

| Project Title                   | 2008 Agency Priority Ranking | Agency Project Request for State Funds (\$ by Session) |          |          |           | Governor's Recommendations 2008 | Governor's Planning Estimate |         |
|---------------------------------|------------------------------|--|----------|----------|-----------|---------------------------------|------------------------------|---------|
|                                 |                              | 2008   | 2010     | 2012     | Total     |                                 | 2010                         | 2012    |
| Asset Preservation              | 1                            | \$15,000   | \$10,000 | \$10,000 | \$35,000  | \$7,500                         | \$7,500                      | \$7,500 |
| Master Plan Design Construction | 2                            | 15,000   | 50,000   | 15,000   | 80,000    | 0                               | 0                            | 0       |
| <b>Total Project Requests</b>   |                              | \$30,000   | \$60,000 | \$25,000 | \$115,000 | \$7,500                         | \$7,500                      | \$7,500 |

### Agency Profile At A Glance

#### Zoo Information:

- ◆ Over one million guests
- ◆ Approximately 50,000 Minnesotans reached by the Zoomobile each year
- ◆ Over 2,500 animals in a diverse collection
- ◆ Over 36 endangered species housed at the zoo
- ◆ Over 1,000 volunteers donate over 92,000 hours annually
- ◆ Over 320,000 participants in education programs annually

#### 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, becoming one of the top ten zoos in the United States

#### 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, and study of wild and domestic animals.

The mission of the Zoo is to connect people, animals and the natural world. To accomplish this, the Zoo provides award-winning **education, recreation, and conservation programs**. The Zoo belongs to the people of Minnesota and its facilities and programs are accessible to all Minnesotans.

The Zoo partners with the Minnesota Zoo Foundation, whose purpose is to raise contributed income from individuals, corporations, and foundations to support the Zoo and its mission. The Foundation also conducts the annual Beastly Ball and other events whose net income support conservation and educational activities.

#### Core Functions

The Zoo provides opportunities for Minnesotans and out-of-state guests 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.
- ◆ Animals are being 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. Private funds raised by the Zoo Foundation built – and provide ongoing operations support for – the award-winning Wells Fargo Family Farm. The Zoo's retail and food service partners have invested over \$6 million in capital improvements throughout the Zoo. The Zoo is managed to meet and exceed the accreditation standards of the American Zoo and Aquarium Association

(AZA), as well as the regulatory requirements of the United States Department of Agriculture (USDA).

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.
- ◆ Exhibits contain engaging graphics detailing information on animals, their habits, and habitats.
- ◆ Outreach is provided through Zoomobile programs in schools and communities and web-based information and interactive programming for those who are unable to visit the Zoo.
- ◆ Zoo programming has been provided to pediatric patients at the Mayo Clinic through an active partnership with the Clinic.
- ◆ Curricula have been developed to help teachers meet required standards and a web-based game has been developed to help teach genetics."
- ◆ 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 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 guests come to the Zoo annually, a figure few zoos in the country match.
- ◆ New and exciting exhibits are developed as funding is available. Currently, work was completed to renovate the Minnesota Trail (2007) and work is underway to create a new major exhibit called "Russia's Grizzly Coast" (2008).
- ◆ Studies conducted as part of the Master Plan process, recent "Secret Shopper" reports and the most recent guest survey indicate that guests

have a largely positive view of the Zoo and the emphasis on animal viewing experiences in a naturalistic setting.

- ◆ Zoo guests have the opportunity to view live animal shows featuring our dolphins and bird collections. The Farm allows guests to feed and brush goats, along with viewing milking demonstrations.
- ◆ The Zoo hosts a summer concert series that is consistently rated the top outdoor venue in the Metropolitan area.

The Zoo is dedicated to delivering **conservation programs** locally, nationally and internationally. 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 24 AZA Species Survival Plans. The Zoo supports AZA studbook keepers for ten species.
- ◆ Conservation staff continue to coordinate worldwide tiger conservation programs by: working with the Chinese government to plan reintroduction and recovery program for South China tigers; initiating field programs to sustain and increase populations of Amur Leopards in the Russian Far East (in connection with the Zoo's new Russian's Grizzly Coast exhibit); and participating in the reintroduction of Asian Wild Horses in Mongolia.
- ◆ Within Minnesota the Zoo has a long history of participating in the successful reintroduction of Trumpeter Swans (in cooperation with the Department of Natural Resources).

## Key Measures

### Education Programs

- ◆ Over 320,000 participants are served through Zoo education programs annually, making the Zoo the largest environmental learning center in the state.
- ◆ More than 94,800 K-12 students from approximately 1,700 schools visit the Zoo annually.
- ◆ Participant reviews are used to evaluate the overall effectiveness and efficiency of the Education Programs unit in fulfilling its mission of conservation education.

- ◆ Teacher Focus Groups are used to evaluate existing programs and provide direction for new programming.
- ◆ The Zoomobile has traveled over 30,000 miles bringing programs to over 49,000 people. Goal is to increase people participating in Zoomobile outreach programs by 2,000 over FY 2008-09.

#### Recreation Programs

- ◆ All Zoo facilities are kept clean with attention to aesthetics to enhance the guest experience.
- ◆ Design, construction, and repairs to exhibits ensure that the collection is provided with safe and environmentally adequate surroundings.
- ◆ Surveys are utilized to determine the effectiveness of marketing efforts and guest satisfaction with the collection, programs, and facilities. The goal is to improve ratings in a minimum of three surveyed items.
- ◆ Marketing plans are developed to focus on education and conservation efforts while generating interest and the attendance necessary to make budgetary goals. The goal is to increase attendance by ten percent by the end of the FY 2008-09 biennium.
- ◆ Goals are established to assure growth in revenue. Earned income and corporate partnerships help to support the mission of the Zoo. The goal is to increase membership by 25 percent from FY 2007 to end of FY 2009.

#### Conservation Programs

- ◆ 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 strategic plan is utilized to define, prioritize, and guide the Zoo's local and international conservation goals.
- ◆ A collection 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.
- ◆ The Zoo maintains accreditation from the AZA under their increasingly rigorous standards.

#### 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 guests at the Zoo, and contributions from the private sector. In the past 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 percent of the total operating budget. In FY 2007 the state appropriation was approximately 39 percent of the total operating budget.

The Minnesota Zoo Foundation, with the support of the MZB, is using recently appropriated state bond funds as leverage to launch a comprehensive campaign for private capital and operating funds.

Approximately 216 people are permanent full, part-time or intermittent employees. During the peak summer months the Zoo adds a large number of part-time and temporary employees and student interns to handle the increased operation needs. They bring the full-time number to 244.

#### Contact

Peggy Adelman, Chief Financial Officer  
Minnesota Zoo  
Phone: (952) 431-9309  
Email: [Peggy.Adelman@state.mn.us](mailto:Peggy.Adelman@state.mn.us)

The Minnesota Zoo website at [www.mnzoo.com](http://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 (Russia's Grizzly Coast) 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/Visitor/Environmental Education Center complex by May 2011.
- ◆ Use state funds to leverage private contributions for capital additions and improvements to the Zoo.
- ◆ Exhibit animals and provide experiences that meet guest expectations.
- ◆ Position the Zoo as an 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

Pursuant to direction from 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 Board commissioned a Facilities Master Plan process. The Master Plan, adopted in October 2001, has guided the Zoo's approach to capital investment. The Master 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, a full state agency, receives less than 38 percent of its annual operating budget from the biennial state appropriation. This is down from historical levels of 60 percent state support in the 1980s. The Zoo has aggressively increased both contributed and earned income to adjust to this decline in public funding, but it places the organization in a situation where attendance — the driving force behind much of its revenue generation — becomes an increasingly critical variable. The state has recently invested in the infrastructure and exhibit renewal of the Zoo, which has and will continue to generate greater attendance and community awareness of the Zoo.

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 revenues 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.

Until recently, the attendance trend for the Minnesota Zoo had been in decline. In FY 2005, attendance rebounded, due in part to an engaging new exhibit (lemurs). This reversal has been sustained with continued capital investment in new attractions. In 2006, **Africa, Summer on the Savanna** temporarily exhibited animals with proven public appeal. The opening of the refurbished **Minnesota Trail** in 2007 has elicited positive response and increased attendance. Improvements to the Zoo will continue, with the appropriation in FY 2005 of \$20.46 million to build **Russia's Grizzly Coast** and an additional \$7.5 million in FY 2006 that will fund a renovation of the Zoo's **Central Plaza**. The Zoo — using the strong show of public support demonstrated by the capital investment as leverage — has begun a major private fundraising effort to continue the revitalization of our exhibits and public amenities.

**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 28 years. Over one million guests 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 received in the past two bonding bills have addressed the deterioration of several of the Zoo's older public facilities, including its Minnesota Trail and replacement of the main chiller for the Zoo. The Zoo continues to have a list of over \$30 million in asset preservation needs.

In the Fall of 2006, the city of Eagan identified a water inflow and infiltration problem at the Zoo. The Zoo has undertaken a comprehensive water management study to address this issue, along with other challenges on the Zoo site. Recommendations will be received in the Fall of 2007. The Zoo has sought and will continue to seek state asset preservation funding to address this major infrastructure deficiency.

**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.

The Board has developed 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 zoos in the United States. Our current request for \$15 million in new capital funds will — in combination with anticipated private fundraising — enable the Zoo to continue its current momentum toward that goal.

The Zoo's infrastructure is nearly 30 years old. While the recent \$7.5 million Asset Preservation appropriations have been very helpful in beginning to address infrastructure needs, there continues to be a significant un-met need. Based upon the Department of Administration guidelines for asset preservation, and an analysis of institutional priorities, the Zoo Board authorized our current Asset Preservation request of \$15 million which would permit the Zoo to aggressively tackle the backlog of major maintenance items and address the inflow/infiltration issue.

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, along with the strategic plan, guest evaluations and comments regarding the current condition of the facilities and future exhibit additions.

**Major Capital Projects Authorized in 2006 and 2007**

2006 Projects: Asset Preservation was funded at \$7.5 million. Master Plan projects received an appropriation of \$7.5 million.

2007 Projects: The bonding bill which was not enacted contained an appropriation of \$1.526 million to begin to address the inflow /infiltration problem at the Zoo.

**Asset Preservation****2008 STATE APPROPRIATION REQUEST:** \$15,000,000**AGENCY PROJECT PRIORITY:** 1 of 2**PROJECT LOCATION:** Apple Valley**Project At A Glance**

Minnesota Zoological Garden Asset Preservation of \$15 million

**Project Description**

State funding of \$15 million is requested to repair, replace, and renew facilities at the Minnesota Zoological Garden (the Zoo).

The Zoo is celebrating its 30<sup>th</sup> anniversary in 2008. 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
- ◆ Significant water management 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
- ◆ Exhibit renewal

This request covers approximately 19 project areas ranging in estimated cost from \$25,000 (mechanical projects in one building) to \$2.5 million (water management and sanitary sewer corrections). The water issues were first presented and discussed during the 2007 legislative session and remain a top priority. Other projects include such items as insulation repair/replacement, skylight replacement in the Tropics, parking lot and road repairs, elevator work needed for code compliance, fencing and numerous heating, ventilation, and air conditioning (HVAC) projects.

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.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will preserve the assets 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 experience a dated, deteriorating facility and attendance and revenues will decrease. Delayed repairs are likely to increase in cost the longer they are postponed. When funds are used to replace outdated equipment with more efficient models, operating costs may actually decrease.

**Previous Appropriations for this Project**

The legislature appropriated \$7.5 million for the asset preservation needs of the Zoo facility during the 2006 session, \$2 million in the 2005 session and \$3 million in 2002 session. Projects funded from these appropriations include:

- ◆ Replacement of a chiller in the main building
- ◆ Air handling work in the animal hospital
- ◆ Replacement and repair of decking and railing on main lake bridge
- ◆ Expansion and upgrades of fire detection system
- ◆ Renewal of the Minnesota Trail exhibit
- ◆ Replacement of damaged sidewalks, pathways and curbing
- ◆ Repair and replacement of mechanical systems insulation
- ◆ Duct cleaning and repair
- ◆ Renewal of Tropics Sun Bear exhibit
- ◆ Repair and replacement of the perimeter fence

**Asset Preservation****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 the 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.

**Project Contact Person**

Peggy Adelmann  
Chief Financial Officer  
13000 Zoo Boulevard  
Apple Valley, Minnesota 55124  
Phone: (952) 431-9309  
Fax: (952) 431-9211  
Email: [peggy.adelmann@state.mn.us](mailto:peggy.adelmann@state.mn.us)

**Governor's Recommendations**

The governor recommends general obligation bonding of \$7.5 million for this project. Also included are budget planning estimates of \$7.5 million in 2010 and \$7.5 million in 2012.



# Zoological Gardens

## Asset Preservation

# Project Detail

(\$ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years   | FY 2008-09    | FY 2010-11    | FY 2012-13    | TOTAL         |
|--|---------------|---------------|---------------|---------------|---------------|
| 1. Property Acquisition                              | 0             | 0             | 0             | 0             | 0             |
| 2. Predesign Fees                                    | 0             | 0             | 0             | 0             | 0             |
| 3. Design Fees                                       | 550           | 200           | 100           | 100           | 950           |
| 4. Project Management                                | 300           | 550           | 400           | 400           | 1,650         |
| 5. Construction Costs                                | 11,568        | 13,700        | 9,450         | 9,450         | 44,168        |
| 6. One Percent for Art                               | 0             | 0             | 0             | 0             | 0             |
| 7. Relocation Expenses                               | 0             | 0             | 0             | 0             | 0             |
| 8. Occupancy   | 82            | 550           | 50            | 50            | 732           |
| 9. Inflation   | 0             | 0             | 0             | 0             | 0             |
| <b>TOTAL</b>   | <b>12,500</b> | <b>15,000</b> | <b>10,000</b> | <b>10,000</b> | <b>47,500</b> |

| CAPITAL FUNDING SOURCES       | Prior Years   | FY 2008-09    | FY 2010-11    | FY 2012-13    | TOTAL         |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| State Funds :                 |               |               |               |               |               |
| G.O Bonds/State Bldgs         | 12,500        | 15,000        | 10,000        | 10,000        | 47,500        |
| <b>State Funds Subtotal</b>   | <b>12,500</b> | <b>15,000</b> | <b>10,000</b> | <b>10,000</b> | <b>47,500</b> |
| 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             |
| <b>TOTAL</b>                  | <b>12,500</b> | <b>15,000</b> | <b>10,000</b> | <b>10,000</b> | <b>47,500</b> |

| CHANGES IN STATE<br>OPERATING COSTS            | Changes in State Operating Costs (Without Inflation) |            |            |          |
|--|--|------------|------------|----------|
|  | FY 2008-09   | FY 2010-11 | FY 2012-13 | 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        |
| <b>TOTAL</b>                                   | <b>0</b>   | <b>0</b>   | <b>0</b>   | <b>0</b> |
| Change in F.T.E. Personnel                     | 0.0  | 0.0        | 0.0        | 0.0      |

| SOURCE OF FUNDS<br>FOR DEBT SERVICE<br>PAYMENTS<br>(for bond-financed<br>projects) | Amount | Percent<br>of Total |
|--|--------|---------------------|
| General Fund   | 15,000 | 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. |   |
| No  | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)  |
| No  | MS 16B.335 (3): Predesign Review Required (by Administration Dept)      |
| Yes   | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements         |
| No  | 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 2013                                |

## Master Plan Design Construction

**2008 STATE APPROPRIATION REQUEST:** \$15,000,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Apple Valley

#### Project At A Glance

- ◆ This request is for \$15 million in state funds for planning, design, and construction of the next phase of the Zoo's Master Plan: the renovation and expansion of the Zoo's entry and main building, to be called the "Northwoods Wander" Visitor Center and Environmental Education Center.
- ◆ 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 augmented by significant private funds. The Zoo has launched a comprehensive campaign for private funding called "The Heart of the Zoo."

#### Project Description

This request is for \$15 million which, together with private funds, will finance the design and construction of the next 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 new entry and Visitor 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 29 years old, and with significant advances in zoological and informal education facility design that have occurred over the last quarter century, the Minnesota Zoo has begun 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 and has been used to direct the Zoo's decision-making.

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. The Zoo must continue to 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.

Enhancements proposed in the Master Plan will improve the experience for all visitors and will specifically improve accessibility for seniors, disabled, 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 document was completed and adopted by the Zoo Board in 2001. The major projects, and their status of development, are described below:

## Master Plan Design Construction

- ◆ Russia's Grizzly Coast (funded, projected opening 2008) is a state of the art exhibit featuring grizzly bears, sea otters, wild boar and Amur leopards.
- ◆ Central Plaza (first phase to reopen 2008), is the gateway to Russia's Grizzly Coast, the Northern Trail and the Wells Fargo Family Farm. It provides an interactive water fountain, covered seating, improved food service and an amphitheater for animal demonstrations and entertainment. Future plans include a Forest Adventure Playground.
- ◆ Northwoods Wander, Visitor Center and Environmental Education Center (this request, along with private funds from the Heart of the Zoo campaign will fund these projects) includes the North Woods Wander and the new Zoo Visitor Center which will create a gracious welcoming experience to the Zoo, showcasing the natural beauty and wildlife of the Minnesota landscape while providing improved and expanded amenities for more than one million guests each year.
  - ⇒ As guests enter the Zoo, they will walk past seasonal wildflower displays and a wetland habitat for Sandhill Cranes. In contrast to the current long gauntlet of concrete, the North Woods Wander Entry will establish an immediate connection between Zoo guests, wildlife and wild places.
  - ⇒ The Visitor Center will be a spacious, light-filled gallery where guests can quickly learn about the offerings of the Zoo. It will include additional space available for after-hours events, dramatically improving the Zoo's ability to generate earned revenue and better serve our guests.
  - ⇒ The new Education Center will increase educational program capacity three-fold. The Zoo Education Department functions will be centralized and a teacher resource area will be added. School groups will be able to enter the zoo separately from other guests and the area will provide storage lockers, lunch space and new classrooms. One classroom will support early childhood education programs.
  - ⇒ To continually and immediately immerse Zoo guests in the world of animals, the Visitor Center will include exhibits of three active, social species: meerkats, Japanese macaques (snow monkeys) and penguins of the African Coast.

- ◆ Africa Trail (future fundraising campaign), was first envisaged in the zoo's original master plan, as a major exhibit of African animals. After 29 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.

**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. It should also provide an opportunity for increased revenue.

**Previous Appropriations for this Project**

The legislature appropriated \$20.6 million in 2005 and an additional \$7.5 million in 2006 for the first project, Russia's Grizzly Coast and the Central Plaza.

**Other Considerations**

Success of the privately funded Wells Fargo Family Farm and spurred by the state's recent commitment of capital support, the Zoo Board and Foundation trustees have undertaken a comprehensive campaign, "Heart of the Zoo." Funds raised by this campaign will supplement the state funds for this project.

**Master Plan Design Construction****Project Contact Person**

Peggy Adelman  
Chief Financial Officer  
13000 Zoo Boulevard  
Apple Valley, Minnesota 55124  
Phone: (952) 431-9309  
Fax: (952) 431-9211  
Email: [peggy.adelman@state.mn.us](mailto:peggy.adelman@state.mn.us)

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

# Zoological Gardens

## Master Plan Design Construction

# Project Detail

(\$ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years   | FY 2008-09    | FY 2010-11    | FY 2012-13    | TOTAL          |
|--|---------------|---------------|---------------|---------------|----------------|
| 1. Property Acquisition                              | 0             | 0             | 0             | 0             | 0              |
| 2. Predesign Fees                                    | 0             | 0             | 0             | 0             | 0              |
| 3. Design Fees                                       | 2,600         | 3,000         | 4,300         | 1,200         | 11,100         |
| 4. Project Management                                | 1,000         | 900           | 1,100         | 300           | 3,300          |
| 5. Construction Costs                                | 23,890        | 20,000        | 43,000        | 13,000        | 99,890         |
| 6. One Percent for Art                               | 100           | 100           | 100           | 100           | 400            |
| 7. Relocation Expenses                               | 0             | 1,000         | 0             | 0             | 1,000          |
| 8. Occupancy   | 550           | 1,000         | 1,500         | 400           | 3,450          |
| 9. Inflation   | 0             | 4,825         | 0             | 0             | 4,825          |
| <b>TOTAL</b>   | <b>28,140</b> | <b>30,825</b> | <b>50,000</b> | <b>15,000</b> | <b>123,965</b> |

| CAPITAL FUNDING SOURCES       | Prior Years   | FY 2008-09    | FY 2010-11    | FY 2012-13    | TOTAL          |
|-------------------------------|---------------|---------------|---------------|---------------|----------------|
| State Funds :                 |               |               |               |               |                |
| G.O Bonds/State Bldgs         | 28,140        | 15,000        | 50,000        | 15,000        | 108,140        |
| <b>State Funds Subtotal</b>   | <b>28,140</b> | <b>15,000</b> | <b>50,000</b> | <b>15,000</b> | <b>108,140</b> |
| 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             | 15,825        | 0             | 0             | 15,825         |
| Other                         | 0             | 0             | 0             | 0             | 0              |
| <b>TOTAL</b>                  | <b>28,140</b> | <b>30,825</b> | <b>50,000</b> | <b>15,000</b> | <b>123,965</b> |

| CHANGES IN STATE<br>OPERATING COSTS            | Changes in State Operating Costs (Without Inflation) |            |              |              |
|--|--|------------|--------------|--------------|
|  | FY 2008-09   | FY 2010-11 | FY 2012-13   | TOTAL        |
| Compensation -- Program and Building Operation | 0  | 139        | 3,239        | 3,378        |
| Other Program Related Expenses                 | 0  | 0          | 0            | 0            |
| Building Operating Expenses                    | 0  | 59         | 394          | 453          |
| 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  | 198        | 3,633        | 3,831        |
| Revenue Offsets                                | 0  | 0          | <2,143>      | <2,143>      |
| <b>TOTAL</b>                                   | <b>0</b>   | <b>198</b> | <b>1,490</b> | <b>1,688</b> |
| Change in F.T.E. Personnel                     | 0.0  | 2.0        | 33.0         | 35.0         |

| SOURCE OF FUNDS<br>FOR DEBT SERVICE<br>PAYMENTS<br>(for bond-financed<br>projects) | Amount | Percent<br>of Total |
|--|--------|---------------------|
| General Fund   | 15,000 | 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         |
| No  | 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 2013                                |