDATIONS:

It is recommended that City Council approve a loan / line of credit agreement in the sum of \$5.0 million with the Toronto Zoo to finance the award of the contract for a Lumina experience produced by Moment Factory Inc., with interest and principal repayable over a 36 month period.

FINANCIAL IMPACT:

The revenues and expenditures associated with staging the Lumina experience are not included in the 2019 budget, however, the financial analysis reveals that the project is forecasted to return \$1.155 million over a 36 month period after debt servicing and repayment under the most likely attendance scenario.

DECISION HISTORY:

At its meeting of February 21, 2019, the Board of Management of the Toronto Zoo approved the award of the contract for a Lumina experience to Moment Factory Inc., subject to the approval by the City of Toronto of a funding request for a Loan / Recoverable Debt of \$5.0 million to finance the production, installation, and staging of the experience.

COMMENTS:

A primary recommendation of the Toronto Zoo Strategic Plan is to implement and stage a key non-peak experience offering to stimulate interest in, and visitation to, the Zoo. As such, the Zoo issued a Request for Proposals for a Seasonal Outdoor Lighting Experience - RFP #50 (2018-10) in October 2018, to invite qualified production companies to submit proposals with the objective of meeting the requirements as outlined.

A major objective of the program / experience is to increase awareness of the Zoo being open year-round and to attract different audience demographics. Some key highlights of the recommended action was to create an interactive experience as an after-hours ticketed event, promoting conservation awareness. It was also anticipated that the investment in such a program / experience should be a multi-year offering to potentially realize a multi-year benefit over several years.

The proposal from Moment Factory relates an interactive Lumina experience telling a story unique to the Zoo. Guests are led through the experience as they “travel forward in time” to learn how to “enact positive change and improve how we share the earth with other creatures.” The Lumina experience presented by Moment Factory is meant to inspire guests to be part of this change through the use of immersive illuminations and interactive displays. As a “show”, the Moment Factory proposal lays out capacity groups going on the 45 to 60 minute timed tours.

The nature of the Lumina experience, which Moment Factory has recreated around the world, shows an awe-inspiring must-see experience for guests. Installations at Fort Henry in Kingston, Whistler Resort in British Columbia, and the Singapore Zoo were contacted to determine what the Lumina experience has meant to them. All locations were extremely positive about the experience and noted that the program being “so successful” that they had to adjust their operations accordingly.

The Lumina experience ties in with the Zoo experience of touching hearts of the guest by creating magical moments that inspire guests to make positive change to help the environment. It follows the Zoo Mission as a “compelling guest experience and inspiring passion to protect wildlife and habitats”. This experience would be an exclusive “flagship” opportunity for the Toronto Zoo as no additional installations by Moment Factory are currently planned for the Southern Ontario area.

The financial impact for the ‘most likely scenario’ was outlined in the previous appropriate section of this report. However, the analysis completed by Zoo staff reveals that the ‘optimal scenario’ for the project would return an amount of \$1.848 million for the 36 month period, while even the ‘least optimal scenario’ returns \$0.300 million over the life of the project.

A copy of the Moment Factory proposal and the financial analysis completed by Zoo staff is currently being reviewed by the City Financial Planning Division(FPD) to validate our conclusions. FPD is also communicating with the references originally contacted by the Zoo team (Singapore, Whistler, Fort Henry) to ascertain the consistency of the positive impact of the Lumina Experience on their respective operations.

As a signature event for Toronto, the Lumina experience could bring significant attention and economic benefits to the east end of the City and other businesses in the area surrounding the Zoo, including hotels, restaurants and local shops. While much focus has been on the attractions and festivals in downtown Toronto, an event of this magnitude is anticipated to draw visitors and tourists to the eastern boundary of the city, enabling positive economic benefits to the local community which surrounds the Zoo.

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