

Zoological Gardens

Projects Summary
(\$ in Thousands)

Project Title	2010 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2010	2012	2014	Total		2010	2012
Master Plan	1	\$18,000	\$23,333	\$5,333	\$46,666	\$15,000	\$15,000	\$15,000
Asset Preservation/ Exhibit Renewal	2	15,000	15,000	15,000	45,000	6,000	6,000	6,000
Total Project Requests		\$33,000	\$38,333	\$20,333	\$91,666	\$21,000	\$21,000	\$21,000

Agency Profile At A Glance

Zoo Information:

- ◆ Over 1.3 million guests
- ◆ Approximately 44,000 Minnesotans reached by the Zoomobile each year
- ◆ Over 2,900 animals in a diverse collection
- ◆ Over 36 endangered species housed at the zoo
- ◆ Over 1,000 volunteers donate over 99,000 hours annually
- ◆ Over 330,000 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 supports 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 and the new Woodland Adventure Playground. 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 1.3 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. Most recently, work was completed to renovate the Minnesota Trail (2007) and "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 a 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); participating in the reintroduction of Asian Wild Horses in Mongolia; and work in Africa on black rhinos in partnership with The Nature Conservancy.
- ◆ 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). Recent efforts in Minnesota include support of the Big Stone Wildlife Refuge Butterfly Survey, assisting in the Canadian Lynx Field Census and radio tracking; bobcat ecology and breeding habitat and radio collaring moose in Voyageurs National Park.

Key Measures

Education Programs

- ◆ Over 330,000 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 43,500 people. Goal is to increase people participating in Zoomobile outreach programs by 2,000 over FY 2009.

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 maintain the record breaking attendance of FY 2009.
- ◆ 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 maintain the record breaking number of members established in 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 2010 the state appropriation will be approximately 32 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.

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The Minnesota Zoo website 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.
- ◆ Update and renew existing exhibit areas to provide engaging animal experiences and educational opportunities.
- ◆ Improve guest experience, revenue generation and education programming capacity by developing the new Entry/Visitor/Environmental Education Center complex with Phase I completed by May 2012.
- ◆ 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 32 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 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.

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 and 2009, ***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. 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 helped to fund a renovation of the Zoo's **Central Plaza**, the Zoo experienced record-breaking attendance and membership in FY2009. 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 its 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. Over 1.3 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.

Many of 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. The Zoo has systematically been adding and improving exhibits, but we still have a number of dated exhibits that must be refreshed and renewed. These include areas like the Tropics Nocturnal area, Coral Reef and areas of the Northern Trail. In addition, much of the infrastructure of the original zoo needs replacement or significant repair. Funding in 2008 has helped us begin to address water/plumbing and sewer issues. However, we have a number of needs in electrical, concrete, heating and cooling, and other basic infrastructure needs. Existing facilities continue to need attention, including major roof repairs, roads, pathways and parking areas. The Zoo continues to have a list of over \$30 million in asset preservation and exhibit renewal needs.

The next major project in our Master Plan is to create a new entry for the Zoo, along with expanding and consolidating our education programs into one primary area. In addition, the plan includes adding a penguin exhibit, refurbishing the snow monkey exhibit, bringing back meerkats and adding guest amenities. Our current entryway does not accommodate the increased number of visitors. We are proposing a phased approach to this project. Because much of this major project requires addressing some of the infrastructure issues identified above, we hope to coordinate asset preservation projects with the Master Plan project. We are hoping to avoid

needing to address critical infrastructure issues only to have to come back in a few years and re-do them due to the timing of funding for the Master Plan.

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 \$30 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 over 30 years old. While the recent Asset Preservation appropriations have been very helpful in beginning to address infrastructure needs, there continues to be a significant unmet need. Based upon 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.

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 2008 and 2009

2008 Projects: Asset Preservation was funded at \$2.0 million, including funding to address inflow and infiltration issues.

2009 Projects: \$3.0 million for asset preservation and exhibit renewal.

Master Plan

2010 STATE APPROPRIATION REQUEST: \$18,000,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION: Apple Valley, MN

Project At A Glance

\$18 million in state funds for 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 "Heart of the Zoo" entry, Visitor Center and Environmental Education Center. This request is for Phase 1. When complete, the Heart of the Zoo 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 \$18 million which, together with private funds, will finance the 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 the public funding portion for phase 1 of the Zoo's proposed "Heart of the Zoo" entry, Visitor Center and Environmental Education Center project.

With much of the Zoo now more than 31 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 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. In 2005, the Zoo adopted a ten-year Strategic Plan that incorporated the facility improvement concepts developed in the Master Plan.

Already the state's largest environmental education center, 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. As Zoo attendance continues to expand (it has grown by 42 percent between FY 2005 and FY 2009), better provisions for greeting, orienting and managing larger audiences must be developed. Enhancements proposed in the Master Plan will improve the experience for all visitors and will target improved accessibility for seniors, disabled, and young 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.

Given the large scale and vital location of the "Heart of the Zoo" project, we are proposing a phased approach to its implementation. The FY 2010 request would provide partial funding to construct Phase I, which includes the new Environmental Education Center, a new lower level entry, a new indoor Zoo Theater (replacing the abandoned and derelict former whale exhibit) and a Penguin exhibit. Our request would also fund design of Phases 2 and 3, but if implementation of these future phases is delayed or deferred, Phase 1 will stand on its own as a significant and critical improvement to the Zoo.

- ◆ The new Education Center (a renovation of the outmoded and insufficient Education Wing) will increase educational program capacity and provide specialized learning spaces tailored to specific purposes, such as Early Childhood education. The Zoo's 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 Center will provide storage lockers, lunch space, restrooms and new classrooms.
- ◆ To immediately immerse Zoo guests in the world of animals, Phase 1 will include an African Black-footed Penguin exhibit. This species has been chosen for its conservation status and high public appeal, and will be displayed in an innovative environment.

Master Plan

- ◆ A new indoor theater that will continue as the winter home for the popular World of Birds show, while providing space for additional animal interpretation and performance space. The current indoor theater is in need of major renovation, and an alternative space--within the footprint of the existing main building--has been identified as an optimal location to develop an improved educational theater.

Much of the work proposed in the "Heart of the Zoo" project will reuse or creatively expand on the Zoo's existing Main Building and adjacent landscapes. As the current facilities approach 35 years in age, there are significant asset preservation needs that have been identified (in excess of \$10 million) simply to keep the existing structure and building systems safe and sound. If instead of simply repairing the building "as is" and the "Heart of the Zoo" project is undertaken as planned, there will be very significant value added in terms of guest experience, energy efficiency and animal management.

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. Sustainable building and site technologies will be integrated into the "Heart of the Zoo" project, with significant operational efficiencies anticipated. Some additional revenue is anticipated as attendance and related income increase as a result of the addition of penguins and improved indoor theater offerings.

Previous Appropriations for this Project

The legislature appropriated \$20.6 million in 2005 and an additional \$7.5 million in 2006 for the first Master Plan projects, Russia's Grizzly Coast and the Central Plaza. Previous submissions have included requests for funds for the "Heart of the Zoo" project (\$16 million in 2006, \$15 million in 2008), but these funds were not appropriated.

Following the 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 fundraising campaign. Funds raised by this campaign have supported planning and design of this project and will supplement the state funds for implementation.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$15 million for this project. Also included are budget planning estimates of \$15 million in each of 2012 and 2014.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	2,337	350	2,640	550	5,877
4. Project Management	235	600	550	275	1,660
5. Construction Costs	0	21,238	26,850	5,350	53,438
6. One Percent for Art	0	100	100	10	210
7. Relocation Expenses	100	175	350	0	625
8. Occupancy	0	1,000	2,000	150	3,150
9. Inflation	0	1,234	5,528	1,666	8,428
TOTAL	2,672	24,697	38,018	8,001	73,388

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,066	18,000	23,333	5,333	47,732
State Funds Subtotal	1,066	18,000	23,333	5,333	47,732
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	1,606	6,697	14,685	2,668	25,656
Other	0	0	0	0	0
TOTAL	2,672	24,697	38,018	8,001	73,388

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
Compensation -- Program and Building Operation	65	553	553	1,171
Other Program Related Expenses	51	94	94	239
Building Operating Expenses	57	361	361	779
Building Repair and Replacement Expenses	2	39	39	80
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	175	1,047	1,047	2,269
Revenue Offsets	0	<1,094>	<1,094>	<2,188>
TOTAL	175	-47	-47	81
Change in F.T.E. Personnel	1.5	6.2	6.2	13.9

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	18,000	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)
No	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)
No	MS 16A.642: Project Cancellation in 2015

Asset Preservation/ Exhibit Renewal

2010 STATE APPROPRIATION REQUEST: \$15,000,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION: Apple Valley, MN

Project At A Glance

Minnesota Zoological Garden Asset Preservation and Exhibit Renewal 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 opened 31 years ago, and many of the original facilities are still in use and are in need of repair, replacement, and renewal. Over \$30 million in needs have been identified. This request is for half of that total, based on institutional priorities and the logistics of conducting multiple projects over a two year period. These priorities include, but are not limited to:

- ◆ safety hazards and code compliance issues;
- ◆ addressing significant water management issues;
- ◆ roof repairs and replacements;
- ◆ fence replacement;
- ◆ 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; and
- ◆ exhibit renewal, specifically the former Tropics Nocturnal area and the Coral Reef.

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, now ten years old, 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, which has reduced resources available for programs. Recent asset preservation appropriations have allowed the Zoo to begin to address the backlog of deferred maintenance items, but as the facility ages newly-identified and increasingly critical infrastructure and exhibit deficiencies need to be corrected.

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 will 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

\$3 million was appropriated during the 2009 session, \$2 million in 2008, \$7.5 million in 2006, \$2 million in 2005, and \$3 million in 2002 for asset preservation needs of Zoo facilities. Projects funded from these appropriations include:

- ◆ replacement of the chiller for the main building complex;
- ◆ approximately half of the identified needs for roof repair/replacement;
- ◆ inflow and infiltration infrastructure issues;
- ◆ bison holding shelter area repair;
- ◆ elevator replacement;
- ◆ 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;

Asset Preservation/ Exhibit Renewal

- ◆ air handling duct cleaning and repair;
- ◆ renewal of Tropics Sun Bear exhibit; and
- ◆ repair and replacement of portions of the perimeter fence.

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. The Zoo is unique in that among our primary physical assets are exhibits of living animals and plants. In many instances, techniques of animal husbandry and display and public interpretation have advanced significantly since the inception of the Zoo, and renovation and renewal of these exhibits are a top priority for the institution. In some instances, such renewal is necessary to retain industry accreditation and meet regulatory requirements. Exhibit renewal can also be leveraged to maintain or increase attendance.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$6.0 million for this project. Also included are budget planning estimates of \$6.0 million in each of 2012 and 2014.

Zoological Gardens

Project Detail

Asset Preservation/ Exhibit Renewal

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	450	400	500	1,350
4. Project Management	0	350	350	400	1,100
5. Construction Costs	0	13,900	14,000	13,500	41,400
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	300	250	600	1,150
9. Inflation	0	0	0	0	0
TOTAL	0	15,000	15,000	15,000	45,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2010-11	FY 2012-13	FY 2014-15	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	15,000	15,000	15,000	45,000
State Funds Subtotal	0	15,000	15,000	15,000	45,000
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	0	15,000	15,000	15,000	45,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2010-11	FY 2012-13	FY 2014-15	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	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
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	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)
No	MS 16A.642: Project Cancellation in 2015