

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2006	2008	2010	2006	2008	2010
Asset Preservation	1	GO	\$10,000	\$10,000	\$10,000	\$8,000	\$8,000	\$8,000
Zoo Master Plan Design/Construction	2	GO	16,000	5,000	45,942	13,000	5,000	45,942

Project Total	\$26,000	\$15,000	\$55,942	\$21,000	\$13,000	\$53,942
General Obligation Bonding (GO)	\$26,000	\$15,000	\$55,942	\$21,000	\$13,000	\$53,942

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Agency Profile At A Glance

Zoo Information:

- ◆ Approximately one million visitors annually
- ◆ Over 103,000 school children visit annually
- ◆ The Zoomobile brings the Zoo to about 50,000 Minnesotans each year
- ◆ Over 2,500 animals in the diverse collection
- ◆ Collection includes over 45 endangered species
- ◆ Over 600 volunteers

Master Plan Goals:

- ◆ Increase the Zoo's ability to deliver environmental education
- ◆ Increase the capacity to effect conservation, in the Zoo and beyond
- ◆ Elevate the Zoo to a premier cultural institution and tourist destination

Agency Purpose

The Minnesota Zoological Board (MZB) is established by M.S. Chapter 85A and is charged with operating the Minnesota Zoological Garden (Zoo) as an education, conservation, and recreation organization for the collection, propagation, preservation, care, exhibition, interpretation, examination, or study of wild and domestic animals.

The mission of the Zoo is to strengthen the bond between people and the living earth by inspiring guests to act on behalf of the environment. To accomplish this the Zoo provides award winning educational, recreational, and conservation programs.

The Zoo is a public-private partnership with the Minnesota Zoo Foundation, which actively solicits support and financial donations from non-state sources. The Zoo belongs to the people of Minnesota and its facilities and programs are accessible to all Minnesotans.

Core Functions

The Zoo provides opportunities for Minnesotans and out-of-state visitors to experience wildlife in meaningful ways. These experiences encourage stewardship for animals and nature and foster a greater appreciation for the earth's rich diversity.

The Zoo's 2001 Master Plan provides a reaffirmation of its purpose. A clear course of action has been established in order to continue the Zoo's active engagement in conservation activities and expansion of programs supporting development of environmentally knowledgeable citizens. In order to meet the increasingly urgent conservation and natural-science education imperatives facing our state and the world, the Zoo is moving forward in the following ways.

- ⇒ Guest services and exhibit experiences are being upgraded to match the Minnesota public's evolving sophistication and desire to experience wildlife in more meaningful ways.
- ⇒ Deferred maintenance of the facility is being addressed to protect the public's investment and health and safety of the collection and our guests.
- ⇒ Our animals will be provided with optimal spaces for enriched lives and reproduction as part of critical conservation programs as exhibits are built or renovated.
- ⇒ Programs are being delivered to provide for lifelong learning and engagement with conservation activities in a dedicated effort to fulfill the Zoo's mission.

Operations

The MZB is comprised of 30 citizens who have been appointed to supervise and control the operations of the Zoo. The governor appoints 15 members of the board and another 15 members are appointed by the MZB. An important function of the MZB is to foster private sector support for the Zoo. The MZB appoints an executive director who carries out the directives of the board in the operation of the Zoo.

The **Education Programs** unit provides guests with educational interactions with the Zoo's plant and animal collection, designed to foster the development of values supportive of species survival, biodiversity and habitat protection, and environmental stewardship.

- ⇒ Educational programming is provided through monorail tours, family programs, Zoo Camp, Zoomobile, scout programs, keeper talks, behind the scenes tours, and web-based information.
- ⇒ The education department assists in delivery of the innovative curriculum at the School of Environmental Studies in partnership with independent School District No. 196. This award winning high school is located on the grounds of the Zoo, and utilizes the Zoo collection and the Zoo staff in delivering its environmental education program.

The Zoo and specifically the **Biological Programs and Conservation Department** are dedicated to delivering conservation programs both locally and beyond the Zoo. Conservation efforts strive to preserve biodiversity and promote an understanding of animals and nature. The Zoo partners with other organizations to promote the survival of threatened and endangered species and ecosystems.

- ⇒ The Zoo participates in 26 American Zoo and Aquarium Association (AZA) Species Survival Plans.
- ⇒ The Zoo supports AZA studbook keepers for eleven species.
- ⇒ Conservation department staff continue to coordinate worldwide tiger conservation programs through the Tiger Global Conservation Strategy.

The Zoo provides family-oriented recreational experiences that are educational as well as entertaining. Guests to the Zoo have fun and leave with a greater understanding, appreciation, and respect for animals and nature.

- ⇒ Approximately one million visitors come to the Zoo annually, a figure few zoos in the country match.
- ⇒ New and exciting exhibits are being developed as funding is available. The Zoo has recently renewed the Amur tiger exhibit and Tropics Trail to increase both the educational and recreation value of the experiences.
- ⇒ Recent studies conducted as part of the Master Plan process indicate that visitors have a largely positive view of the Zoo and the emphasis on animal viewing experiences in a naturalistic setting.

Key Measures

Biological Programs and Conservation Department

The Biological Programs and Conservation Department delivers effective programs locally, nationally, and internationally in the following ways:

- ⇒ The Animal Collection Plan is maintained to guide the Zoo's long-range planning and the cooperative efforts of the conservation and education programs to create rich experiences for our guests.
- ⇒ The Conservation Plan is utilized to define, prioritize, and guide the Zoo's local and international conservation goals.
- ⇒ An exhibit master plan has been completed to evaluate and define each exhibit trail's mission, organization, and species selection, and to guide future growth of the Zoo and its collection.
- ⇒ The Zoo measures guest understanding and enjoyment of the exhibits and programs through surveys.

Education Programs

The Education Programs unit at the Zoo accomplishes the goal of educating Minnesota citizens on the importance of environmental stewardship in the following ways:

- ⇒ Over 250,000 program participants are served through Zoo education programs annually, making the Zoo the largest environmental learning center in the state.
- ⇒ More than 100,000 K-12 students from approximately 1,700 schools visit the Zoo annually.
- ⇒ Participant review is utilized to evaluate the overall effectiveness and efficiency of the Education Programs unit in fulfilling its mission of conservation education.
- ⇒ Outreach Zoomobile.

Operations

The Facility Operations activity at the Zoo works to provide for adequate building and grounds in the following ways:

- ⇒ Maintains cleanliness and aesthetic appearance for all Zoo facilities in order to enhance the guest experience.
- ⇒ Works actively with the Zoo conservation programs to ensure that the collection is provided with safe and environmentally adequate surroundings.

⇒ Designs and constructs exhibits.

Guest Services and External Relations

The guest services and external relations activities accomplish the goals of the activity and the Zoo in the following ways:

- ⇒ Surveys are utilized to determine the effectiveness of marketing efforts and guest satisfaction with the collection, programs, and facilities.
- ⇒ Marketing plans are developed to focus on education and conservation efforts while generating interest and the attendance necessary to make budgetary goals.
- ⇒ Goals are established to assure growth in revenue. Earned income and corporate partnerships subsidize the mission of the Zoo.

Administrative Support

Administrative Support works to manage the Zoo's operations and its plant and animal collection in the following ways:

- ⇒ Managing the Zoo to meet the Board-established goals for attendance, revenue, and quality of programs.
- ⇒ Maintaining a high level of guest satisfaction. Guest surveys are conducted in order to evaluate the satisfaction of guests and manage operations to maintain the current high level of satisfaction.
- ⇒ Managing to the requirements of the American Zoo and Aquarium Association in order to maintain accreditation.

Budget

Funding of the operating budget of the Zoo is a combination of General Fund and Natural Resources Fund dollars, earned income from charges to visitors at the Zoo, and contributions from the private sector. In the last decade the percentage of state funding has declined, while earned revenue and contributions have increased. In the early 1980s the state appropriation was approximately 60% of the total operating budget. In the FY 2004-05 biennium the state appropriation was approximately 39% of the total operating budget.

The Zoo currently operates with approximately 180 full-time equivalent employees (FTE). Approximately 160 of the total FTE are full-time permanent employees. During the peak summer months the Zoo adds a

large number of part-time and temporary employees to handle the increased operating needs.

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The Minnesota Zoo web site at www.mnzoo.com gives guests easy access to useful information about the Minnesota Zoo, its collection of animals, and the Zoo's involvement in conservation activities.

At A Glance: Agency Long-Range Strategic Goals

- ◆ Position the Minnesota Zoo as one of the top five attractions in the state.
- ◆ Maintain, repair, and enhance existing Zoo facilities.
- ◆ Develop a major new exhibit (Gateway to the North) offering a state-of-the-art zoo experience by May 2008.
- ◆ Improve guest experience, revenue generation and education programming capacity by developing the new Entry/Biodiversity Center complex by May 2010.
- ◆ Use state funds to leverage private contributions for capital additions and improvements to the Zoo.
- ◆ Exhibit animals that meet guest expectations.
- ◆ Position the Zoo as a fun, engaging, trusted state-wide resource for providing accurate and relevant conservation education information, species survival, habitat, conservation and ecosystem health expertise.
- ◆ Expand educational and interpretive opportunities at the Zoo.
- ◆ Improve the quality of our conservation and animal programs to the level of our peer institutions.
- ◆ Improve revenue generating and contributed income initiatives to support zoo programs and operations.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

At the direction of the 1999 Legislature, "A Study of the Potential Impact of a Governance Change on the Minnesota Zoo" was completed in January 2000. This report addressed a number of issues beyond its primary recommendation that the Minnesota Zoo remain a state agency. Recommendations included:

- ⇒ Create a compelling vision for the Zoo's future, and a plan to carry it out.
- ⇒ Invest in capital infrastructure.
- ⇒ Invest in the capacity to develop contributed income.
- ⇒ Deepen and expand the Zoo's educational mission.

Based upon these recommendations, the Zoo board commissioned a Master Plan process. The Plan, adopted in October 2001, has guided the Zoo's approach to capital investment. The Plan articulates a number of

imperatives for the Minnesota Zoo. We need to provide opportunities for Minnesotans and visitors to experience wildlife in more meaningful ways. We need to provide our animals with optimal spaces for enriched lives and reproduction. We need to significantly increase our capacity to deliver conservation education. And we need to find better ways to generate revenue to support our conservation and education mission.

The Minnesota Zoo, despite its status as a full state agency, receives less than 39% of its annual operating budget from the biennial state appropriation. This is down from historical levels of 60% state support in the 1980s. The Zoo has aggressively increased both contributed and earned income to adjust to this decline in public funding, but doing so it places the organization in a situation where attendance—the driving force behind much of its revenue generation—becomes an increasingly critical variable.

Attendance is key to Zoo operations. Attendance not only provides income from admission fees, but also impacts revenue from food sales, gift store sales, stroller rental, and numerous other revenue streams. Many factors can influence attendance; weather, price points, and competition for recreation time and money.

While marketing efforts and serendipitous animal births in zoos and aquariums can spur temporary attendance growth, the most reliable method of stabilizing and growing attendance is the development of major new attractions. The Minnesota Zoo's largest percentage increase in attendance came with the opening of the Coral Reef exhibit—a major new exhibit—in 1992. Other more recent new developments at the Zoo have replaced already existing exhibits, for example, Discovery Bay (providing better space for existing dolphin shows) and the Wells Fargo Family Farm (replacing a children's zoo).

The attendance trend over the past ten years for the Minnesota Zoo has been in decline. Factors contributing to this may include price increases needed to maintain operations in times of declining operating budgets, increased competition for the public's available leisure time and lack of new offerings for the public. In FY 2005, attendance rebounded, due to excellent weather and an engaging new exhibit (lemurs). But this reversal will not be sustained without significant capital investment in new attractions. The Zoo has requested capital funding from the state to begin the renewal necessary

to increase attendance. With the appropriation in FY 2005 of \$20.46 million to begin these efforts, the Zoo and Zoo Foundation are preparing to begin a major private fundraising effort to leverage the public investment.

Significant public/private partnerships for capital renewal have been undertaken successfully by numerous major zoos. Many have or will be receiving significant public funding commitments for new exhibits. These include the Los Angeles Zoo, Columbus Zoo and Aquarium, San Francisco Zoological Gardens, Denver Zoo, Woodland Park Zoological Gardens in Seattle, and the Akron Zoological Park. St Paul's Como Park Zoo has recently completed over \$25 million in improvements, much of it supported by state bond monies.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

Construction of the Zoo began over 30 years ago and the Zoo has been open to the public for over 27 years. Approximately one million visitors come to the Zoo and experience the Zoo exhibits and park facilities each year. The 485-acre facility is aging and requires increased investment to preserve the asset.

In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate levels of annual building maintenance necessary for state agencies. According to the guidelines developed by this process, the Zoo should dedicate an additional \$3.4 million annually to maintenance and preventative maintenance activities for the facility. This has not been possible within the constraints of the Zoo's operating budget, so the identified deferred maintenance has continued.

The current Zoo's facilities do not meet the expectations or needs of the public for increasingly sophisticated conservation education opportunities, nor do they meet the baseline expectations for guest services. In 2001 the Zoo completed its Master Plan, which defines a range of compelling opportunities for the Zoo's physical redevelopment. The Plan identifies priority areas for renewal and development to increase the ability of the Zoo to better serve the people of Minnesota. These opportunities – if effected – will allow the Zoo to deliver the educational and conservation programs people have indicated they want, while providing recreation and

entertainment. In the 2005 session, the governor recommended, and the legislature approved, an investment of \$20.6 million to create a major new exhibit. This will be new construction on an underutilized site near the main building. Asset preservation funds requested will address the deterioration of several of the Zoo's older public facilities, including its Minnesota Trail.

Agency Process Used to Arrive at These Capital Requests

In October 2001, the Minnesota Zoological Garden adopted a Facilities and Business Master Plan. This document has guided the board in capital budget requests since then.

Over the past year, the board has been developing a five year strategic plan. This plan includes capital components based on the Master Plan, and ties the capital program to the other priority areas, goals and strategies, with an over-arching goal of positioning the Minnesota Zoo among the top ten in the United States.

The Zoo's infrastructure is nearly 30 years old. Based upon the Department of Administration guidelines for asset preservation, and an analysis of institutional priorities, the Zoo Board authorized our current request of \$10 million which would aggressively tackle the backlog of major maintenance items.

Staff worked with the Board Finance Committee to make recommendations to the Minnesota Zoological Garden Board for budget requests. The Master Plan is the guiding document, together with guest evaluations and comments regarding the current conditions of the facilities and response to proposed exhibit additions.

Major Capital Projects Authorized in 2005

\$20.64 million was received for a major new exhibit, Gateway to the North: Bears of the Ussuri, featuring bears, sea otters, leopard and wild boar.

\$2 million was received for Asset Preservation in 2005.

Asset Preservation

2006 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION: Minnesota Zoological Garden - Apple Valley

Project At A Glance

- ◆ Minnesota Zoological Garden Asset Preservation of \$10 million

Project Description

State funding of \$10 million is requested to repair, replace, and renew facilities at the Minnesota Zoological Garden (the Zoo).

The Zoo celebrated its 25th anniversary in 2003. The facilities are in need of repair, replacement, and renewal. Over \$30 million in needs have been identified. These include, but are not limited to:

- ◆ safety hazards and code compliance issues;
- ◆ roof repairs and replacements;
- ◆ mechanical and structural deficiencies;
- ◆ building envelope work including tuck-pointing, window and door replacement, etc.;
- ◆ road, pathways, and parking lot repair and replacement
- ◆ major mechanical and utility system repairs, replacements, and improvements;
- ◆ storm water management; and
- ◆ exhibit renewal.

This request covers approximately 25-30 projects ranging in estimated cost from \$25,000 (work on our bird quarantine area) to \$2 million (repair of our central plaza). Repair of the central plaza is the top priority. The plaza has become a safety hazard in spots. Also, with the construction of the Gateway to the North exhibit occurring at the edge of the central plaza, it is cost effective to work on both simultaneously. Other top priorities include renewal of the Minnesota Trail, an area that has had very little repair/replacement

since the Zoo opened (\$1.2 million), repairs to classrooms and volunteer space (\$500,000), insulation repair/replacement (\$80,000) and skylight replacement in the Tropics (\$75,000). Parking lot repairs are estimated at \$1.75 million.

Asset preservation is an ongoing need at the Zoo. In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate level of annual building maintenance necessary for state agency facilities. According to the guidelines, the Zoo should spend an additional \$3.4 million annually to maintain and preserve the state's investment in these facilities. The Zoo has spent some operating funds for repair, replacement, and betterment. Because of operating reductions in the past several years, funds for these purposes had to be reduced. In addition, the Lottery in Lieu dollars received by the Zoo were less than projected. These funds were earmarked internally for asset preservation. The Department of Administration has also reduced Capital Asset Preservation and Replacement Account (CAPRA) funds, which have been allocated to meet state agency needs. These combined circumstances lead us to request \$10 million.

Impact on Agency Operating Budgets (Facilities Notes)

Funding this request will preserve the state's asset and improve safety, service and operations of the Zoo. If this request is not funded, deterioration and structural decay will continue. The public visiting the Zoo will continue to experience a dated, deteriorating facility and attendance and revenues will decrease. Delayed repairs are likely to increase in cost the longer they are postponed.

Previous Appropriations for this Project

Two million dollars was appropriated during the 2005 session and \$3 million was appropriated from bond funds during the 2002 legislative session for the asset preservation needs of the Zoo facility. Projects funded from these appropriations include:

- ◆ replacement of a chiller in the main building;
- ◆ air handling work in the animal hospital;
- ◆ replacement and repair decking and railing on main lake bridge;
- ◆ expansion and upgrades of fire detection system;

Asset Preservation

- ◆ replacement of damaged sidewalks, pathways, and curbing;
- ◆ repair and replacement of mechanical systems insulation;
- ◆ duct cleaning and repair;
- ◆ replacement of Coral Reef exhibit life support systems;
- ◆ renewal of Tropics Sun Bear exhibit;
- ◆ repair and replacement of the perimeter fence; and
- ◆ rehabilitation of the elevator.

Other Considerations

In the past the Zoo has requested funding for specific asset preservation projects including the “roads and pathways” and the “heating supply line/chiller replacement” projects. These projects were partially funded in previous capital budget appropriations. The need for asset preservation activities at the Zoo has been increasing significantly as the facility ages. This request has been expanded to include the total need for asset preservation funding at the Zoo.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$8 million for this project. Also included are budget planning estimates of \$8 million in 2008 and \$8 million in 2010.

Zoological Gardens

Asset Preservation

Project Detail

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	200	500	500	500	1,700
4. Project Management	165	100	100	100	465
5. Construction Costs	4,595	9,350	9,350	9,350	32,645
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	40	50	50	50	190
9. Inflation	0	0	0	0	0
TOTAL	5,000	10,000	10,000	10,000	35,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	5,000	10,000	10,000	10,000	35,000
State Funds Subtotal	5,000	10,000	10,000	10,000	35,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	5,000	10,000	10,000	10,000	35,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

Zoo Master Plan Design/Construction

2006 STATE APPROPRIATION REQUEST: \$16,000,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION: Minnesota Zoological Garden- Apple Valley

Project At A Glance

\$16 million in state funds for planning, design, and construction of the second phase of the Zoo's Master Plan. A renovation and expansion of the Zoo's main building into a complex called the **Biodiversity Center** will provide additional educational classrooms, improved retail food and gift spaces, a safer and more convenient zoo entrance, and will feature major new permanent exhibits – including penguins and a Kid's Zone – as well as a space for temporary or traveling exhibits. This project will greatly improve the guest experience, generate additional revenue, result in important educational impact, and drive increased attendance. This request assumes state funds will be matched with significant private funds.

Project Description

This request is for \$16 million which, together with private funds, will finance the design and construction of the second significant portion of the new and renovated facilities proposed in the **2001 Minnesota Zoological Garden Facilities and Business Master Plan**. It includes partial funding for the Zoo's proposed Biodiversity Center.

When the Minnesota Zoo opened to the public in 1978, it represented the most up-to-the-minute thinking in zoo design. The original Zoo development was based on a visionary plan completed in 1970 – *The Minnesota Zoological Garden: Mirror to the Environment* – which laid out a course for building the Zoo based on a sound foundation of education and conservation. The plan proposed many of the elements comprising the Zoo today, including the Northern Trail, the Monorail, and the Tropics Trail. But only about one-third of the original plan was actually built, and numerous additions to the Zoo have been developed, both conceptually and spatially, in ways not

anticipated in that plan. The major facilities built at the Zoo after the 1978 opening, including the Bird Show Amphitheater, Discovery Bay and the Family Farm, have added to the Zoo experience but were developed without reference to a unifying long-term plan.

With much of the Zoo now more than 27 years old, and with significant advances in zoological and informal education facility design that have occurred over the last quarter century, the Minnesota Zoo is poised for a period of intensive redevelopment. At the direction of the 1999 state-mandated Minnesota Governance Study, a new master planning initiative was undertaken, funded by contributions from members of the Zoo Board and Zoo Foundation Board and a grant from the Bush Foundation. The resulting **Minnesota Zoological Garden Facilities and Business Master Plan** provides a strategic, flexible long-term vision for the Zoo's business approach and physical development.

The Master Plan process included extensive visitor market analysis, which revealed that although nearly a million people visit the zoo on an annual basis, there is a perception that the Zoo's product is dated and that it lacks many of the types of animals and kinds of experiences other major zoos throughout the country offer. It is clear that the Zoo needs to provide opportunities for Minnesotans and visitors to experience wildlife in more meaningful ways. The Zoo's animals must be provided with optimal spaces for enriched lives and reproduction for conservation purposes. Already one of the state's top environmental education centers, the Zoo needs to increase its capacity to deliver these services to more Minnesotans. And as state operating support declines, the Zoo must develop new revenue streams to support its operations and programs. The addition of new exhibits – creating greater density and intensity of experience – is necessary to stabilize and increase attendance.

The need for significant state and private investment in the Zoo's capital infrastructure was clearly addressed in the 1999 Governance Study. The Master Plan provides an integrated physical phasing strategy and business program for this investment, which if implemented will result in a revitalized Minnesota Zoo. Conversely, if major capital investments in the Zoo's product are not made, it is likely that attendance and operating performance will decline over time.

Zoo Master Plan Design/Construction

Enhancements proposed in the Master Plan will improve the experience for all visitors and will specifically improve accessibility for seniors, handicapped, and small children. The renewed Zoo will be better able to meet the increasingly sophisticated public demands for education and recreation, while more actively addressing the conservation challenges facing wildlife in Minnesota and around the world.

The Master Plan creates an overall conceptual framework for the Zoo's future, but also specifically identifies four major projects selected for their ability – in combination – to attract public awareness and interest, and for their potential to improve the Zoo's economic performance. This in turn will help the Zoo achieve greater success in its efforts to effect conservation through direct action and education. When completed, the Master Plan will result in an institution of international renown, creating a zoo for the state of Minnesota that is a point of pride, a national attraction and an invaluable educational and recreational resource.

The Master Plan document was completed and adopted by the Zoo Board in 2001. The three remaining major projects, and their proposed sequence of development, are described below:

Gateway to the North: Bears of the Ussuri (funded, projected opening 2008)**Biodiversity Center (Main Building Improvements)**

The Zoo's 27-year old main building complex will be completely renovated, providing improved visitor services and exhibits that will greatly enhance the zoo experience. The redevelopment of the building into a new "Biodiversity Center" will expand opportunities for school group education programs, address the current lack of capacity for admissions, bring accessibility levels up to contemporary standards, and generate increased revenues through improved retail and food service and group event rental facilities. New displays – featuring habitats for birds, reptiles and fish – will provide an introduction to the Zoo's overall presentation of the diversity of life. Orientation exhibits, each including living animals, will serve as "trailheads" for each of the Zoo's existing and proposed exhibit trails (Northern Trail, Oceans Trail, Minnesota Trail, Tropics Trail, Africa Trail). Two major new permanent exhibits will address the public's expressed interest in up close

and personal experiences with active social animals (penguins) and interactive opportunities for the younger "stroller crowd" (the hands-on, play/learn environment "Kid-Zone: the great backyard"). In order to offer a continual rotation of living and museum exhibits, a multi-use special exhibits gallery is also proposed. This will facilitate new marketing and visitor attractions with minimal capital investment. The lower level of the existing main building will be reconfigured and devoted to the Zoo's Education Department, quadrupling the classroom and lab space available for school and other groups, while providing special access and assembly areas for groups.

Prairie's Edge

Minnesota's natural heritage will be celebrated and interpreted by this new complex, which will serve as an introduction to the entire Zoo experience. Dramatic prairie, woodland, and marsh habitats, complete with iconic wildlife (trumpeter swan, bison, and prairie dog) will lead guests from newly reconfigured parking lots, designed to demonstrate best environmental management practices, directly into the heart of the Zoo. An overview of all of Minnesota's natural resources, together with the stewardship role of the Department of Natural Resources (DNR) and private natural resource/conservation organizations, will be highlighted as visitors enter the zoo through these habitat vignettes. In addition to providing an immediate immersion into a wildlife environment, the Prairie's Edge will significantly improve access, services, and orientation for the Zoo's millions of guests.

Africa Trail

The zoo's original master plan envisaged a major exhibit of African animals, and after 27 years this remains the development most desired by our guests, and the one that holds the greatest promise for significantly increasing Zoo attendance. The updated Master Plan proposes a dramatic new indoor/outdoor complex of exhibits, where guests will be immersed in a simulated African environment featuring chimpanzees, hippos, giraffes, lions, cheetahs, crocodiles, and other species. Linkages to research programs at the University of Minnesota and conservation programs in Africa will be integral to the development, as will new revenue generating facilities including food service and group rental spaces.

Zoo Master Plan Design/Construction**Impact on Agency Operating Budgets (Facilities Notes)**

The additional exhibits and buildings to be constructed as envisioned in the Master Plan will require additional expenditures for employees and operations at the Zoo.

Previous Appropriations for this Project

The 2005 legislature appropriated \$20.6 million for the first project, "Gateway to the North: Bears of the Ussuri."

Other Considerations

Past capital additions to the Zoo since the original construction have been funded in part or completely by contributions from the private sector. The Zoo envisions that the Zoo Foundation will undertake a major fund raising effort in support of the completion of this major development and renewal at the Zoo.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$13 million for the implementation of the Zoo's Master Plan. Of this, \$3 million is for enhancement of the Gateway to the North project and \$10 million is for design and construction of components of the Biodiversity Center. Also included are budget planning estimates of \$5 million in 2008 and \$45.942 million in 2010.

Zoological Gardens

Zoo Master Plan Design/Construction

Project Detail

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	2,297	5,000	5,000	6,418	18,715
4. Project Management	873	4,600	0	0	5,473
5. Construction Costs	16,870	32,400	0	70,094	119,364
6. One Percent for Art	100	100	0	100	300
7. Relocation Expenses	0	700	0	644	1,344
8. Occupancy	500	1,600	0	1,750	3,850
9. Inflation	0	3,996	0	12,878	16,874
TOTAL	20,640	48,396	5,000	91,884	165,920

CAPITAL FUNDING SOURCES	Prior Years	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
State Funds :					
G.O Bonds/State Bldgs	20,640	16,000	5,000	45,942	87,582
State Funds Subtotal	20,640	16,000	5,000	45,942	87,582
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	32,396	0	45,942	78,338
Other	0	0	0	0	0
TOTAL	20,640	48,396	5,000	91,884	165,920

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2006-07	FY 2008-09	FY 2010-11	TOTAL
Compensation -- Program and Building Operation	0	121	1,659	1,780
Other Program Related Expenses	0	174	481	655
Building Operating Expenses	0	17	732	749
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	312	2,872	3,184
Revenue Offsets	0	<243>	<2,265>	<2,508>
TOTAL	0	69	607	676
Change in F.T.E. Personnel	0.0	3.5	32.0	35.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	16,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011