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## Lake Superior Center Authority

353 Harbor Drive Duluth MN 55802

January 28, 2004

The Honorable Tim Pawlenty  
Governor  
Room 130 State Capitol  
St. Paul, MN 55155

Sen. Ellen Anderson, Committee Chair  
Jobs, Energy and Community Development  
Room 120 State Capitol  
St. Paul, MN 55155

Sen. Richard J. Cohen, Committee Chair  
Finance Committee  
Room 205 State Capitol  
St. Paul MN 55155

Sen. Dallas C. Sams, Committee Chair  
Environment, Agriculture & Economic  
Development Budget Division  
Room 235 State Capitol

Rep. Gregory Davids, Committee Chair  
Commerce, Jobs and Economic  
Development Policy  
Room 549 State Office Bldg  
St. Paul, MN 55155

Rep. Jim Knoblach, Committee Chair  
Ways and Means  
Room 453 State Office Bldg  
St. Paul, MN 55155

Rep. Tom Hackbarth, Committee Chair  
Environment and Natural  
Resources Finance  
Room 381 State Office Bldg  
St. Paul, MN 55155

Legislative Reference Library  
Acquisitions Department  
Room 645 State Office Bldg  
St. Paul, MN 55155

Dear State Officials:

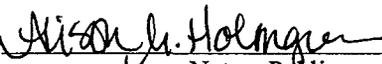
This is the 2004 Annual Report for the Lake Superior Center Authority. The Authority is required to submit this report to you under the 1990 legislation that created it. I hope you find it informative. Thank you for your consideration.

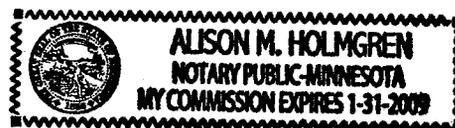
Sincerely,

  
Cynthia Marshall Hayden  
Chair  
Lake Superior Center Authority

Telephone: 218-722-5002

Subscribed and sworn before me this the 28<sup>th</sup> day  
Of January 2005.

  
Notary Public



## Lake Superior Center Authority 2004 Annual Report

### Background:

The Lake Superior Center Authority was created during the 1990 session of the Minnesota Legislature to work with the Lake Superior Center, a 501 (c) (3) non-profit, to construct and operate a public education facility. The 1992 bonding bill included \$2 million for the Authority. Governor Carlson activated the five-member Authority with appointments in June 1992. The legislation creating the Authority and the language of the 1992 Bonding Bill both require annual reporting. The Legislature appropriated an additional \$4 million in bonding in 1994 and an additional \$10 million of bonding in 1996. The latter two bonding appropriations had matching requirements that were met before money was released.

The legislation creating the Authority requires annual reporting to the Governor, the Senate Economic Development and Housing Committee and the House Economic Development Committee. The 1992 Bonding Bill requires reporting to the Senate Finance Committee and the House Appropriations Committee and their Economic and Natural Resources divisions. Further, reports are to be filed in accordance with Minnesota Statutes, section 3.195.

### Facility Established:

The state bonds and additional funds from the City of Duluth and private fundraising resulted in the \$33 million Great Lakes Aquarium located on the waterfront in Duluth. This facility opened to the public on July 29, 2000. The Annual Report filed for 2001 details the funding for this facility from all sources as well as the programs and exhibits designed specifically to carry out the freshwater education mission.

The Authority entered in to a management agreement with the Lake Superior Center non-profit board on November 8, 1998. The non-profit is responsible for all operating and fund raising aspects of the facility. Upon completion of the construction, the primary responsibilities of the Lake Superior Center Authority are to ensure the building is used for the purpose of a Freshwater Education Center as directed by the legislation and to ensure the maintenance of the building.

### Programs and Activities:

On behalf of the Lake Superior Center Authority, the Great Lakes Aquarium continues to be used for governmental purposes and to carry out the primary mission of Freshwater Education as evidenced by the attached 2004 Board Chair Report (Attachment 1) and the Education Report (Attachment 2) detailing the accomplishments and partnerships.

On July 1, 2004 the Lake Superior Center non-profit board entered into a long-term contract with Ripley's Leisure Management Inc. to manage the day-to-day operations. This agreement was approved by the State Department of Finance.

Sources of Funding:

All operations funding, in 2004, came from gate receipts and a line-of-credit from the City of Duluth. The final financials are not finished for 2004 but it appears the Aquarium lost more than \$300,000 on \$1.2M in revenues in 2004. The City of Duluth must cover any operating losses for the Aquarium and both boards (the non-profit and the Authority) continue to actively work with the City of Duluth to develop strategies and sources of capital to fund this educational facility.

In March 2004, the City of Duluth and Duluth Economic Development Authority assisted GLA by revising the Operating and Revenue Participation Agreements. Essentially, the revised agreement was designed to reduce the Aquarium's debt obligations because it is now clear that the annual revenues will not generate enough money to pay these debts. GLA also continued to collect pledges and donations that are applied to other bank debt. The net effect was to reduce GLA's debt from approximately \$8M to approximately \$1M. All changes were made with approval and support from the State Department of Finance.

Administrative Expenses:

The primary administrative expenses of the Authority have been the state audit, insurances and legal fees as we work through construction litigation. The Authority does not employ any staff. All Authority support and expenses are the responsibility of the LSC non-profit.

Assets and Liabilities:

Both the 2003 and 2004 audit by the State Auditor is currently underway. The last completed Audit is from 2002 and was supplied as an attachment to this report last year.

Changes to Operational Plans:

We continue to meet the legislated mission of being a Freshwater Education Center.

Further to this, the Authority is continuing to express its desire to the non-profit that reserves for maintenance need to be part of any longer term management plan once the operations have been stabilized.

The start-up construction issues are still in litigation with nothing definite to report.

Changes to bylaws, policies, rules or programs:

There were none in 2004.

Governor Pawlenty appointed two new members, Elaine Hansen and Betty Ramsland, to the Authority.

For further information, please contact one of the current Authority members:

Chair – Cynthia Marshall Hayden  
Lake Superior Magazine  
218-722-5002

Member – Elaine Hansen  
UMD Center for Economic Development  
218-726-6793

Vice Chair – Dr. Robert Carlson  
UMD Dept. of Chemistry  
218-726-7231

Member - Betty Ramsland  
Ramsland & Vigen Real Estate Appraisers  
218-727-8583

Secretary-Treasurer – John Guenther  
Minnesota DNR  
651-249-7170



ATTACHMENT 1

January 19, 2005

TO: Lake Superior Center Board of Directors  
Lake Superior Center Authority Board of Directors

FROM: Cindy Hayden - Chair of the Board(s)

RE: Great Lakes Aquarium 2004 Accomplishments

We are exceptionally proud of all that has been accomplished at Great Lakes Aquarium in 2004.

Duluth is very fortunate to have one of only 34 independent aquariums within the United States. That we have a facility valued at more than \$33M as a showplace on our Downtown Waterfront is a major accomplishment for any community, let alone a community the size of Duluth. Our aquarium delights and educates visitors every day!

No start-up operation ever goes exactly as planned and that has been a fact for GLA. Now that GLA is approaching it's 5<sup>th</sup> anniversary, the Aquarium's managers and staff, Boards and supporters and the City of Duluth are striving, as a team, to help the Aquarium become everything it can possibly be. GLA is a huge asset to our city and the potential for GLAs future is amazing.

Great Lakes Aquarium continues to be the top paid visitor attraction in our region with nearly 128,000 visitors during 2004. We were open every day during 2004. GLA also has the greatest potential and capacity for growth of visitation and economic impact of any local attraction.

GLA continues to deliver on the mission of being a "freshwater education center" and, in fact, in 2004 we increased our educational guest attendance by 48 per cent. The Board Members working to support our educational mission include four well-known professors: Dr. Ken Gilbertson, head of UMDs Environmental Education Program; Dr. Carl Richards, head of Minnesota Sea Grant; Dr. Patrick Schoff of NRRIs research arm and Dr. Robert Carlson, head of UMDs Biology Department. All have actively worked through the boards and the newly formed Education Committee to ensure our mission and credibility within the education and science communities in the region are well established. These people all believe in the goal of making learning fun.

GLAs Special Events attendance also increased during 2004 and the facility were used by a wide range of groups for everything from wedding receptions, corporate meetings, a Guinness World Book Of Records event to the Geek Prom. GLA is making progress towards the goal of being an outstanding location for community and private events.

Donor support continues to be strong and pledges are being paid as promised. We will shortly be announcing a major \$25,000 grant from a noted Minnesota Foundation which signals restored confidence in our mission and management.

Two critical business accomplishments for GLA during 2004 were:

1. Signing a long-term (15-year) management contract with Ripley's Leisure Management to oversee all GLA operations;
2. Resolving \$8M of GLAs long-term debt repayment issues which substantially improved our balance sheet and is enabling us to plan a much brighter future for the facility.

The Ripley's contract and management support since May of 2003 has assured us that we are matching staff and expenses to our available resources. Our facility is clean and our exhibits are operating. In addition to daily oversight and management, Ripley's has made available and brought in their professional support and expertise to our staff in all areas of operations. This is a major key to our improved operations. We know what our overheads should be and they are always seeking more cost-efficient operating alternatives.

We are very pleased with all that Ripley's has done for us. Thank them, please.

Ripley's has been extremely impressed with our present staff and their expertise at stretching a dollar to amazing lengths. It is an important testimony to that staff that we have never had a major calamity regarding our critters (knock on wood) that was brought to public attention. Our attrition rate of our collection is excellent and our facility passes all government inspections.

Ripley's has focused on supporting our freshwater education mission by seeking to make the GLA experience as much fun as it can be and their efforts with stingray and sturgeon touch tanks have been very successful. People love these opportunities!

It has been understood all along that a key component to GLAs success is to give visitors a reason to come back. This means we need regular new changing exhibits. Ripley's is making available to us an exciting new exhibit, virtually at or below cost, called The Abyss. This exhibit originally cost more than \$500,000 and it has been very successful at the Ripley's Aquarium of the Smokies in Gatlinburg TN. It is an outstanding representation of the unusual and colorful marine life 7-miles under the sea. UMDs EE class and our education committee are helping us make the connections between our freshwater message and this excellent saltwater exhibit.

Our staff has developed a "wish list" for upgrading many of our existing exhibits in very-affordable ways that respond to our guest's feedback about things they would like to see.

Our Mayor, Herb Bergson, has chosen GLA as the managing agent of his new transportation fund designed to cover expenses for busses for school kids to visit all local attractions. The

Mayor's sales on E-bay, the Duluth News Tribune and Ripley's Corporate Offices have donated more than \$6,000 to this fund.

Our volunteer programs continue to attract outstanding help both within the facility (where we have about 70 volunteers), on the boards and through local community professionals such as Harold Frederick, Stephanie Ball and Monnie Goldfine working with us on legal, financial and fundraising issues.

Great Lakes Aquarium's future is bright:

We are even more excited about 2005 and our future potential at GLA.

We are commencing a new fund raising activity of \$150,000 for the new tanks to support changing exhibits such as The Abyss. We have commitments of \$22,000 toward that goal.

We will continue invest in existing exhibits and to seek new changing exhibit opportunities. We hope to take advantage of the exhibits Ripley's can make available to us such as The Titanic to replace the Abyss in 2007. We want to add some trophy-sized fish.

A local computer company, Citon Corp. (located in the Technology Village in Duluth) has volunteered to work with us on the best ways to manage our stable of 64 computers – all of which are nearly five years old – that run the business and exhibits.

New events will be added. There will be another Guinness World Book of Records event in February. We plan to reestablish FishFest as a spring shoulder season event leading into the fishing openers which has the potential to grow annually.

A new task force of volunteer marketing professionals will be working with us to review our strategies and plans with our limited marketing budgets. We will be seeking to partner with the DTA trolley to provide transportation within Canal Park so we will not be handicapped in the event the pedestrian bridge isn't functioning.

Our future is limited only by our imagination.

Our current challenges include our cash flow situation. We will solve this for the short term with an expansion of our loan limits through the City of Duluth.

Reduction of our operating and construction debts as well as being released from our revenue-sharing pledges bring our debt picture from more than \$9 million to just under \$1 million in 2004. This provides substantial help as we focus on solutions to these remaining start up issues.

We continue to have \$125,000 escrowed for litigation regarding building construction issues. This litigation should be fundamentally wrapped up in 2005.

Getting all start-up issues behind us is critical because, as an education center we need to concentrate completely on longer-term options and opportunities to bring necessary capital for operations, exhibits and maintenance of the facility.

We still have a gap between our debt to the bank and Minnesota Power that has not been resolved. We hope to find creative solutions to this in 2005 as well.

Now that we are five, we can apply for AZA (American Zoological and Aquarium Society) accreditation, as we had always planned. Our facility is managed to these standards and Ripley's will shepherd us through this process. Successful accreditation will open up additional grant and funding opportunities.

**Summary:**

Every person involved is very proud of Great Lakes Aquarium because we are doing the things we set out to do – helping people appreciate, understand and treasure the freshwater resources at our front door. With all our challenges, we are, indeed, going to be five years old and we are, indeed, meeting our mission.



# Great Lakes Aquarium

## 2004 EDUCATION REPORT

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SUBMITTED BY: DAVID SCHAEFFER  
DIRECTOR OF EDUCATION

### MISSION STATEMENT:

**The Great Lakes Aquarium will capture the wonder and excitement of Lake Superior, inspire responsibility for the world's large lakes and fresh water and create understanding of their value.**

### MAJOR ACCOMPLISHMENTS AND PARTNERSHIPS:

- Education Classes and Floor Programs** continue to excite and facilitate an even greater quality experience for visitors. Participant numbers include both children and adults of all ages.
  - **9,983 visitors enjoyed Great Lakes Aquarium as part of an education group.** These groups are mostly school groups and their chaperones, but may also include church outings, college classes, or other groups of individuals. Attendance was up 47.7% for visitors, and our education program revenue was up 89.2% to \$46,545.
  - **3383 of those visitors also participated in a one-hour or longer educational class.** This is up 260% from 2003, and one-third of all group visitors participated in a class! They took their educational experience even further by participating in programs such as "Stories in Stone," "Habitat Tracker," "Lake Lab," and "Creature Feature."
  - **Daily floor programs continue to educate and entertain visitors.** Each day we present at least five informal, ten to fifteen minute public programs on subjects ranging from otters to loons to Isle Royale National Park.
- Our freshwater sturgeon touch tank** has recently been opened. This exhibit is regularly staffed, often by volunteers, and is an opportunity for guests to learn more about this fascinating fish from right here in Lake Superior. In addition, they can be compared and contrasted with the freshwater stingrays also on exhibit.
- Our outreach program** has continued, reaching schools in Duluth and Superior that may not be able to travel to Great Lakes Aquarium. Over 2,700 students participated in an outreach program, including 2,300 at 10 schools in five days in the Marquette, MI area. In addition, we often meet classes at local nature areas such as Park Point and Kitchi Gammi Park for on-site natural history programming.
- For the sixth year in a row, we partnered with MINNAQUA, the **Department of Natural Resources'** aquatic education program, to provide summer opportunities for youth and adults in the region to learn more about fishing and aquatic ecosystems.

## MAJOR ACCOMPLISHMENTS AND PARTNERSHIPS (continued):

- Our volunteer program** is still going strong with over 60 active volunteers! We pride ourselves on always having strong local involvement in our education program at the Aquarium.
- We redesigned our **Birthday Parties** and increased their promotion; as a result, we had a record **26 Birthday Parties** in 2004!
- We had several Partnerships with students from **University of Minnesota Duluth**. Two **Field Interpretation** classes each volunteered 12 hours with our education department. After an initial training session, they informally interacted with our guests on the Aquarium floor using our Learning Carts and at our touch tanks. In addition, students from a **Recreation Management** class used Great Lakes Aquarium as a practical setting while creating a management plan for The Abyss and our Education Department. We also presented a class for an **Outdoor Recreation Seminar** and for **Environmental Education for Teachers**.
- SeaGrant, The University of Minnesota Duluth**, and Great Lakes Aquarium have joined together to create **Partners in Education**. Through this program, Education majors at UMD volunteer for 30 hours each with SeaGrant and GLA to help teach freshwater education to local school groups. Through the two semesters of 2004, we had 14 students present classes to approximately 50 2<sup>nd</sup> and 3<sup>rd</sup> grade classrooms.
- We hired two fantastic educators to fill positions that had been vacated. **Erin Zoellick**, a recent graduate of Northland College, was hired in early August as a full time Instructor, and has been doing a tremendous job. **Virginia Wiggin**, a graduate of Concordia College with experience at Wolf Ridge Environmental Learning Center and a nature center in Alabama, began as a part time Floor Interpreter in September, and is also fitting in fabulously.
- We began an **Education Committee** to assist with planning, visioning, and providing support to our Education Department. The committee meets monthly, and has members from public schools, higher education institutions, state government positions, non-profits, and the community. Ken Gilbertson, Carl Richards, and Pat Schoff are the representatives from the Board of Directors.
- The Education Department now offers **Saturday Crafts** each week from 1-4 pm. Designed for families, these free crafts focus on everything from otters to stingrays to shipping. Kids always make something to take home with them!

## SPECIAL EVENTS:

- During our Beach Sweep Weekend**, held in collaboration with **International Coastal Cleanup**, was again a great success. We are looking to expand even more in 2005, including cleanup efforts in the Twin Cities area.
- We continued our summer camp program**. Area youth loved our Saturday Camps, with each camp focusing on a specific topic at the Aquarium. We also presented a day-long fishing clinic and had two private camps specifically designed for the Boy Scouts of America.
- Our annual Halloween event, Scarium at the Aquarium**, was on October 26<sup>th</sup>. In addition to trick-or-treating around the Aquarium, the 500 guests were able to learn more about the scarier side of Lake Superior and fresh water.
- We participated in several collaborative educational programs over 2004. We reached 547 6<sup>th</sup> Graders as part of **RiverQuest** in mid-May. We assisted with a **BioBlitz**, organized by the Biodiversity Project, on Wisconsin Point. Finally, we were participants in a program called **View From The Lake**, designed to get average citizens and community decision makers on Lake Superior.

## PROMOTIONS:

- Our Open House for local schools** was held on October 3<sup>rd</sup>. Area school district personnel and their families received complimentary admission to Great Lakes Aquarium that day, and over 400 visited us. In addition, we continued our policy to allow **all local teachers to visit the Aquarium anytime for free.**
- The education department presented at or had promotional tables at several conferences and workshops. We had a table at **Education Minnesota**, an annual teachers' conference with approximately 12,000 attendees; I spoke personally with about 800 teachers. We were also at the **Living Green** conference (300 participants), **KIDS PLUS** (1200 participants), **Gales of November** (where we recruited volunteer divers), UMD's **Outdoor Career Fair** (where we recruited our Spring Intern) and **Fun Fair.**

## LOOKING AHEAD:

- We anticipate **raising the number of visitors** booked through the Education Department to **13,000** in 2005. In addition, we are **expanding our summer camp offerings.**
- Our husbandry department will soon be acquiring a **Great Horned Owl**; this bird will be handled by our staff and used for daily floor programs, school programs, and outreach education.
- Minnesota Power** provided a grant of \$7,000 for two separate two-day teacher workshops in June. The workshops are a joint project between Great Lakes Aquarium, Boulder Lake Environmental Learning Center, and Jay Cooke State Park.
- A coalition of **Duluth Attractions** and **Mayor Herb Bergson** began a bus grant program providing funds for transportation to any Duluth Attraction. Teachers can apply for funds within the next few weeks. The money for the grant was raised through a combination of e-bay auctions of donated items (including Cher tickets) and private donations; the fund is currently at about \$6,000.
- Finally, the Great Lakes Aquarium Education Department received a **\$25,000 private grant** for increased science-based educational programming. This funding will provide, in part, a half-time graduate student position through the University of Minnesota Duluth. This grant may also be used to provide the staffing for increased Summer Camp Programming. Thank you Ken Gilbertson for making this happen!