

Project Title	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
				2004	2006	2008	2004	2006	2008
Zoo Master Plan Design/Construction	1	390	GO	\$48,000	\$0	\$23,000	\$19,000	\$0	\$0
Asset Preservation	2	410	GO	10,000	10,000	10,000	6,000	6,000	6,000

Project Total	\$58,000	\$10,000	\$33,000	\$25,000	\$6,000	\$6,000
General Obligation Bonding (GO)	\$58,000	\$10,000	\$33,000	\$25,000	\$6,000	\$6,000

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

Agency Profile At A Glance

Zoo Information:

- ◆ Approximately 1 million visitors annually
- ◆ Over 103,000 school children visit annually
- ◆ The Zoomobile brings the Zoo to about 50,000 Minnesotans each year
- ◆ Over 2,500 animals in the diverse collection
- ◆ Collection includes 13 species on the U.S. Endangered Species Act list

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

FY 2004-05 Operating Budget:

- ◆ General Fund: \$13 million
- ◆ Gifts: \$2.1 million
- ◆ Earned Income: \$20 million

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, habitation, preservation, care, exhibition, examination or study of wild and domestic animals.

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

The Zoo is a public-private partnership intended to actively solicit the support of and financial donations from non-state sources. The Zoo belongs to the

people of Minnesota and its facilities and programs are accessible to all Minnesotans.

Core Functions

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

The Zoo is currently embarking on 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, through those efforts, to expand support for the 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.

- ⇒ **Visitor services and 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 of the collection.
- ⇒ **Our animals** will be provided with optimal spaces for enriched lives and reproduction as part of critical conservation programs as exhibits are built or renovated.
- ⇒ Programs are being delivered to provide for **lifelong learning** and engagement with conservation activities in a dedicated effort to fulfill the Zoo's mission.

Operations

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

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

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

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

- ⇒ The Zoo participates in 17 American Zoo and Aquarium Association (AZA) Species Survival Plans.
- ⇒ Zoo staff persons serve as AZA studbook keepers for seven species found in our collection.
- ⇒ The conservation department staff continues to coordinate global tiger conservation programs through the Tiger Global Conservation Strategy.

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

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

Budget

Funding of the operating budget of the Zoo is a combination of the state appropriation of general fund and Natural Resources Fund dollars, the earned income from charges to visitors at the Zoo, and contributions from the private sector. In the last decade the trend has been for the percentage of funding from the state to decline, while the funding coming from charges to visitors and contributions has increased. In the early 1990's the state appropriation was approximately 60% of the total operating budget. In the FY 2004-05 biennium the state appropriation is approximately 37.2% of the total operating budget.

The Zoo's FY 2004-05 operating budget totals \$35.6 million. Of that total, \$20 million is earned income collected from Zoo visitors through admission fees, gift store sales, food service sales, monorail sales, and the fees collected from additional special programs, facility rentals and miscellaneous sources.

The Zoo currently operates with approximately 205 full-time equivalent employees (FTE). Approximately 160 of the total FTE are full-time permanent employees. During the peak summer months the Zoo adds a large number of part-time and temporary employees to handle the increased operating needs.

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The Minnesota Zoo web site at www.mnzoo.com gives visitors 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

- ◆ Preserve the current capital assets.
- ◆ Use state funds to leverage private contributions for additions and improvements to the Zoo.
- ◆ Expand the Zoo collection to bring a wider spectrum of experience to the visitor.
- ◆ Expand educational and interpretive opportunities at the Zoo.
- ◆ Increase the ability to address critical conservation issues.
- ◆ Increase opportunities for earned income, offsetting operating costs, to support the mission of the Zoo.

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 recommending 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; and
- ◆ deepen and expand the Zoo's educational mission.

Based on these recommendations, the Zoo board began the Master Plan process using privately raised funds. The Master Plan, adopted in October 2001, has guided the Zoo's approach to capital investment. The needs are articulated in the Facilities and Business Master Plan: the Zoo must provide opportunities for Minnesotans and visitors to experience wildlife in more meaningful ways. 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.

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. Attendance increases in zoos and aquariums are driven by significant animal births and major new attractions. The Minnesota Zoo's largest percentage increase in attendance came with the opening of the Coral Reef exhibit in 1991. This was a major new exhibit. Subsequent new openings have replaced existing exhibits, such as Discovery Bay (providing better space for existing dolphin shows) and the Wells Fargo Family Farm (replacing a children's zoo).

The attendance trend for the Minnesota Zoo has been declining. Factors contributing to this may include September 11th, price increases needed to maintain operations in times of declining budgets, and lack of new offerings for the public. These trends are similar in other zoos throughout America. In a recent survey of major zoos in metropolitan areas, most reported flat or declining attendance.

To counter this, many zoos are receiving significant public funding commitments for new exhibits. These include Los Angeles Zoo, San Francisco Zoological Gardens, Denver Zoo, Woodland Park Zoological Gardens in Seattle, and the Akron Zoological Park. St Paul's Como Zoo has received over \$22 million in public capital funding, in recent years, from the state of Minnesota.

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

Construction of the Zoo began over 27 years ago and the Zoo has been open to the public for over 25 years. Approximately one million visitors come to the Zoo and experience the Zoo exhibits and park-like facility 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. In fact, declining levels of state support have resulted in a decrease in the annual investment in maintenance since 2000.

The current facility does not meet the expectations or needs of the public for increasingly sophisticated conservation education opportunities, nor does it meet the needs for guest services. In 2001 the Zoo completed a Master Plan, which defines a compelling range of opportunities for the Zoo's physical redevelopment as part of a strategic, flexible, long-term vision. The Plan identifies areas of renewal and development that will allow the Zoo to more effectively deliver our education and conservation programs to a large and growing audience of Minnesotans and visitors.

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. In the 2002 capital budget bill, the legislature appropriated \$8.184 million towards the Master Plan. This appropriation was vetoed by Governor Ventura as part of his larger list of vetoes in that bonding bill, although it had originally been in his 2002 capital budget recommendations. At that time, there were significant commitments of matching private funds from board members and trustees. With the veto, and subsequent lack of an appropriation in 2003, the board evaluated the level of request appropriate for the Master Plan to move forward. The board concludes that it will be necessary for the state to show a significant commitment to the Master Plan in order to leverage any private funds. Attendance has been decreasing, in part because significant new exhibits have not been forthcoming. The board determined that the request should be for the first two projects associated with the Master Plan.

The Zoo celebrated 25 years of operation in 2003. The infrastructure is over a quarter century old. While the \$3 million appropriation in the 2002 capital budget was very helpful in addressing infrastructure needs, there is still significant unmet need. In looking at Department of Administration guidelines for asset preservation, and documented existing need, the board determined that allocation of \$10 million for asset preservation would address many of the issues.

Staff worked with the Board Finance committee to make recommendations to the Minnesota Zoological Garden Board for budget requests. The Master Plan is the guiding document, together with guest evaluations and comments

regarding the current conditions of the facilities and response to proposed exhibit additions.

Major Capital Projects Authorized in 2002 and 2003

\$3 million was received for asset preservation in 2002.

\$8.184 million for projects in the Master Plan was appropriated by the legislature but vetoed by Governor Ventura in 2002.

Zoo Master Plan Design/Construction

2004 STATE APPROPRIATION REQUEST: \$48,000,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION: Minnesota Zoological Garden- Apple Valley

Project At A Glance

\$48 million for planning, design and construction of two major exhibits in the Zoo's Master Plan. A new Gateway to the North emersion exhibit featuring grizzly bears, sea otters, wild boar and Amur leopards will be constructed. A redesign of the main building into a Biodiversity Center will provide additional educational classrooms, improved retail and food space, along with new exhibits including penguins and a Kid's Zone. These projects will create a major tourist destination and cultural icon for Minnesota, as well as leverage private funds for future exhibits.

Project Description

This request is for \$48 million to design and build a significant portion of the new and renovated facilities proposed in the **2001 Minnesota Zoological Garden Facilities and Business Master Plan**. It includes funding for the Gateway to the North and the Biodiversity Center.

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

Family Farm, have added to the Zoo experience but were developed without reference to a unifying long-term plan.

With much of the Zoo now more than 25 years old, and with significant advances in zoological and informal education facility design that have occurred over the last quarter century, the Minnesota Zoo is poised for a period of intensive redevelopment. At the direction of the 1999 state-mandated Minnesota Governance Study, a new master planning initiative was undertaken, funded by contributions from members of the Zoo Board and Zoo Foundation Board and a grant from the Bush Foundation. The resulting **Minnesota Zoological Garden Facilities and Business Master Plan** provides a strategic, flexible long-term vision for the Zoo's business approach and physical development.

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

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

Zoo Master Plan Design/Construction

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

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

The Master Plan document was completed and adopted by the Zoo Board in 2001. The next step is the specific design process (concept design, schematic design, design development, and construction documentation) for the projects identified in the Plan. Private funds raised by the Minnesota Zoo Foundation are currently being used to develop concept plans and initial cost estimates for the first Master Plan project – the **Gateway to the North** exhibit. The four major projects, and their proposed sequence of development, are described below:

Gateway to the North (formerly Asia Trail)

This project will serve as an introduction to the major outdoor exhibit area of the Minnesota Zoo – the Northern Trail. It will also be a “stand-alone” experience designed to be a significant new visitor attraction and addition to the Zoo's current programs of education, conservation and revenue-generating recreation. On a currently under-utilized three-acre site near the Zoo's central plaza, a northeastern Asian coastal forest environment will be replicated. Visitors will explore the forest, encountering Sea Otters, Brown Bears, Wild Boar and Amur Leopards on an imaginary hike from the sea to the mountains. Many interactive learning opportunities will be provided, including a fossil dig where mammoth skeletons can be excavated, a log-covered shelter where bears can be viewed fishing for trout and a trapper's cabin with close-up views of wild boars and small animals. Overlooking the

scenic stream and meadow of the bear exhibit will be a multi-purpose building, accessible from the zoo perimeter, where education activities and revenue-generating business or social functions can be conducted in a truly unique setting.

Biodiversity Center (Main Building Improvements)

The Zoo's 25-year old main building complex will be completely renovated, providing improved visitor services and exhibits that will greatly enhance the zoo experience. The redevelopment of the building into a new “Biodiversity Center” will expand opportunities for school group education programs, address the current lack of capacity for admissions, bring accessibility levels up to contemporary standards, and generate increased revenues through improved retail, food service and group event rental facilities. New displays – featuring habitats for birds, reptiles and fish – will provide an introduction to the Zoo's overall presentation of the diversity of life. Orientation exhibits, each including living animals, will serve as “trailheads” for each of the Zoo's existing and proposed exhibit trails (Northern Trail, Oceans Trail, Minnesota Trail, Tropics Trail, Africa Trail). Two major new permanent exhibits will address the public's expressed interest in up close and personal experiences with active social animals (penguins) and interactive opportunities for the younger “stroller crowd” (the hands-on, play/learn environment “Kid-Zone: the great backyard”). In order to offer a continual rotation of living and museum exhibits, a multi-use Special Exhibits Gallery is also proposed. This will facilitate new marketing and visitor attractions with minimal capital investment. The lower level of the existing main building will be reconfigured and devoted to the Zoo's Education Department, quadrupling the classroom and lab space available for school and other groups, while providing special access and assembly areas for groups.

Prairie's Edge

Minnesota's natural heritage will be celebrated and interpreted by this new complex, which will serve as an introduction to the entire Zoo experience. Dramatic prairie, woodland and marsh habitats, complete with iconic wildlife (Trumpeter Swan, Bison, Prairie Dog) will lead guests from newly reconfigured parking lots, designed to demonstrate best environmental management practices, directly into the heart of the Zoo. An overview of all of Minnesota's natural resources, together with the stewardship role of the

Zoo Master Plan Design/Construction

Department of Natural Resources (DNR) and private natural resource/conservation organizations, will be highlighted as visitors enter the zoo through these habitat vignettes. In addition to providing an immediate immersion into a wildlife environment, the Prairie's Edge will significantly improve access, services, and orientation for the Zoo's millions of guests.

Africa Trail

The zoo's original master plan envisaged a major exhibit of African animals, and after 25 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.

Infrastructure Improvements

In order to support the increased attendance generated by the Master Plan projects, and to address long-standing infrastructure deficiencies, significant investment in utilities, circulation systems and service facilities is required. New and improved parking lots and roadways, upgraded water, sewer, electrical, heating and cooling systems, expanded storage and support areas, and significant storm water management structures will be required.

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

The 2002 legislature appropriated \$8.1million for this project, but Governor Ventura vetoed it.

Other Considerations

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

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Governor's Recommendations

The Governor recommends general obligation bonding of \$19 million for the Gateway to the North exhibit.

In addition, the Governor recommends relieving the Zoo of debt service payments associated with the Marine Education Center.

Zoological Gardens	Project Detail
Zoo Master Plan Design/Construction	(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	4,465	5,000	0	9,465
4. Project Management	0	4,316	0	3,209	7,525
5. Construction Costs	0	29,933	0	35,047	64,980
6. One Percent for Art	0	100	0	100	200
7. Relocation Expenses	0	700	0	322	1,022
8. Occupancy	0	4,523	0	875	5,398
9. Inflation	0	3,963	0	6,447	10,410
TOTAL	0	48,000	5,000	46,000	99,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	48,000	0	23,000	71,000
State Funds Subtotal	0	48,000	0	23,000	71,000
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	5,000	23,000	28,000
Other	0	0	0	0	0
TOTAL	0	48,000	5,000	46,000	99,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	468	2,051	2,519
Other Program Related Expenses	0	284	558	842
Building Operating Expenses	0	180	766	946
Building Repair and Replacement Expenses	0	39	189	228
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	971	3,564	4,535
Revenue Offsets	0	<679>	<3,592>	<4,271>
TOTAL	0	292	-28	264
Change in F.T.E. Personnel	0.0	10.0	35.5	45.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	48,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Zoo Master Plan Design/Construction

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	390

Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION: Minnesota Zoological Garden--Apple Valley

Project At A Glance

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

Project Description

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

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

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

Asset preservation is an ongoing need at the Zoo. It is a fundamental component of the capital budget process. In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate level of annual building maintenance necessary for state agency facilities. According to the guidelines, the Zoo should spend an

additional \$3.4 million *annually* to maintain and preserve the state's investment in these facilities. The Zoo has spent some operating funds for repair, replacement and betterment. Because of operating budget reductions in the past two years, funds for these purposes had to be reduced. In addition, Lottery in Lieu dollars received by the Zoo have come in lower than projected. These funds were earmarked internally for asset preservation. In FY 2004 they are partially diverted to support Chronic Wasting Disease work in other agencies. The Department of Administration is also reducing CAPRA funds which have gone toward state agency needs. These combined circumstances lead us to request \$10 million.

Impact on Agency Operating Budgets (Facilities Notes)

Funding this request will preserve the state's asset and improve safety, service and operations of the Zoo. If this request is not funded, deterioration and structural decay will continue. The public visiting the Zoo will continue to experience a dated, deteriorating facility and attendance will decrease.

Previous Appropriations for this Project

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

- ◆ replace and repair decking and railing on main lake bridge;
- ◆ expand and upgrade fire detection system;
- ◆ replace damaged sidewalks and curbing;
- ◆ repair and replacement of mechanical systems insulation;
- ◆ duct cleaning and repair;
- ◆ replacement of Coral Reef exhibit life support systems;
- ◆ renewal of Tropics Sun Bear exhibit; and
- ◆ perimeter fence repair and replacement.

Other Considerations

In the past the Zoo has requested funding for specific asset preservation projects including the "roads and pathways" and the "heating supply line\chiller replacement" projects. These projects were partially funded in previous capital budget appropriations. The need for asset preservation activities at the Zoo has been increasing significantly as the facility ages and

Asset Preservation

this asset preservation request has been expanded to include the total need for asset preservation funding at the Zoo.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$6 million for asset preservation. Also included are budget planning estimates of \$6 million in 2006 and \$6 million in 2008.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	200	700	721	743	2,364
4. Project Management	165	320	330	340	1,155
5. Construction Costs	2,595	8,080	8,022	7,962	26,659
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	40	900	927	955	2,822
9. Inflation	0	0	0	0	0
TOTAL	3,000	10,000	10,000	10,000	33,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,000	10,000	10,000	10,000	33,000
State Funds Subtotal	3,000	10,000	10,000	10,000	33,000
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	3,000	10,000	10,000	10,000	33,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	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 2009

Asset Preservation

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	410