

(\$ in thousands)

Project Title	Rank Fund		Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2018	2020	2022	2018	2020	2022
Revitalize the Zoo	1	GO	21,000	0	0	21,000	0	0
Asset Preservation	2	GO	13,750	0	0	13,750	13,750	13,750
Total Project Requests			34,750	0	0	34,750	13,750	13,750
General Obligation Bonds (GO) Total			34,750	0	0	34,750	13,750	13,750

www.mnzoo.org

AT A GLANCE

- A world-class conservation venue that is home to over 4,800 animals—many endangered
- 485 acre campus with 121 buildings and related facilities
- 1.35 million visitors annually
- The State’s largest environmental educator with more than 500,000 participants in FY17
- \$146 million annual economic impact, supporting over 1,700 jobs
- The Free to Explore Program provides free admission to economically disadvantaged Minnesotans in all 87 counties
- 11,000 free student admissions through Zoo Safari

PURPOSE

The mission of the Minnesota Zoological Garden (Minnesota Zoo) is **to connect people, animals and the natural world to save wildlife.**

The Minnesota Zoo is one the State’s foremost recreation destinations, environmental educators, and conservation leaders. It is also one of only two state-owned and operated zoos in the U.S.

Exhibits include Russia’s Grizzly Coast, Discovery Bay, Medtronic Minnesota Trail, Penguins of the African Coast, Tropics Trail, Northern Trail, and Wells Fargo Family Farm. Guests engage in conservation issues, learn about ecosystems worldwide, and celebrate Minnesota’s natural history. In addition, the Zoo features amenities like Hanifl Family Wild Woods, which promote nature-based play and appreciation for the natural world.

The Minnesota Zoo is engaged in conservation efforts on the Zoo site, throughout Minnesota, and around the world. Through partnerships with other state and federal agencies, the Zoo is leading efforts to save threatened prairie butterfly populations; restore endangered native, freshwater mussel species; and breed/reintroduce pure bison (free from cattle genes) to state parks throughout Minnesota. Zoo guests experience these programs directly through exhibits and interpretation while Zoo staff lead program efforts in the field. Internationally, the Zoo is involved in efforts to save the critically-endangered black rhino, true wild horses, Amur tigers, Asian wild dogs, and more.

The Minnesota Zoo is the state’s largest environmental education center with more than 500,000 people participating in programs each year. The Zoomobile outreach program reached 58,200 people in 50 counties in 2015 while 92,000 students from 63 counties participated in Zoo field trips. Onsite programs led by Zoo naturalists and zookeepers provide guests with conservation-focused education programs that relate directly to the Zoo’s animal collection. The Zoo also offers programs targeted to serve communities with special needs through autism camps, ASL days at the Zoo, and Dream Night (for sick and disabled children).

The Zoo further demonstrates its commitment to access by ensuring that admission is FREE for all Minnesotans who need it to be. The Zoo Access Program ensures that families who qualify for state programs like SNAP, WIC, EBT and more receive free admission to the Zoo every single day. This program is expected to serve more than 180,000 people in 2016. The Zoo also bridges access barriers by providing zoo maps in seven foreign languages, and providing ASL interpreters. The Zoo campus is ADA accessible.

Through these programs and its operations, the Minnesota Zoo contributes to the following statewide outcomes: **a thriving economy that encourages business growth and employment opportunities; Minnesotans have the education and skills needed to achieve their goals; strong and stable families and communities; a clean, healthy environment with sustainable uses of natural resources; and efficient and accountable government services.**

STRATEGIES

The Minnesota Zoo completed a comprehensive strategic planning process in 2015; this plan explicitly acknowledges that the ultimate goal of the Zoo is to save wildlife, here in Minnesota and around the world. John Frawley joined the Minnesota Zoo as its new President and Director in 2016; under this new leadership, the plan is being re-examined to ensure that the Zoo’s critical

role in helping Minnesotans connect with nature and value the natural world is fully represented. Three goals guide the strategic plan:

- Position the Minnesota Zoo as a recognized conservation organization whose purpose is to save wildlife.
- Transform the Minnesota Zoo into a conservation destination that delivers extraordinary guest experiences.
- Develop and implement a sustainable business model for a conservation-focused, 21st-century zoo.

Each goal is supported by strategic objectives that are driving the organization's current operations. Under the first goal, objectives are released to partnership, conservation investment, recognition, and connecting Zoo guests to the Zoo's efforts to save wildlife. The second goal's objectives are focused on the continuous improvement of the campus' offerings and amenities. The third goal's objectives articulate benchmarks for attendance, contributed income, new sources of earned revenue, state investment, and cost containment.

As the Zoo's first and most important partner, the State's significant and ongoing investment is crucial to the Zoo's ability to build on its strengths and continue to be one of the State's premier cultural, education, and conservation institutions.

See Minnesota Statutes Chapter 85A (<https://www.revisor.mn.gov/statutes/?id=85A>) for an overview of the Minnesota Zoo's purpose, organization and authority.

At A Glance

Four goals guide the Minnesota Zoo's strategic plan:

- Deliver extraordinary on and off-site experiences.
- Position the Minnesota Zoo as a trusted conservation organization that saves wildlife.
- Develop a comprehensive approach for activating the Zoo's unique resources for all people to play and explore in the natural world.
- Develop and implement a sustainable business model for a 21st-century zoo.

The Zoo's capital priorities are determined against these strategic goals. The priority projects are designed to:

- meet the needs maintenance needs of a 40-year old facility;
- enhance the guest experience to keep the Zoo on a financially sustainable path; and
- ensure quality animal care and welfare standards for the next 40-years.

The Zoo's capital plan leverages private funding sources whenever possible, in line with the Zoo's business model of being a public / private partnership.

Factors Impacting Facilities or Capital Programs

Four goals guide the Minnesota Zoo's strategic plan:

- Deliver extraordinary on and off-site experiences.
- Position the Minnesota Zoo as a trusted conservation organization that saves wildlife.
- Develop a comprehensive approach for activating the Zoo's unique resources for all people to play and explore in the natural world.
- Develop and implement a sustainable business model for a 21st-century zoo.

All capital projects are determined and prioritized with these strategic goals in mind.

Major factors impacting the Minnesota Zoo's facility and capital projects are:

- **An aging facility.** Minnesota's "New Zoo" is 40 years old. The Zoo has increasing repair needs to maintain the existing site. Such repairs and investments are essential to the safety, security, and well-being of the Zoo's 1.35 million annual guests and 4,800+ animals. Maintaining the Zoo's site is also essential to the Zoo's business in meeting guests' expectations.
- **Guest expectations.** Over half of the Zoo's operating revenue comes from earned income sources such as admissions, membership, and education programs. In order to maintain and grow these revenues, the Zoo must meet increasing guest expectations for exhibit quality, new technology, guest amenities, and animal care. Our guests expect to have extraordinary, new experiences when they visit the Zoo. The Zoo's priority capital projects are chosen with these guest expectations in mind.
- **Animal care and welfare standards.** Standards for animal care and welfare have evolved and increased in the 40 years since the Zoo was built. As a result, some of the Zoo's facilities do not meet current animal care standards. Priority capital projects such as the remodeling of our current animal hospital are designed to bring the Zoo facility up to current standards.

Self-Assessment of Agency Facilities and Assets

The Minnesota Zoo has completed a full Facilities Conditions Assessment (FCA) of the Zoo site, which has identified over \$31 million in asset preservation needs throughout the site, of which \$13 million is included as a part of the Zoo's FY18 asset preservation request. Of that total amount, around 7% is found in buildings or structures that are considered to be in crisis or poor conditions. This assessment is used in setting priorities for large capital and maintenance projects.

Agency Process for Determining Capital Requests

The Zoo strategic goals are the guideposts in selecting priority projects

Capital projects are prioritized through internal discussions with staff, and then are proposed to the Zoo Board. The Minnesota Zoo Board as fiduciary responsibility for the Zoo, and approves the capital project priorities through its oversight and approval of the Zoo's strategic plan. This plan was originally drafted in FY15, and was updated in FY17 after the arrival of the Zoo's new Director and President, John Frawley.

Half of the Zoo Board members are appointed by the Governor, and the others are selected and approved by the Board Governance Committee.

Major Capital Projects Authorized in 2016 and 2017

- Completion of a new space for our Close Encounters Program, which connects Zoo guests with our animals on-site. This project was funding with both public and private funds.
- Opening of the Hanifl Family Wildwoods, which is a large nature-based play area here on site, where children can play and explore in a natural environment.
- Construction of a butterfly conservation breeding facility, paid for by a Federal grant, Environmental Trust Funds, and Zoo operating dollars.
- Numerous maintenance projects, such as the replacement of HVAC systems, insulation, air handling units, obsolete mechanical systems, and water management systems.

Revitalize the Zoo**AT A GLANCE****2018 Request Amount:** \$21,000**Priority Ranking:** 1**Project Summary:** The Minnesota Zoo requests funding to revitalize its 40-year-old, 485-acre campus as part of a new plan focused on renewing exhibits, enhancing animal welfare, and improving the guest experience.**Project Description**

This request is part of the Minnesota Zoo's 10-year plan to revitalize the Zoo's 40 year old campus through the renovation of existing exhibits, buildings, and facilities. The goal of this plan is to ensure that the Zoo's facilities meet quality and safety standards for the next 40 years. This \$21,000,000 request will fund four projects to help the Zoo serve all Minnesotans now and into the future:

- Complete design and phase I construction of the Minnesota Treetop Trail, which repurposes the dilapidated monorail track.
- Convert the closed nocturnal portion of the Tropics Trail into a new immersive exhibit area including a kids' play space.
- Improve the Zoo's accessibility.
- Create a new and engaging meerkat exhibit in the heart of the Zoo, while improving guest amenities.

State bond funds requested for this plan will be accompanied by a private capital campaign for other revitalization projects. The Zoo Foundation currently has efforts underway to raise funding for the revitalization of the farm exhibit and plans to pursue funding to help with the elevated walkway, as well as other projects.

Project Rationale

This funding ensures that the Zoo's 40-year-old, 485-acre campus will continue to meet the needs of its guests and its animal collection for the next 40 years. Most of the projects included in this revitalization address a number of operational needs without adding significant operational costs. Projects in this plan are designed to balance animal welfare concerns with guest experiences at the Zoo.

Over half of the Zoo's operating budget comes from admissions, membership, and other earned income streams. Consequently, the guest experience at the Zoo is a critical part of the Zoo's success. This funding will ensure that the Zoo will continue to be a beloved state asset for decades to come.

Project Timeline

This request is part of a ten-year plan to revitalize the Zoo. Projects that are included in this request would be completed within the four-year timeframe that the funding is available.

Other Considerations

This request supports the Zoo's continued financial success by both addressing the needs of an aging

facility and through supporting continued attendance that is the main revenue driver for the Zoo.

Impact on Agency Operating Budgets

As the Zoo looks to the future, it is important that we continue to be a world-class zoo that serves all Minnesotans. This funding supports the on-going financial stability of the Minnesota Zoo by both addressing the needs of an aging site and improving the guest experience.

Over 50 percent of the Zoo's operating budget comes from gate admissions, membership, education programs, and other earned income streams that are highly correlated with attendance. This funding will improve the guest experience through public facing projects like Heart of the Zoo: Re-imagined (i.e. new meerkat exhibit and improved snow monkey exhibit) and the re-opening of the nocturnal trail which was closed nearly a decade ago.

This revitalization plan is designed to invest in the Zoo's existing facilities and minimize increased operating costs. A few projects will have some operating costs. For example, the redesign of the monorail track into an elevated walkway would require additional building services and grounds keeper hours to maintain. The goal is to offset these costs with increased attendance and revenue at the Zoo.

Description of Previous Appropriations

Laws 2014, Chapter 294, Article 1, Section 11: "\$5 million for the design, renovation, and repair of the upper and lower plazas; for the design and extension of the plaza; and for design of the Heart of the Zoo II project."

Project Contact Person

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Governor's Recommendation

The Governor recommends \$21 million in general obligation bonds for this request.

(\$ in thousands)

Revitalize the Zoo

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	\$ 5,000	\$ 21,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 5,000	\$ 21,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 2,384	\$ 2,612	\$ 0	\$ 0
Project Management	\$ 321	\$ 520	\$ 0	\$ 0
Construction	\$ 2,205	\$ 15,414	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 90	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 2,454	\$ 0	\$ 0
TOTAL	\$ 5,000	\$ 21,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 21,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Asset Preservation**AT A GLANCE****2018 Request Amount:** \$13,750**Priority Ranking:** 2**Project Summary:** This request is for asset preservation dollars to address the issues associated with the Minnesota Zoo's 40-year-old, 485-acre campus.**Project Description**

Asset preservation funding is used to meet the Zoo's most basic and fundamental infrastructure needs. Minnesota's "New Zoo" is now 40 years old, and the campus is rapidly aging. Priorities for this funding include: Tropics Trail aviary mesh and skylights (essential to the welfare of the Zoo's aviary collection), restructuring of the 40-year old moose exhibit (improving animal welfare and guest experience), replacement of the Zoo's 40-year-old deteriorating and obsolete mechanical and life-support systems, and replacement of 40-year-old unsafe bridges and railings in public and in service areas.

Project Rationale

Asset preservation funding is critical to maintain the Zoo, and to ensure the safety and security of both our animals and guests. Asset preservation funding supports the successful operation and functioning of the Zoo in years to come, by ensuring that essential mechanical and heating systems remain working. It also ensures that the Zoo continues to be a safe and fun place to visit. Asset preservation funding is part of how the State of Minnesota shows continued commitment to its Zoo.

Project Timeline

Asset preservation funding will be spent throughout the four-year appropriation.

Other Considerations

Asset preservation funding supports the successful operating and revenue generation of the Minnesota Zoo by providing for needed repairs that support the Zoo's essential systems, such as heat, security, gates, and other mechanical systems. Through asset preservation funding, the Zoo remains a safe, secure, and fun destination for families.

Impact on Agency Operating Budgets

There will be no additional operating costs as a result of these asset preservation funds. In fact, this funding supports the successful, continued operation of the Minnesota Zoo. Over 50% of the Zoo's operating budget is earned through admissions, membership, education, and other programming. Therefore, supporting the guest experience through maintaining the Zoo's campus is essential to its continued operation.

Description of Previous Appropriations

Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 10

Laws of Minnesota, 2014, Chapter 294, Article 1, Section 11

Laws of Minnesota, 2012, Chapter 293, Section 12

Laws of Minnesota 2011, First Special Session, Chapter 12, Section 8
Laws of Minnesota, 2010, Chapter 189, Section 10
Laws of Minnesota, 2009, Article 1, Section 8
Laws of Minnesota, 2008, Chapter 179, Section 11

Project Contact Person

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Governor's Recommendation

The Governor recommends \$13.75 million in general obligation bonds for this request. Also included are budget estimates of \$13.75 million for each planning period for 2020 and 2022.

(\$ in thousands)

Asset Preservation

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	\$ 19,000	\$ 13,750	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 19,000	\$ 13,750	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 2,639	\$ 0	\$ 0
Project Management	\$ 298	\$ 300	\$ 0	\$ 0
Construction	\$ 18,702	\$ 10,811	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment*	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 19,000	\$ 13,750	\$ 0	\$ 0

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 13,750	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	Yes
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	N/A
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	N/A
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A