



Minnesota State Zoological Board.
Zoo-Related Organizations Files.

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MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

PROPOSED

LONG-RANGE DEVELOPMENT PROGRAM

September 1, 1977

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*Charts and timetables are not completed and will be forwarded shortly...

I. Introduction

This document proposes a long-term development program outline for implementation by the Minnesota Zoological Garden Foundation. It includes an analysis of current and future prospects, a suggested approach to fund-raising, and program concepts and timelines for program implementation.

As stated in Article II of its Articles of Incorporation, the Minnesota Zoological Garden Foundation "is organized and shall be operated exclusively for the benefit of the Minnesota Zoological Garden in the accomplishment of its purpose through the rendering of financial assistance, performing of services, and such other acts and benefits as are appropriate and helpful to further the authorized objectives of the Minnesota Zoological Garden and to assist the Minnesota Zoological Board which has been created to supervise and control the Minnesota Zoological Garden."

This document outlines a development program which is designed to meet the financial objectives stated in the Minnesota Zoological Garden's Capital Improvement Plan Study (currently under revision by MZG staff).

This document takes into consideration the need to finalize Phase I funding and the completion of the Northern Trek capital drive and to plan and implement simultaneously development programs which will provide on-going financial assistance to the Minnesota Zoological Garden.

Specific programs, i.e., a strengthening of the current capital campaign and the implementation of an annual appeal have been proposed to develop the approximately \$1 million needed annually between now and 1981 to complete Northern Trek construction.

The annual appeal is also proposed as an important step in developing on-going financial support.

Deferred giving programs have been proposed to develop substantial unrestricted monies which may be applied to future needs.

Special appeals and events are proposed to increase donor cultivation.

All program formats are flexible and adaptable to financial needs determined in the development of the Long-Range Masterplan (to be completed in October, 1980).

II. Prospect Analysis

The process of fund-raising can be divided into four steps: (1) the identification of new prospects and the addition of information on current prospects, (2) an evaluation of prospect potential, (3) the development of strategies for cultivating prospects and gaining support, and (4) the identification of the best people or processes to use in making prospect contacts.

In order to design development programs which meet the financial requirements of the Minnesota Zoological Garden, the Minnesota Zoological Garden Foundation must first identify and analyze all potential donors and donor groups. Although measurement of giving is still based more on assumption than fact, trends in giving nationally can provide a means for the identification of likely prospects and effective program design for the Minnesota Zoological Garden Foundation.

Recent reports on philanthropy¹ and research by professional fund-raising organizations indicate that, as recently as 1974, philanthropic giving totalled more than \$31 billion annually. In 1974, contributions fell into the following categories:

| | |
|--------------|-----------------|
| Individuals | \$26.00 billion |
| Bequests | \$2.07 billion |
| Foundations | \$2.11 billion |
| Corporations | \$1.25 billion |

(These figures are based purely on direct dollar contributions and do not include the provision of discounted products or services, volunteer hours, or other frequently contributed non-cash benefits.)

A. Individuals as Prospects

It is immediately obvious that the major contributors of dollars are not corporations or foundations, but individuals. While most individual dollars (\$12.49 billion) go to religious causes, individual contributions (\$13.09 billion) to education, social welfare, the arts and humanities, and civic and public causes total more than four times the amount contributed by foundations and corporations. With deferred gifts added to the gifts of living individuals, the national ratio of individual dollars contributed (other than to religion) to foundation and corporation dollars contributed is nearly five to one.

If these statistics are to serve as program development guidelines, individuals should constitute a major prospect group for solicitation by the Minnesota Zoological Garden Foundation. Because the contributions of a single individual do not often equal the contributions of a foundation or corporation, any individual solicitation program should be designed to reach large segments of the population; success can be achieved if the cumulative small gifts of many individuals equal the large gifts of foundations and corporations.

Individual solicitation programs require a period of years to build a committed constituency and become profitable. Individual solicitation programs can thus be viewed as long-term sources of funds.

Deferred giving has become increasingly important in individual solicitation. Within a ten-year period (1964-1974),² contributions by bequest nearly doubled. With changes in investment approaches and new tax laws, deferred giving has gained appeal to many individuals. Again, as with any individual solicitation program, the solicitation of deferred gifts can be viewed as a long-term source of funds for future development.

Individuals do tend to be consistent in their giving once excited by and committed to a particular cause. On a long-term basis, the solicitation of individuals can provide an important measure of stability to help offset shifting objectives and interests in the professional philanthropic community.

B. Foundation/Corporate Prospects

Recent research studies also indicate that, although individuals contribute substantially more dollars, foundations and corporations recently have tended to concentrate their grantmaking in those areas which are represented in the goals and objectives of the Minnesota Zoological Garden -- science and education. Although gifts for operating purposes greatly exceed capital gifts, a substantial percentage, perhaps as much as 33 percent, has been donated to brick and mortar projects. These factors combine to make foundations and corporations a major prospect group for the Minnesota Zoological Garden Foundation, particularly in the solicitation of capital funds.

In a capital campaign, the solicitation of large gifts from a relatively small group of individuals, foundations, and corporations is the most efficient, cost-effective approach available to fund-raisers. The success of a capital campaign, however, is dependent on the fund-raiser's ability to identify and rate a group of likely prospects within a limited constituency. It seems likely that local foundations with an expressed interest in state and regional programs, and especially construction projects, will continue to support the development programs of the Foundation. Select national foundations may be considered secondary prospects.

The solicitation of corporate gifts is often dismissed nationally, due to the small overall percentage contributed by corporations and their tendency to contribute greater amounts to federated appeals. Several factors, however, make the solicitation of corporate prospects important in the Twin Cities metropolitan region.

Corporate giving has been unusually strong in this region, and is increasing at a steady rate. Following the lead set by the Dayton-Hudson Foundation, other corporate groups have begun contributing five percent of their pre-tax earnings, or at least raising the percentage of pre-tax earnings contributed. A strong commitment to the quality of life in the area exists in larger corporations headquartered in this area, and projects

emphasizing regional improvements are favored. Corporations can thus be considered a primary short-term prospect group.

Professional and corporate philanthropy, however, may vary its funding objectives according to social climate, political interest, or a variety of other factors. Trends in funding can be determined over the past several decades, i.e., science education in the fifties, minority causes in the sixties. Currently, the Minnesota Zoo may be considered as fitting the funding interests of the philanthropic community. However, a variety of unknowns, for example, any real or imagined national crisis, such as a recession, could cause disinterest towards zoo programs. At best foundations and corporations can only be safely considered short-term providers of funds. Because philanthropic motives among both foundations and corporations are changeable, a base of continued support from individuals must be secured simultaneously with short-term foundation and corporation grants.

¹ All reported statistics on giving are taken from the Commission on Private Philanthropy and Public Need's research findings, included in Giving in America, 1975.

² Kenneth L. Chesley, American Fund Raising Services, Inc., course materials on fund-raising.

III. Suggested Approach to Fund-Raising

In order to design an effective long-term fund development program, prospective fund development concepts and programs, their expense ratio, evidence of previous success, and staffing needs have been reviewed. An approach to fund-raising is proposed which will be based on the following assumptions:

1. Short-term projects will be designed to meet the Minnesota Zoological Garden's long-term financial goals.
2. Multiple appeals occurring simultaneously can be conducted to solicit the maximum number of donors with a variety of philanthropic activities.
 - a. The same donor may be solicited for more than one appeal (i.e., annual drive appeals and bequests).
 - b. Different audiences can be reached by different appeals for several "priority" projects.
 - c. Appeals must be "timed" to reach a major prospect audience without conflicting with the progress of other fund-raising appeals.
3. Individual solicitations will be broad-based projects, based on the concept that the cumulative small gifts of many can equal the large gifts of a few.
 - a. Individual solicitations will also take into account the fact that the cumulative small gifts of one individual can equal one large gift.
4. Capital fund-raising is best accomplished through the solicitation of major gifts.
 - a. Capital fund-raising is most successful where a large donor structure already exists.
 - b. A strong annual appeal can become the base of future capital campaigns.
5. Maximum public relations efforts will be made to publicize and separate each appeal.
 - a. Appropriate recognition will be given to each donor.
6. Program implementation can be accomplished only with the active support and participation of the Minnesota Zoological Garden Foundation's Board of Directors and volunteer community leaders.

It is recommended that, during the next five-year period, the Minnesota Zoological Garden Foundation develop and implement programs which

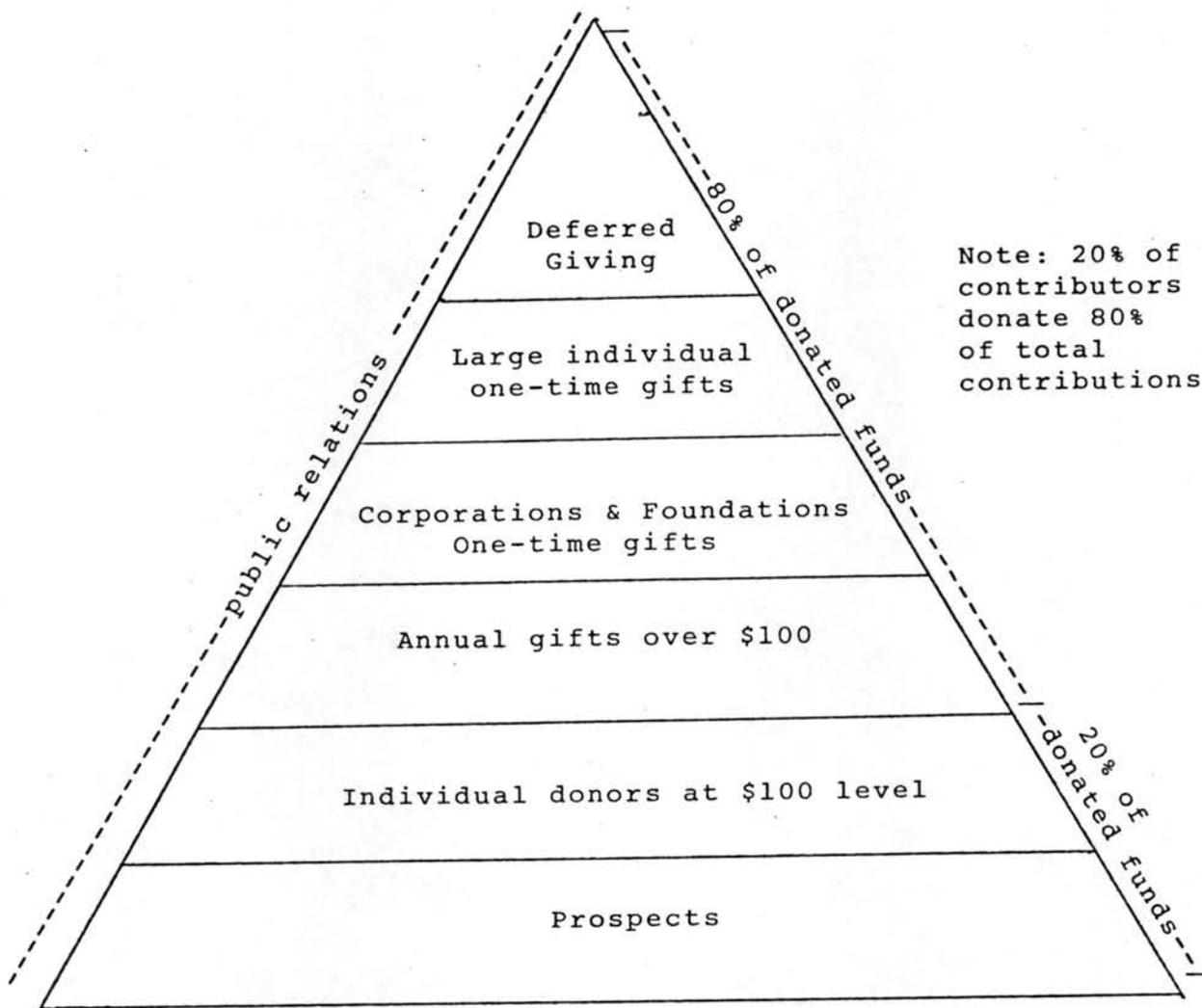
realize the potential value of each donor over a period of time and make adequate investments to acquire greater numbers of donors and larger gifts. Programs are aimed at identifying new donors while simultaneously upgrading current donors. By investing in the development of a large donor base, the Foundation may successfully provide for the financial security of the Minnesota Zoological Garden on a long-term basis.

A diagram of this approach is included on the following page.³ All prospects form the base. Broad-based solicitation programs and promotional fund-raising events will be designed to motivate prospects to become small donors. Renewed efforts will be made to retain current donors on an annual basis. Simultaneously, the large gifts of corporations, foundations, and select individuals will be solicited. Ultimately, a properly organized and executed deferred giving program will, on a long-term basis, yield a large financial return.

This approach requires a substantial investment in first-time donors, and a smaller investment in renewing and upgrading current donors. Eventually, it can be expected that approximately 20 percent of all contributors will donate 80 percent of the total contributions, although the cost of reaching first-time donors may be higher than the cost of reaching current donors. This approach, if properly implemented, can provide both adequate current income and an increasing base of future support.

It is important to note that good development programs are dependent on good quality public relations.

³ This diagram was used by Ken Baltes, a former staff member of the University of Minnesota Foundation, to explain the Foundation's "classic" approach to fund-raising to me. I believe it to be an approach to fund-raising which is transferable to any large metropolitan agency which can support a community-wide support group.



Note: 20% of contributors donate 80% of total contributions.

SUGGESTED FUND DEVELOPMENT APPROACH

IV. Proposed Development Program Design

Each fund-raising appeal designated by the Minnesota Zoological Garden Foundation will become an intensive, short-term project, or "campaign," with a definite goal within a definite time span. These appeals, occasionally occurring simultaneously, can support the long-range development goals of the Minnesota Zoological Garden Foundation.

Each separate appeal can be divided into five phases comprised of the following steps:

Phase I. Planning

1. Each campaign will be directed by Foundation staff and a Steering Committee comprised of Board members and volunteer community leaders. Planning for each appeal begins with the appointment of a Steering Committee Chairperson. The role of the committee will be determined by the Chairperson with the assistance of Foundation staff.
2. The chairperson recruits committee members.
3. The committee establishes monetary goals and time limits for the appeal.
4. The committee designates primary prospect groups.

Phase II. Organization

1. Foundation staff prepare appeal brochures and materials and a solicitation manual for committee members with the assistance of the chairperson.
2. Committee members establish priorities and rate prospects.
3. Pre-campaign notification of the appeal is used to condition prospects.
4. Volunteers are recruited, if needed.
5. Committee members make their own pledges to the appeal.

Phase III. Appeal Kick-Off

1. An official opening, or "kick-off," appropriate to the appeal begins each campaign.
2. Committee members receive solicitation materials and are assigned prospects.
3. Volunteers (if necessary) receive training and are assigned functions.
4. Publicity continues.
5. Appeal materials and brochures are distributed.

6. Supplemental staff may be added.
7. Solicitation of top prospects begins.

Phase IV. Solicitation

1. Solicitation of major prospects continues.
2. Solicitation of all prospects begins.
3. Chairperson continues to follow through on the progress of committee members and Foundation staff.
4. Appeal publicity continues.
5. Progress reports are made to Board.

Phase V. Conclusion

1. The remaining prospects are solicited.
2. The appeal results are organized and evaluated.
3. The participation of committee members, volunteers, etc., is acknowledged.
4. Final reports are prepared and submitted.

V. Restructuring the Capital Campaign: Growing into a Long-Term Development Program

Currently, the Minnesota Zoological Garden Foundation is involved in its first capital campaign with the initial goal of raising sufficient funds to match state-authorized matching funds. It is unusual for a fund-raising organization to begin its efforts with the implementation of a capital campaign; nevertheless, there are benefits to implementing an intensive campaign of this type. The benefits of a one-time intensive capital campaign are outlined by David Ketchum, President of the fund-raising firm Ketchum, Inc., as follows:

1. The intensive program...works.
2. The intensive program raises more money in less time than any other form of fund-raising because it provides built-in targets and deadlines to which volunteers and donors respond.
3. The intensive campaign is the least expensive form of raising money.
4. Campaigns have long demonstrated their value in developing volunteer leadership, in identifying those who should be considered for election as trustees, in broadening the base.

The overall benefits of a capital campaign are further delineated in the following list of benefits outlined by Paul Younger of the fund-raising firm of Marts and Lundy, Inc.:

1. (The capital campaign) discovers and develops leaders for your institution.
2. It focuses attention on your program and purpose.
3. It unites your constituents in a common cause by strengthening the morale of staff and volunteers.
4. It usually has a positive effect on the public image of your institution.
5. It identifies new prospects for your on-going support programs.
6. It raises the sights of donors to the point where all other succeeding fund-raising programs increase their potential for the institution.

In addition to raising substantial amounts of money for the Minnesota Zoological Garden, the Foundation's first capital campaign has obviously produced other benefits which can and will be useful in developing long-term development programs.

The Foundation, however, is currently engaged in a "limited" capital campaign, in which key prospects are isolated through careful research and major prospects are solicited for large gifts. The advantages of a capital campaign as they affect future programs may be restricted by continued reliance on this fund-raising approach. There are several risks inherent in the operation of a "quiet" limited campaign:

1. The "quiet" campaign eliminates the opportunity for public relations cultivation that will produce other support.
2. It reduces the number of people who have a giving habit.
3. It fails to challenge people to increase their normal giving.
4. It doesn't develop a steady flow of new donors who may later become major contributors.
5. It may reduce the size of potentially larger gifts.

Simply stated, the continuation of the current "limited" campaign will not prepare the Foundation for the implementation of on-going development programs. The support base and "steady flow of new donors" necessary to successfully implement these programs has not yet been created. The Board of Directors has not yet begun to function in a proven traditional role as an active solicitation team; this role must be integral to the operations of proposed long-term development programs.

Outlined throughout the remainder of this document are development program concepts which may be used to meet the long-term financial needs of the Minnesota Zoo. The fund-raising model proposed is growth-centered, comprised of a series of subtle steps designed to advance the Foundation from its limited capital campaign into a complete multi-faceted fund development program. There is nothing particularly innovative about the proposed fund-raising concepts; rather, they have been chosen because, for similar non-profit agencies, they represent the most successful, proven techniques for raising funds. The successful implementation of the concepts for the future, however, must begin with changes in the Foundation's approach to fund-raising now.

Both the expansion and increased involvement of the leadership corps are necessary to insure the required increased leadership support base proposed in all future programs. The involvement of community leaders in these programs is also instrumental. If properly organized, the current capital campaign could be used to its best advantage in identifying, motivating, and developing strong new leadership.

If the Foundation is to be an effective, long-range financial assistant to the MZG, it must also begin broadening its base of gift support now by gradually increasing the scope of gift opportunities for prospects. Ideally, capital campaigns identify new prospects; programs which reach new prospect groups and offer options for giving should be implemented. Opportunities for giving at all levels should be developed to increase donor potential in the future.

To reach larger prospect audiences, the Foundation staff will require staff training to increase competency in specific fund-raising techniques; additional staff will in all probability be required as well. Specialists in specific fund-raising areas and support staff may be added either as permanent staff members, temporary seasonal workers, or consultants on a contract basis.

Finally, the Foundation will have to become much more bold in approaching the community for financial assistance. The problem with a low-key, "quiet" campaign is that it fails to inform the general public of the zoo's needs; entire possible prospect groups will be generally unaware, uninvolved, and therefore unprepared to give when future campaigns are announced. An increased effort at public relations with specific prospect groups is recommended.



MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

33 Wentworth Avenue East, Suite 218

West Saint Paul, Minnesota 55118 Phone (612) 457-2579

June 20, 1979

To: Ed Kohn, General Director
Minnesota Zoological Garden

From: Kathryn Rosebear, Administrative Assistant *KR*
Minnesota Zoological Garden Foundation

Following our telephone conversation today, I thought I'd take the opportunity to mail to you a few items which relate to our discussion.

I have enclosed a preliminary chart on the designation of funds received by the Foundation through 5/31/79. This chart indicates donors and amounts received; outstanding commitments are not included. It should be a good tool from which to begin our work. I have also included Exhibit 1 of our May Financial Report so that you are aware of the cash available.

Enclosed is also the introduction to the first long-range development program proposed to the Foundation in September, 1977. I have included this for two reasons. First, I think it might give you an idea of the history of the Foundation's fund-raising proposals and programs. Secondly, it occurs to me that you called the Foundation a "capital program," while I feel the term "fund development program" might be more applicable, even though the long-term application of funds is entirely for capital purposes. I think this document illustrates the need for building an on-going base of support to ensure the long-term planned growth of the Minnesota Zoo, though certainly in specifics it might not be the format proposed today. I'd like to have the opportunity to informally discuss this with you at some time to get your feelings and direction on fund-raising approaches.

Finally, I have enclosed a copy of Minnesota Statute Chapter 309, which relates to all charitable and social organizations. Some of the concern of our Board in regard to the handling of charitable donations might relate to legislation such as this, a trend which probably will continue into future legislation on the federal level. There seems to be a great deal of public concern over charitable organizations right now, perhaps due to some unscrupulous fund-raisers and a few bogus organizations that received a great deal of publicity. The result is legislation that leads one to be very careful with the donor dollar. As these regulations are so often quoted in our meetings, this might be a key to some Board member concerns.

Here's to future good communications and a great zoo!

OFFICERS AND DIRECTORS: KENNETH M. KNOFF, President *Edina*; MARGEE KINNEY, Vice President *Wayzata*; DEAN McNEAL, Secretary *Mound*; ANTHONY L. ANDERSEN, Treasurer *St. Paul*; FIRMIN L. ALEXANDER *St. Paul*; CONNIE DeLAND *Minneapolis*; ROBERT FERGUSON *Eagan*; LOUISI. GELFAND *Minneapolis*; RICHARD G. GRAY, SR. *Mound*; REUEL HARMON *Inver Grove Heights*; R. W. KAPLAN *Owatonna*; MALCOLM McDONALD *North Oaks*; JOHN C. McKAY *South St. Paul*; CHY MORRISON *Wayzata*; DAVID W. ONAN, II *Wayzata*; JOSEPH T. O'NEILL *St. Paul*; JAMES G. PETERSON *Excelsior*; GORDON ROSENMEIER *Little Falls*; MARY ANN SCROGGINS *Afton*; SANDRA STOKESBARY *Minneapolis*; JOHN E. TILTON *Hopkins*

EX-OFFICIO MEMBERS: PAUL I. FREEMAN, President, *Minnesota Zoological Society*; EDWARD KOHN, General Director, *Minnesota Zoological Garden*; U.S. SEAL, Ph.D., Chairman, *Minnesota Zoological Board*

EXECUTIVE DIRECTOR: ROBERT S. VOIGT

Who's doing Edn?

| <u>NAME</u> | <u>TERM</u> | <u>PERIOD OF ELECTED TERM</u> | <u>DATE TERM EXPIRES</u> |
|----------------------------|-------------|-------------------------------|--------------------------|
| Thomas M. Crosby, Sr. | First | 3 Years | 11/88 |
| Donald Dayton | First | 3 Years | 11/88 |
| Robert H. Engels | First | 3 Years | 11/88 |
| Reuel D. Harmon | First | 3 Years | 11/88 |
| Hazel Reinhardt | First | 3 Years | 11/88 |
| Dr. U. S. Seal | First | 3 Years | 11/88 |
| Pat Davies | First | 1 Year | 11/86 |
| James L. Hetland | First | 2 Years | 11/87 |
| John Tilton | First | 2 Years | 11/87 |

BE IT FURTHER RESOLVED that the following persons are elected to second terms of office for the periods of time indicated and until their successors are elected and qualified:

| <u>NAME</u> | <u>TERM</u> | <u>PERIOD OF ELECTED TERM</u> | <u>DATE TERM EXPIRES</u> |
|---------------------|-------------|-------------------------------|--------------------------|
| Anthony L. Anderson | Second | 3 Years | 11/86 |
| D. Stephen Farley | Second | 3 Years | 11/86 |
| Margee Kinney | Second | 3 Years | 11/86 |
| Wayne Peterson | Second | 3 Years | 11/86 |
| Chy Morrison | Second | 3 Years | 11/87 |
| Harold S. Webster | Second | 3 Years | 11/87 |

IDENTIFICATION OF DIRECTORS: Elected and Appointed

Elected Members

The following resolution was adopted:

RESOLVED that with the election of Board Members at this meeting, identification is hereby made of the currently qualified elected Members of the Board of Directors of the Minnesota Zoological Garden Foundation, the term of office they currently are holding and the date of expiration of their respective terms of office as follows:

| <u>NAME</u> | <u>TERM</u> | <u>PERIOD OF ELECTED TERM</u> | <u>DATE TERM EXPIRES</u> |
|----------------------------------|-------------|-------------------------------|--------------------------|
| Thomas M. Crosby, Sr. | First | 3 Years | 11/88 |
| Donald Dayton | First | 3 Years | 11/88 |
| Robert H. Engels | First | 3 Years | 11/88 |
| Reuel D. Harmon | First | 3 Years | 11/88 |
| Hazel Reinhardt | First | 3 Years | 11/88 |
| Dr. U. S. Seal | First | 3 Years | 11/88 |
| Pat Davies | First | 1 Year | 11/86 |
| James L. Hetland | First | 2 Years | 11/87 |
| John Tilton | First | 2 Years | 11/87 |

| <u>NAME</u> | <u>TERM</u> | <u>PERIOD OF ELECTED TERM</u> | <u>DATE TERM EXPIRES</u> |
|--------------------------------|-------------|-------------------------------|--------------------------|
| Anthony L. Anderson | Second | 3 Years | 11/86 |
| D. Stephen Farley | Second | 3 Years | 11/86 |
| Margee Kinney | Second | 3 Years | 11/86 |
| Wayne Peterson | Second | 3 Years | 11/86 |
| Chy Morrison | Second | 3 Years | 11/87 |
| Harold S. Webster | Second | 3 Years | 11/87 |

BE IT FURTHER RESOLVED that identification is hereby made of the appointed Members of the Board of Directors of the Minnesota Zoological Garden Foundation and the date of expiration of their respective terms of office:

| <u>NAME</u> | <u>YEAR TERM EXPIRES</u> |
|--------------------------------|--------------------------|
| Firmin Alexander | 11/86 |
| Connie Deland | 11/86 |
| Richard G. Gray | 11/86 |
| Kathleen Gretsck | 11/86 |
| Malcolm W. McDonald | 11/86 |
| Joseph T. O'Neill | 11/86 |
| Gordon Rosenmeier | 11/86 |

ELECTION OF OFFICERS

The following resolution was adopted:

RESOLVED that the following are elected Officers of the Minnesota Zoological Garden Foundation for fiscal year 1985-86 and until their successors are elected and qualified:

| | |
|---------------------|---------------------|
| President | Malcolm W. McDonald |
| Vice President | Hazel Reinhardt |
| Secretary-Treasurer | Paul A. Verret |

MINUTES OF OCTOBER 4, 1984 MEETING

The Minutes of the October 4, 1984 meeting of the Directors of the Minnesota Zoological Garden Foundation were reviewed and, with one correction, accepted.

Department of the Treasury

District Director
Internal Revenue Service

Date: October 15, 1975 | In reply refer to: Miss McMahon
612-725-7344
STP:EO:75-1365 LHM:ag



► Minnesota Zoological Garden Foundation
Wentworth Office Center
33 East Wentworth Avenue
West St. Paul, Minnesota 55118

Purpose: Educational, Charitable
Accounting Period Ending: June 30

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under sections 2055, 2103, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt status. Also, you must inform us of all changes in your name or address.

If your gross receipts each year are normally more than \$5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file a return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,

C. D. Switzer

C. D. Switzer
District Director

cc: Mr. William R. Hibbs
Power of Attorney

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION
BOARD OF DIRECTORS
6/30/84

OFFICERS:

Malcolm W. McDonald, Acting President
Kathleen Gretsches, Vice President
Margee Kinney, Vice President
Wayne Peterson, Vice President
Paul A. Verret, Secretary
Harold S. Webster, Treasurer

DIRECTORS:

Anthony L. Anderson; H. B. Fuller Co.; 2400 Kasota Avenue; St. Paul, MN 55108
D. Stephen Farley; Norwest Bancorporation; 1200 Norwest Center; Mpls., MN 55480
Margee Kinney; 1520 Xanthus Lane; Plymouth, MN 55447
Malcolm W. McDonald; 21 East Oaks Road; North Oaks, MN 55110
Joseph T. O'Neill; 800 Norwest Center; St. Paul, MN 55101
Wayne Peterson; 5609 Hillside Court; Edina, MN 55435
Richard S. Gray, Sr.; 2500 Shadywood Road; Box 90; Navarre, MN 55392
Chy Morrison; 532 Ferndale Road; Wayzata, MN 55391
Harold S. Webster; Norwest Bancorporation; 1154 Norwest Bank Bldg; Mpls., MN 55480
Firmin Alexander; 5673 - 133rd St. Ct.; Apple Valley, MN 55124
Connie Deland; 112 W. 52nd St; Minneapolis, MN 55419
Kathleen Gretsches; 7 Buffalo Road; North Oaks, MN 55110
Gordon Rosenmeier; 72 Broadway; Little Falls, MN 56345

APPOINTED DIRECTORS:

James L. Hetland; First National Bank of Minneapolis; First Bank Place;
Minneapolis, MN 55480
Hazel Reinhardt; Cowles Media Co.; 425 Portland Avenue; Minneapolis, MN 55488
James Weaver; General Mills; P. O. Box 1113; Minneapolis, MN 55440

general grant application

I. Minnesota Zoological Garden Foundation

A. Identification of Applicant

This application for a grant in aid is submitted by the Minnesota Zoological Garden Foundation whose official address is: Wentworth Office Center, 33 East Wentworth Avenue, Suite 218, West St. Paul, Minnesota 55118. Phone: (612) 457-2579.

B. Confirmation of Eligibility

1. Statement of Incorporation

The Minnesota Zoological Garden Foundation has filed Articles of Incorporation with the Secretary of State and these were approved July 3, 1975 making the Minnesota Zoological Garden Foundation a public non-profit charitable foundation.

2. Tax Exempt Status

The Minnesota Zoological Garden Foundation received its Internal Revenue Service Tax Exempt Status as a public non-profit foundation on October 15, 1975 with Employer Identification No. 51-0147653. It is an organization exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. (Appendix A)

3. Declaration of Non-Adverse Action

To the best of the Foundation's knowledge, there has not been nor is there pending any adverse action by the Bureau of Internal Revenue with request to its tax exempt status as outlined above.

C. Basis for Grant Application

1. Background

In 1969, legislative action established the Minnesota Zoological Garden as a Department of State Government and charged it with the development of a major innovative zoological garden for the state of Minnesota. The subsequent master plan for such a facility was approved in 1973 and a funding program was authorized to accomplish these ends as follows:

a) \$23,025,000 in general obligation bonds were authorized

b) \$2,350,000 in additional general obligation bonds could be issued on a matching basis provided that matching funds were secured by the zoological garden through gifts, grants and aids from non-state sources up to \$2,350,000.00.

The results of this legislation were the authorization to proceed with construction; acceptance of full operational support prior to zoo opening and the increase of funding through matching bond grants as they were matched by non-state sources. The project is proceeding as scheduled on a 480 acre site in Dakota County with completion scheduled in 1978.

2. Basis for Application

The basis for this grant application arises out of the need to secure additional non-state funds to assist in the realization of the full \$2,350,000 matching funds provision granted by the 1973 state legislature through the raising of an equal matching amount from non-state sources; and, for the insured, ongoing, long-term support, maintenance, and improvement of the Minnesota Zoological Garden through a capital improvements program.

State statutes prevent the zoological garden from dedicating funds to insure the above goal. The Minnesota Zoological Garden Foundation has been established with the express purpose of providing a vehicle to secure and manage both short and long term funding for this worthwhile and exciting public institution.

D. Organization Information

1. Operational Information

The Minnesota Zoological Garden Foundation has been organized as a public fund raising body solely to support the capital improvements program of the Minnesota Zoological Garden both in its short term and long term objectives.

The Foundation's first fiscal year ended June 30, 1976. Copies of the year end balance sheet and operating statement will be available upon completion of the audit. Future audits will also be available to donors upon their request.

2. Purposes of Organization

The foundation's purposes are as outlined in Section I C. and as specifically stated in its Articles of Incorporation:

"This corporation is organized and shall be operated exclusively for charitable, educational, and scientific purposes and, in limitation of the foregoing, this corporation is organized and shall be operated exclusively for the benefit of the Minnesota Zoological Garden in the accomplishment of its purposes through

the rendering of financial assistance, performing of services, and such other acts and benefits as are appropriate and helpful to further the authorized objectives of the Minnesota Zoological Garden and to assist the Minnesota Zoological Board which has been created to supervise and control the Minnesota Zoological Garden. For such purposes and not otherwise and subject always to the limitations contained in Article III hereof, this corporation shall have only such powers to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose of any funds and property and the income therefrom for the furtherance of the purposes of this corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber, and use the name, and such other powers which are consistent with the foregoing purposes of this corporation and which are afforded to the corporation by the Minnesota Nonprofit Corporation Act, and any further laws amendatory thereof and supplementary thereto."

3. Principal Direction

The Foundation operates full time with support from its officers at 33 East Wentworth Avenue, West St. Paul, Minnesota under the direction of its President, John C. McKay and Executive Director, Robert S. Voigt.

4. Officers and Directors

The Foundation's officers and Board of Directors are responsible for carrying out the purposes of this grant request and are listed as follows:

*John C. McKay, President, 2106 Caroline Lane, South St. Paul, Minnesota 55075. Past Director of the Minnesota Energy Agency until mandatory retirement; past President of CENEX, worked there 26 years until mandatory retirement; 13 years South St. Paul Planning Commission; member of Board of Directors of United Way, St. Paul.

*David W. Onan, II, Vice President, 235 Gleason Lake Road, Wayzata, Minnesota 55391. President of the Onan Family Foundation, Minneapolis, Minnesota.

*G. Richard Palen, Secretary-Treasurer, 1473 Summit Avenue, St. Paul, Minnesota 55105. President, Palen-Kimball Company, St. Paul; member of Midway Civic and Commerce Association and Minneapolis Chamber of Commerce.

Robert S. Voigt, 4934 Aldrich Avenue South, Minneapolis, Minnesota 55409. Executive Director, Minnesota Zoological Garden Foundation.

*Firmin L. Alexander, 1355 Lincoln Avenue, St. Paul, Minnesota 55105.
Executive Administrator, Learning Centers Program, St. Paul Public
Schools; Chairman, Minnesota Zoological Board.

W. John Driscoll, W-21 First National Bank Building, St. Paul, Minnesota 55101.
President, Green Valley Holding Company, St. Paul; Board of Directors,
First National Bank, St. Paul; Board of Directors, First Midwest Corporation.

*Robert H. Engels, 1921 Humboldt Avenue South, Minneapolis, Minnesota 55403.
Retired President and Chairman of Board, Northern States Power Company.

Robert Ferguson, 855 Cliff Road, Eagan, Minnesota 55123. Principal of
Diamond-Path Elementary School, District 196, Rosemount.

Larry Freeman, 2581 Quebec Avenue South, St. Louis Park, Minnesota 55426.
Group case underwriter, Minnesota Mutual Insurance, St. Paul.
Former President of Minnesota Zoological Society (1974-1976).

Louis I. Gelfand, 3721 West 22nd Street, St. Louis Park, Minnesota 55416.
Director of Public Relations, The Pillsbury Company, Minneapolis.

Norma Hanson, Goodrich, Minnesota 56725. Homemaker; Active in Business and
Professional Women's Clubs in Minnesota, the Minnesota Farmers Union and
4-H activities.

Reuel Harmon, 14 High Road, Inver Grove Heights, Minnesota 55075. Former
Chairman of Board, Webb Publishing Company, St. Paul; past President of
Minnesota Zoological Society; former Vice-Chairman of Minnesota Zoological
Board; former President of Bush Foundation.

Robert Kinney, 940 Smithtown Terrace, Excelsior, Minnesota 55331. President
and Chief Executive Officer, General Mills; Chairman, YMCA Metropolitan
Minneapolis.

Malcolm McDonald, 710 Lincoln Avenue, St. Paul, Minnesota 55105. Vice
President in investment services group, First National Bank, St. Paul;
trustee of Wilder group, trustee of F. R. Bigelow Foundation and Bigelow
Foundation, Inc.; Director of Community Development Corporation of St. Paul.

Reverend Alan W. Moss, 21 S. E. Prince, Minneapolis, Minnesota 55414.
Our Lady of Lourdes, Minneapolis.

Richard Salet, 308-100 Cedar, Mankato, Minnesota 56001. Mankato businessman,
graduate of University of Wisconsin and Harvard Business School; former
member of Minnesota Zoological Board.

Mary Ann Scroggins, 3222 St. Croix Trail South, Afton, Minnesota 55001.
Newspaper and public relations writer; joined Minnesota Zoological Society
in 1972 as legislative coordinator of state zoological garden bill.

U. S. Seal, Ph.D., 9801 Pillsbury Avenue, Minneapolis, Minnesota 55420. Research bio-chemist, Veterans Administration Hospital; Professor of bio-chemistry, College of Biological Sciences, University of Minnesota; an original appointee to Minnesota Zoological Board.

*John Tilton, One Webster Place, Hopkins, Minnesota 55343. Former newspaper publisher, first Chairman of Metropolitan Council's Zoological Advisory Committee; first Chairman of Minnesota Zoological Board.

Adolf Tobler, 915 Edmund, St. Paul, Minnesota 55104. Former business representative of St. Paul Trades and Labor Assembly; former Vice President of Minnesota Zoological Society.

Jerome Wagner, 715 Park Avenue, Anoka, Minnesota 55303. Biology and natural sciences teacher, Anoka Senior High School; former Director of Education for St. Paul Science Museum.

Karla Williams, 26 19th Avenue S. W., New Brighton, Minnesota 55112. President, Minnesota Zoological Society (1976-1977). Director of first Minnesota Aid to the Zoo Horse Show, 1974; active in Jaycee Wives, P.T.A., Chimera Theatre and March of Dimes.

*Member of Executive Committee

E. Reports Acknowledgment

The Minnesota Zoological Garden Foundation is prepared to furnish any reports required to show how grant monies were spent and to certify that they were spent for the indicated purposes. Further the Foundation is prepared to submit any necessary financial data and records over and above that contained herein as necessary.

F. Authorization for Application

John C. McKay, President and Robert S. Voigt, Executive Director, of the Minnesota Zoological Garden Foundation are authorized by action of its Directors to make grant applications on behalf of the Foundation for the financial objectives described. Other officers and directors are also authorized to act when additional or alternate affirmation is needed on grant applications.

G. Summary Statement

a) The Minnesota Zoological Garden Foundation is a 501(c)(3) tax-exempt non-profit corporation. The corporation is organized and operated exclusively for charitable, educational, and scientific purposes, for the benefit of the Minnesota Zoological Garden, through the rendering of financial assistance, performance of services and acts as appropriate and helpful to further the authorized objectives of the Minnesota Zoological Garden, and to assist the Minnesota Zoological Board which has been created to supervise and control the Minnesota Zoological Garden (described in Minnesota Statutes, Chapter 85A).

b) The Minnesota Zoological Board has the responsibility to construct, equip, operate and maintain the Minnesota Zoological Garden. The Minnesota Zoological Garden will consist of facilities and structures for the collection, habitation, preservation, care, exhibition, examination or study of wild or domestic animals, including, but not limited to, mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The zoo will also provide other support needs for parking, transportation, entertainment, education or instruction associated with the zoological garden. The zoo is a 480 acre park in Apple Valley, Minnesota.

c) The Minnesota Zoological Garden and the Minnesota Zoological Garden Foundation have been established as separate, permanent, on-going entities. The garden is a branch of state government. The foundation is an independent corporation operating under its own articles and by-laws. The original master plan prepared in 1971 estimated costs of design and construction to approach \$38.0 million. Subsequent reductions in exhibits and programs to \$23.0 were funded by the Minnesota Legislature in 1973. Construction at this level of commitment started in 1974 and is scheduled for completion in 1978. Costs of total development today would probably approach twice the original estimate. The foundation will actively solicit financial support for future expansion of the zoo and be available for personal commitments of tax free gifts of all kinds.

d) The immediate objective of the foundation is to secure \$5.2 million for completion of Phase I of construction. Of the total needed, \$2,350,000 from non-state sources will be used to obtain matching funds from the state. The long range expectations are greater in order to complete the zoo to the extent that it was originally conceived.

e) Major financial support by individuals, businesses and foundations will add immeasurably to the present development and future educational potential of the zoo. The leadership exhibited by these concerned citizens will also lend credence to our foundation's program to secure ongoing support for development of zoo facilities and opportunities for personal involvement of our state's families. The zoo will be coordinating educational programs through the state's school system enabling all students to participate in this study of zoological relationships. The personal benefits everyone will receive from attending begins with a recreational experience and extends through the entire range of awareness about the critical balance that exists between mankind and the environment, to the research in process for the preservation and conservation of our heritage.

H. Background

a) Plans for a major innovative zoological garden in Minnesota date back many years. Initial concepts centered around an expanded Como Park Zoo. Subsequent studies by the Minnesota Zoological Society, the Citizens League, and the Metropolitan Council's Zoo Advisory Committee were undertaken from 1964-1968. Each study concluded that a zoological garden would fill a massive cultural void in the region, that it would be economically viable, and that it would bring a host of benefits ranging from increased tourism, to enrichment of educational experiences, to providing a major contribution to "quality of living" standards in the area. Based upon collective recommendations, legislative action was sought to fund and establish such a facility through state tax revenues. The 1969 legislature accepted in principle the concept of a major zoological garden and appropriated funds for a development of a master plan, in fact, the first "state zoo" in the United States. An eleven member governor-appointed Minnesota Zoological Board was created in 1969 to study, plan and acquire a site (subsequently selected in 1971). The 1973 legislature approved a master plan, somewhat reduced in scale from original concepts, and approved a bonding program for the development of the zoo. Dakota County acquired the primary site at no cost to the state. Construction of Phase I commenced on May 1, 1974 and is scheduled for completion in the summer of 1977.

b) The Minnesota Zoological Garden Foundation Articles of Incorporation were filed on July 3, 1975, in the Secretary of State's office, State of Minnesota.

c) The Minnesota Zoological Garden Foundation received its tax exempt status from the Internal Revenue Service on October 15, 1976. The I.R.S. determined that the Foundation is exempt from Federal Income Taxes under section 501(c)(3) of the Internal Revenue Code. They further determined that the foundation is not a private foundation...and that the foundation is an organization described in section 509 (a)(3). Donors may deduct contributions to the Foundation as provided in section 170 of the Code. Bequests, legacies, transfers, or gifts are deductible for federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

d) There are no other organizations active in the same or similar activity as the Minnesota Zoological Garden Foundation in the State of Minnesota.

e) The Minnesota Zoological Society, a citizens support group, is a cooperating organization. It is a membership society organized to inform individuals about the activities and progress of the Minnesota Zoological Garden, and to elicit personal support.

f) The goals and objectives of the Minnesota Zoological Garden Foundation have full and complete support from its officers and members of the board. The foundation also has the complete support from the 11 members of the Minnesota Zoological Board. The zoo represents a unique position throughout the state of Minnesota, too, in that the zoo will be another first for the citizens of the state, in fact, it is the first "state zoo" in America. The project has universal appeal and universal benefit.

g) The activities of the Minnesota Zoological Garden Foundation are not competing with any other requests from similar organizations. The proposal from the Minnesota Zoological Garden Foundation should receive top priority for any and all consideration being extended to financial support of the Minnesota Zoological Garden.

g) The relationship of the foundation to the overall program of the zoo is one of separateness and independence. Both organizations have their own individual managements and operations. The foundation exists for the single purpose of obtaining financial assistance for the future developments of the zoo. The zoo is dependent upon the foundation, for many activities necessary to promote and develop major levels of capital support.

I. Personnel

a) The officers and board members of the foundation are a cross section of our Minnesota community from industry, business, labor, education, agriculture, religion, the professions and the arts. Their interest and purpose in serving on the board is to build a permanent financial aid program for the growth and development of the zoo. Their names and associations are included in another section of this statement. The members participate in the official duties of the foundation...and most importantly, actively participate in various levels of responsibility throughout the community through which they represent the programs and goals of the Minnesota Zoological Garden and the Foundation. The Minnesota Zoological Garden Board is under the direction of Firmin L. Alexander, Chairman. The President of the Minnesota Zoological Garden Foundation is John C. McKay.

b) The staff of the foundation consists of an Executive Director who is responsible for coordinating and directing the program of the foundation and an administrative secretary. The staff of the Minnesota Zoological Garden is responsible for the professional management and administration of the planning, construction, and development of an ongoing zoo. Upon completion, the zoo will have a complement of personnel approaching 150 in number. These professional people will be selected based upon technical capabilities and specific responsibilities needed in order to perform the obligations of maintaining and operating a quality zoo. The Minnesota Zoological Garden staff is under the direction of Donald Bridgwater, General Director. The Minnesota Zoological Garden Foundation is under the direction of Robert S. Voigt, Executive Director.

J. Budgets

a) The current construction budget of the Minnesota Zoological Garden and the current operating budget of the Minnesota Zoological Garden Foundation are available upon request.

b) The source of current income for the Minnesota Zoological Garden is derived from funds originally provided by state legislation. When the zoo is open and operating, it is designed to be self-supporting. The source of funds for the operation of the foundation is derived from initial contributions to the foundation for its establishment. The largest contribution is \$75,000 from the Bush Foundation for start-up and operating expenses for the first two years of the foundation's activities. This grant was received by the foundation on March 17, 1976.

c) The requests by the foundation for financial support of the zoo will be for capital improvements and developments not originally funded by the state. Future expansions and development of new facilities will take place as a result of non-state entities providing monies for construction of exhibits and related facilities and from excess operating revenues. It is the intent of both the Minnesota Zoological Garden and the Foundation that a program will continue on a permanent basis to secure and receive the financial resources for the further development of the zoo.

d) Requests for financial support from individuals, corporations and foundations are now in the initial stage of development by the Minnesota Zoological Garden Foundation. The total needs from first round contributions amount to \$5,200,000. Of this amount, \$2,350,000 will be matched by additional state funds to be appropriated through general obligation bonds.

K. Evaluation

a) Evidence is available in feasibility studies, analytical statements, financial summaries, and related reports to substantiate the justification for the Minnesota Zoological Garden. These publications and papers are available for review, either in the Zoological Garden office, or may be obtained for study at the convenience of the requesting organization.

b) The major level of non-state financial support initially is a commitment of \$785,000 from the Bush Foundation. This is designated as \$75,000 toward the establishment of the Minnesota Zoological Garden Foundation and \$710,000 toward the matching funds appropriations of the Minnesota Zoological Garden from the state.

c) Annual reports of the foundation will be distributed to donors requesting such information as soon as they are available after the close of every fiscal year. Other reports or progress statements will be prepared as needed.

d) The staff of the foundation and the zoo are available for discussion of activities at any time.

II. Minnesota Zoological Garden

A. Project Location

The Minnesota Zoological Garden is located in Apple Valley, Dakota County, Minnesota within the seven-county metropolitan area. It is 18 miles south of either downtown Minneapolis or St. Paul and is easily accessible by existing and planned access routes. It occupies an area of approximately 480 acres adjacent to the City of Eagan, and within a three-mile radius surrounded by the cities of Apple Valley, Burnsville, Eagan and Rosemount. The zoo peripheral area (a one to two mile radius) is almost exclusively developed with residential uses, metropolitan, county or municipal parks and agricultural use.

B. Project History and Status

Plans for a major innovative zoological garden in Minnesota date back almost half a century. Initial concepts centered around an expanded Como Park Zoo. Subsequent studies by the Minnesota Zoological Society, the Citizens League, and the Metropolitan Council's Zoo Advisory Committee focusing on the need for a metropolitan Twin Cities area facility were undertaken from 1964 to 1968. Each study concluded that a zoological garden would fill a massive cultural void in the Twin Cities, that it would be economically viable; and that it would bring a host of benefits (as viewed by those completing the study) ranging from increased tourism, to enrichment of educational experiences, to providing a major contribution to "quality of living" standards in the area.

The Metropolitan Council prepared a Development Guide for the proposed zoo. It was intended to be a "new zoo" in concept serving the entire metropolitan area. It would provide large open exhibit areas for the more natural behavior, social groupings, and propagation of the animals. The objectives would be conservation, education and recreation. The large site would have to be carefully selected and environmentally compatible with the surrounding area. It would require state funding assistance.

Based upon recommendations of the Metropolitan Council, legislative action was sought to fund and establish such a facility through state tax revenues. The 1969 Legislature accepted in principle the concept of a major zoological garden, with the stipulation that the facility

should be designed and operated to serve all the people of Minnesota and be located in the seven-county metropolitan Twin Cities area. It would become, in fact, the first "state zoo" in the United States. \$500,000 was appropriated from Minnesota Resources Commission funds for the development of a master plan, to be considered by the Legislature in 1971 for full funding.

An eleven member Governor-appointed Minnesota Zoological Board was created in 1969 (Minnesota Statutes, Section 85A), with authority to study, plan and acquire the Minnesota Zoological Garden "at a site to be selected by the Board but which must be located within the area comprised of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington". Prior to site selection the Board was required to prepare a "comprehensive plan for site location and development" and submit it to the Metropolitan Council for approval. The Board was to work with and assist other zoos in the state. No funding was provided for site acquisition at that time.

Pursuant to the legislative authorization and within the policy guidelines provided by a Metropolitan Development Guide for the proposed zoo, the Zoo Board began an extensive search for an appropriate site. After reviewing a substantial number of sites, the Apple Valley site was compared closely with three other primary sites. The Apple Valley site was recommended to the Metropolitan Council based not only on size, terrain, and road access; but also the preference expressed by the U.S. Department of Agriculture officials who would be required to approve the zoo once it was constructed. The Metropolitan Council reviewed and approved the site on June 25, 1970.

During this time the Board prepared a master plan for zoo development and a legislative recommendation for capital funding. The Metropolitan Council reviewed and, subject to later review of specific development issues, approved site development on February 11, 1971. The 1971 Legislature considered but did not approve the funding recommendation. A revised funding proposal was submitted to the 1973 Legislature based on a master plan revision providing some reduced development cost. The site proposal submitted by the Minnesota Zoological Board for Legislative Committee review was the Apple Valley site. The 1973 Legislature approved the bonding program for the development of the zoo with the legislatively stated requirement that the site be acquired by the metropolitan county involved at no cost to the state.

Dakota County has acquired and transferred to the state 456 acres of the site. Three life estates have been granted within the area acquired. Three developed parcels within the defined zoo site comprising 22 acres were not acquired by Dakota County. The Board has been

granted statutory authority to acquire property and has now purchased one of those developed properties in a negotiated sale and proposes to do the same with the other two as the owners decide to sell. Some minimal additional perimeter access around water bodies will also be required. The Board and Dakota County have agreed to an easement around the north ponding area to be transferred by Dakota County to the Zoo Board.

The Legislature provided bond authority as follows:

- (a) \$23,025,000 in general obligation bonds was authorized.
- (b) \$2,350,000 in additional general obligation bonds would be issued upon a matching basis, provided that:
- (c) \$2,350,000 from non-state sources would be secured by the State Zoological Board through grants, gifts and donations from such non-state sources.

At this time \$23,835,000 in bonds have been sold representing the basic bonding authority plus \$810,000 in matching bonds.

The Zoo Board developed a capital budget of \$28,148,763 based upon the assumption that 50% of matching funds could be expected. The budget included \$22,345,000 directly assigned to capital construction. The Board set up a management system that is responsible for cost control and internal scheduling of the several elements of construction. Those elements are described as contract packages. Construction, primarily site work and utilities, has begun on the initial contract packages.

At the request of the Zoo Board, joint land use planning for the area surrounding the zoo has been initiated early in the project by Apple Valley, Eagan and Rosemount. Since that time, the directive by the Environmental Quality Council that this Statement include more details on surrounding land use has resulted in a major joint planning effort among the Zoo Board, Apple Valley, Eagan, Metropolitan Council, and the Environmental Quality Council. The result is expected to be a detailed Zoo Area Development Guide approved by Apple Valley and Eagan.

The 1974 Legislature approved a bill authorizing a "zoo road" to be built by the State Highway Department by July 1977. The road is an extension of a previously planned upgrading of State Highway 36 (Cedar Avenue Freeway) from the intersection with 35E to the south and east, to the zoo entry at the southeast corner of the zoo site.

C. Project Description

1. Policy, Design and Patronage Projections

The Zoo Board began action on the project by creating a project management system and selecting a design team.

The policy framework for design included the 1971 and 1973 master plans and a statement of objectives and guidelines. The statement of objectives and guidelines was first adopted in February 1970. It was reviewed and revised in 1972 and 1973 prior to design direction by final Zoo Board adoption August 10, 1973.

An analysis of societal trends was also used to direct the design approach. The design sequence, the societal trends, and the objectives and guidelines are available for inspection in the Minnesota Zoological Garden office.

Within that policy framework a Services Program was prepared to outline what kinds of zoo site activities were to be accommodated. It ranged from visitor use areas, exhibits and zoo operations to descriptions of utilities (solid and liquid wastes, water, electricity, energy, and communications), and service circulation. From that and from prior master planning a full Facilities Program was developed. The program elements were used to guide design.

Design then progressed from refined master planning through schematic design approval on February 3, 1974. Following that came the process of detailed design (design development and contract documents) for individual contract packages.

During the master planning and schematic design process the Zoo Board secured detailed studies of patronage projections. A Financial Feasibility Study had been done by Stanford Research Institute in 1970. Real Estate Research Corporation prepared an update analysis in 1974. Real Estate Research estimated peak day attendance at 30,000 and total annual attendance in the first year of operation (July 1977 through June 1978) at 1,313,400 without a zoo ride, or 1,500,000 with a zoo ride.

The proposed zoo access road will be designed to carry anticipated traffic for the design year 2000 in accordance with Federal Highway Administration and Minnesota Highway Department policy. Projected traffic for the year 2000 is now being developed.

2. Development

The zoo development can be divided into three major development areas within the site, plus the basic internal systems, special services, and the access roads external to the site. The major areas are: a) the main building and parking lot; b) the northern trek; and c) the internal services area.

a) Main Building - The main building and parking lot (designed to hold 2,500 cars) is the focal point for visitor entry/exit to the site. The building will house administration and education facilities as well as some major exhibit areas. There is an Oriental tropics exhibit area of approximately 1½ acres all enclosed and representing the Oriental zoogeographic region with both plants and animals. The Minnesota exhibit will display representative Minnesota animals. It will be a combination of indoor/outdoor exhibits to be viewed from enclosed areas and walkways. The aquarium will feature a Beluga whale exhibit with underwater viewing, and some smaller aquaria featuring ocean life in different climatic zones.

Near the building entrance there will be an outdoor exhibit featuring the Japanese Macaque (snow monkey). Also included are orientation theater, special interpretive areas, education facilities (with classrooms, laboratory, and audio-visual), and a mini-zoo. The mini-zoo will include an animal nursery, an animal contact area and several small animal exhibits.

This building and exhibits described are vital parts of an all-weather, year round zoo concept. Future expansion is expected after several years. Climate controlled exhibit areas identified with other zoogeographic regions (such as Australian and Ethiopian) would be added north of the main building over a period of years.

b) Northern Trek - The largest developed portion of the site is referred to as the "northern trek". It is intended to give the impression that the visitor is traveling across the northern hemisphere of the world and viewing those northern hemisphere animals in habitats reasonably similar to that found in their native areas. This would include habitats resembling plains, mountains, tundras, forests, and marshland.

The trek has been arranged to make best use of existing open area and vegetation so that the natural attributes of the site can provide a habitat area substantially larger than the area expected to be developed for the animal exhibit. It will be necessary to construct roads,

walkways, rest stops, animal barns and dens, as well as moats and other containment facilities for the exhibits. A high quality enclosed zoo ride for all weather viewing of the northern trek is being sought. Construction by a concessionaire is proposed. Future expansion of the trek concept could be made to the north of the present trek.

Existing water bodies will be retained largely in their present conditions, with the exception of some fill or drainage required to create a larger plains area, and dredging required to provide a pond deep enough for a swimming moose. There will be contained artificial water bodies for the polar bear and seal as well as artificial streams and waterfalls in other exhibits.

c) Internal Services - In the northeast corner of the site there will be development referred to as the "internal services". It will provide the basic operational support to the zoo. There are five separate structures serving different functions, but falling into two general categories: 1) operations and maintenance, offices and shops including commissary, greenhouse, general storage, carpentry, plumbing, fiberglass work and vehicle maintenance and storage; and 2) an animal care headquarters providing for animal holding, quarantine and medical treatment.

3. Basic Systems

Actual construction will include not only general construction of structures, fences, exhibit areas, and landscaping, but also internal roadways and utility systems throughout the site.

The site will be completely fenced by a 10 foot high, vinyl clad or galvanized chain link fence with 15 foot clear space inside the fence. This is required to meet U.S. Department of Agriculture requirements.

Water will be supplied by an internal water system including a 1,000 GPM pump plus a 600,000 gallon partially elevated storage tank and two 1,000 GPM pressure pumps. The deep well will draw from the Jordan Sandstone Strata. Treatment will include iron removal to avoid staining of structures and animals. Chlorine will not be added because it would threaten the life support water systems for the aquariums. Future or emergency connection to the Apple Valley water system is provided.

Electrical service is being provided by Dakota Electric by a new primary system installed through the site. The voltage of that line is approximately 13KV with expected initial zoo energy demand at approximately 5,000 KW. Emergency power is provided for some on-site facilities.

At the same time as the electrical service is installed by direct burial, cables will be laid for Central Telephone. A major internal communications program on site will use zoo owned coaxial cables and telephone type cables throughout the site for closed circuit TV, telemetry of animal conditions, monitoring of mechanical systems, and security.

Heat will be supplied to all major buildings by a central gas/oil heating plant. It is located in a separate area which will permit building and boiler additions to convert to coal if necessary some time in the future. Based upon a study of possible energy alternatives it was determined that a single heating plant with space to convert was the best alternative. Oil storage is provided. Space is allocated for future underground storage of coal. Minneapolis Gas will provide gas capacity up to 25 million BTUs per hour. The widely dispersed facilities of the northern trek will have all energy needs, including heating, provided by electricity.

Energy conservation techniques have been explored. Design objectives include the use where possible of heat recovery ventilation, a general "u" factor of .1, partial burying of structures, selection of animals tolerant of a broader range of temperatures for outdoor exhibits, minimal heating of separate animal structures, and where temperature control is required for animal health, establishing the broadest temperature ranges possible. Energy production techniques such as heat pumps, use of waste products, and solar energy have been considered. The design of the central heating plant will permit future development of waste product and/or solar energy approaches as well as coal conversion.

Liquid wastes will be handled by direct sewer connections through the City of Eagan into the Metropolitan Sewage Disposal System. Capacity in the Eagan line will be up to 3 million gallons per day with peak use during initial years expected to be approximately 1 million gallons per day. Such wastes would include runoff within the self-contained exhibit areas to the extent that such runoff did not naturally percolate or evaporate. Solid wastes, including public waste such as paper, will be composted on the site. Natural runoff from non-exhibit areas will be contained in ponding areas on the site. Under USDA provisions, drainage off the site will not be permitted. This self-contained drainage will require enclosure of all ponding areas at site perimeters.

Animal carcasses will be buried on site until an incinerator can be installed. An approved pathological incinerator is expected to be located in the internal services area adjacent to the animal health building. No post entry quarantine animal carcasses will be removed from the site. Examinations required will be provided on site in the animal health building. A special cooler is available for short term holding of carcasses. Only for specialized examinations not involving post quarantine animals might carcasses be removed. Proper destruction will be provided.

4. Special Services

Concession operation of internal fast food services is being negotiated. Also, a similar approach is being pursued to secure a zoo ride. Such self-financed operations would be tied by contract to zoo operations and would operate only within the zoo facilities. A long term lease with a private, profit-making firm would make the facilities for the service taxable as real estate. There will be zoo operated gift shops and other visitor services such as stroller rentals, wheel chair rentals, storage lockers and first aid.

The zoo is planning a youth residence center related to educational programs. This facility would provide overnight lodging and special programs to school groups. It would charge a fee to cover basic costs.

Other self-supporting service facilities including a major dinner restaurant, service station, motel, and campground have been considered in the past. Under current design restrictions, the service station and campground are no longer considered compatible with zoo design. The dinner restaurant and motel are expected to be provided by private development in the area.

D. Access

The external access roads are being planned at this time. The major road is an extension of Minnesota Trunk Highway 36 (Statutory Route No. 279, hereinafter referred to as Cedar Avenue, "Zoo Road", and County State Aid Highway 23) from the intersection with Interstate 35E (northwest of the site), south and east around the site to the southwest corner entry for the zoo site. It is expected to be a limited access, four-lane divided highway designed to relate to topography and development. In addition, upgraded municipal (Johnny Cake/Fairgreen) and County (such as County Road 32) roads will be part of the full permanent access road system.

Traffic estimates indicate a maximum vehicle parking demand of 5,000 cars. A Real Estate Research Corporation study indicates that on peak days of 30,000 attendance with minimal transit use the total number of cars would be 8,000 to 9,000. Assuming a turnover rate as outlined by Real Estate Research for visitor attendance, no more than 60% of such vehicles should be at the site at any one time. Overflow parking (such as use of transit park/ride lots) will be arranged for the peak days.

Effective transit can reduce the amount of vehicle movement. The Zoo Board is participating in transit planning for the Dakota/Washington County area including the zoo site. The initial draft of that route ridership study indicates express service to the zoo and some possible regular transit services.

Traffic studies for the zoo were made by Barton-Aschman Associates, Inc. and Real Estate Research Corporation. These studies gave the following data for the expected year of the zoo opening:

| | |
|---------------------|---------------------------------|
| Peak Day Attendance | 30,000 people |
| Peak Day Traffic | 8,000-9,000 vehicles |
| Peak Hour Traffic | 2,500 vehicles in one direction |

It is estimated that approximately 60% of the zoo attendance will originate in the Twin Cities seven-county area. These traffic studies also estimated that 90% of all zoo traffic will approach the site via I-35W and I-35E and Trunk Highway 36 when they are completed.

A detailed traffic study is presently being prepared by the Metropolitan Systems Planning Office of the Minnesota Highway Department. Final geometric design for the proposed zoo access road will be dependent upon this traffic study.

The existing access problem between the zoo and major transportation routes has been studied since the site selection in 1970 by representatives of Apple Valley, Eagan, Dakota County, Metropolitan Council, Minnesota Highway Department, and the Minnesota Zoological Board. It was determined that an extension of the planned Cedar Avenue Freeway (Trunk Highway 36) from I-35E to the zoo entry near the southeastern corner of the zoo site would provide the zoo with adequate access. To be consistent with roadway and land use plans prepared for the area and also provide a reasonably direct access route to the zoo, the route was proposed to be located north-south along existing Cedar Avenue and east-west along the proposed County Road 38 corridor.

F. Capital Budget

STAGE I

| | | |
|---|------------------|------------------|
| SITE DEVELOPMENT AND INTERNAL SERVICES | | |
| Perimeter Fence | 383,637 | |
| Rough Grading | 837,053 | |
| Well | 65,222 | |
| Water Treatment | 400,683 | |
| Underground | 673,000 | |
| Electrical | 178,500 | |
| Internal Services | 2,274,600 | |
| Signage | 185,000 | |
| Graphics | 400,000 | |
| Heating Plant | 687,390 | |
| Landscape Elements | 65,000 | |
| Site Identification | 3,162 | |
| Construction Facilities | 4,720 | |
| DeWatering | 3,000 | |
| Potential Expenditures | <u>16,158</u> | |
| Sub Total | | 6,177,125 |
| | | |
| MAIN BUILDING | 11,111,531 | |
| Oriental Plantings | 382,000 | |
| Exhibit Construction | 985,000 | |
| Interior Furnishings | <u>105,000</u> | |
| Sub Total | | 12,583,531 |
| | | |
| MINNESOTA EXHIBIT | 299,225 | |
| Minnesota | <u>1,635,000</u> | |
| Sub Total | | 1,934,225 |
| | | |
| AQUARIUM | <u>830,000</u> | |
| Sub Total | | 830,000 |
| | | |
| MINI ZOO | 350,000 | |
| Parking Area | <u>18,000</u> | |
| Sub Total | | 368,000 |
| | | |
| *NORTHERN TREK (To include Nursery and Rest Stop) | 1,480,882 | |
| Exterior Plantings | 160,000 | |
| Northern Trek Rock Work | <u>175,000</u> | |
| Sub Total | | *1,815,882 |
| | | |
| ANIMALS AND EQUIPMENT | <u>1,405,000</u> | |
| Sub Total | | 1,405,000 |
| | | |
| DESIGN AND MANAGEMENT | <u>3,035,000</u> | |
| Sub Total | | <u>3,035,000</u> |
| | | \$28,148,763 |

*See next page for description of funds needed for the completion of Stage II of the Northern Trek

NORTHERN TREK-STAGE II-\$5,200,000*

A. Exhibits

| | |
|------------------------|--------------------|
| 1) Reindeer/Wolf | \$ 350,000 |
| 2) Polar Bear/Seal | 850,000 |
| 3) Musk Ox | 200,000 |
| 4) Mountain Goat/Sheep | 500,000 |
| 5) Grizzly Bear | 450,000 |
| | <u>\$2,350,000</u> |

B. Site Work

300,000

Paths, paving, landscape outside exhibits, etc.

300,000

C. Rest Stops

| | |
|---------------------------------------|---------|
| Mid Trek Stop | 350,000 |
| Rest Stops #1 and #2 (\$200,000 each) | 400,000 |

D. Finishing

100,000

Benches, signs, additional graphics, etc.

TOTAL \$3,500,000

3,500,000

Additional Proposed Northern Trek Stage II Construction

A. Exhibits

| | |
|-----------------|------------|
| 1) Puma | \$ 600,000 |
| 2) Snow Leopard | 600,000 |

B. Bering Straits Interpretive Center

500,000

Expansion of Mid Trek Station for enclosed exhibit potential

TOTAL \$1,700,000

1,700,000

\$5,200,000

*The first goal of the Minnesota Zoological Garden Foundation is to secure these funds to complete the Northern Trek.

Major Commitments

| | |
|---|--------------------|
| Bush Foundation | \$785,000 |
| Special Projects: Horse Shows | 79,000 |
| General Mills Foundation | 150,000 |
| First Bank System | 100,000 |
| Northwestern Bell Telephone | 35,000 |
| Deluxe Check Printers Foundation | 30,000 |
| Peavey Company | 30,000 |
| Edwin W. & Catherine M. Davis Foundation | 25,000 |
| Northern Natural Gas Company | 20,000 |
| Dellwood Foundation | 15,000 |
| Minnesota Gas Company | 15,000 |
| Other Corporate/Foundation Grants | 52,000 |
| Individual Pledges and Gifts | 240,000 |
| | <u>\$1,546,000</u> |

As you can see, Jim, we still have a long way to go to secure the funds needed to complete the Northern Trek area of the outdoor exhibits and educational programs. We have approximately \$2,000,000 in grant applications outstanding that may be acted upon soon. We also have approximately \$300,000 more in new proposals that are in the early stages of development.

Our goal is to have the entire construction of this phase completed by opening date of the zoo in the spring of 1978. Commitments now will give us the opportunity to draw the matching funds now and budget the payments around the subsequent cash flow. Once open, the zoo is designed to be completely self-supporting. The operating costs will be covered by applicable funds generated from user fees and admissions.

You may be interested to know that last Saturday, April 30th, more than 11,000 walkers participated in our first community awareness public relations program. This "Whale Walk" was in and around the 500-acre zoo site in Apple Valley. This is the largest turnout for a walk of any kind, ever, in the state of Minnesota...and it was our first effort...and the zoo is still one year away from opening.

Our community is extremely excited over the future opening of the zoo. This resource has tremendous community appeal, both as a recreation area, and most important, as an educational force for our schools and for people of all ages, interests, and abilities.

Because you have visited the project, you know the extent of activities in progress. We would hope to have an opportunity to "show and tell" more about the Minnesota Zoological Garden to other members of your corporate contributions committee, officers, and board members.

Attached is a complete detailed grant application that should provide more information for your review.

Mr. H. B. Kosanke
December 7, 1976

Page 2

in progress total \$28.1 million. The balance of \$5.2 million is still needed to insure completion of the Northern Trek by opening date. The Minnesota Zoological Garden Foundation has as its initial goal the development of this \$5.2 million from the community.

The Minnesota Zoological Garden Foundation commenced operation in February, 1976. To date, our foundation has received commitments of approximately \$400,000. Grant applications in excess of two million dollars are currently in process. We hope to have the major share of this \$5.2 million goal in firm commitments by the summer of 1977 so that construction on the Northern Trek will be able to continue on schedule.

We are requesting your consideration of a commitment in the amount of \$450,000 to aid in the completion of the Northern Trek. The Northern Trek is intended to give the impression that the visitors are travelling across the northern hemisphere of the world and viewing northern hemisphere animals in habitats reasonably similar to that found in their native areas. This would include habitats resembling plains, mountains, tundra, forest, and marshland. The exhibits will include Siberian tigers, musk oxen, Bactrian camels, polar bears, reindeer, wolves, mountain goats, sheep, grizzly bears, puma, and snow leopards.

This commitment may be disbursed over a period of three years at your convenience. We will be glad to provide you with the necessary documentation to meet your requirements and expectations.

You may wish to compare our grant request to the 3M Company with other local companies relative size and their commitments.

| | <u>Net Worth</u> | <u>Commitment</u> | <u>% Relationship</u> |
|--------------------|------------------|-------------------|-----------------------|
| Bush Foundation | \$ 113,048,166 | \$ 785.0 | .0069439 |
| 3M Company | 1,695,216,000 | 450.0(R) | .0002654 |
| Honeywell Inc. | 938,227,000 | 250.0(R) | .0002664 |
| General Mills Inc. | 560,500,000 | 150.0 | .0002676 |
| First Bank System | 420,325,000 | 100.0 | .0002379 |
| Peavey Company | 95,680,000 | 30.0 | .0003135 |

In relationship to the current construction project, your support would amount to 1.34 percent. We have been most fortunate to have secured approximately 85 percent of the current construction budget. The \$5.2 million remainder is approximately 15 percent of the construction cost.

We believe it is important to recognize the relative drawing power the Minnesota Zoo will have compared to many of the local area

Bob

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

Suite 212

33 Wentworth East
West Saint Paul, Minnesota 55118

Tel. 225-0356

December 9, 1975

OFFICERS & DIRECTORS

*John McKay
President
*David W. Onan II
Vice President
*G. Richard Palen
Secretary-Treasurer
Reuel Harmon
Larry S. Freeman
*Firmin L. Alexander
*Robert H. Engels
James Weiler
*John Tilton
Adolf Tobler
Mary Ann Scroggins
Dr. U.S. Seal
Jerome Wagner
Robert Kinney
Malcolm McDonald
Reverend Alan W. Moss
W. John Driscoll
Richard Salet
Karla Williams

*Executive Committee

MEMORANDUM

To: Members of the Minnesota Zoological Garden Foundation
Board of Directors

From: John C. McKay *JCM*
President

Re: Notice of Meeting, Agenda and Minutes

There will be a meeting of the MZG Foundation Board of Directors on Friday, December 12th at 2:00 p.m. at the Wentworth Office Center Conference Room, West Saint Paul, Minnesota.

Agenda of meeting attached.

Minutes of last meeting attached.

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

Board of Directors Meeting

Friday, December 12, 1975

2:00 p.m.

AGENDA

- I. Call to Order
- II. Minutes of the November 14 Board Meeting
- III. Financial Report
- IV. Report on Contacts
- V. Report on Employment Applications
- VI. Orientation Meeting for Members of the Board and Spouses
- VII. Availability of Transfer of Funds from the Bush Foundation
- VIII. Adjournment

MINUTES OF MEETING OF
MINNESOTA ZOOLOGICAL GARDEN FOUNDATION
EXECUTIVE COMMITTEE
WENTWORTH OFFICE CENTER
Friday - November 14, 1975

The Executive Committee of the Minnesota Zoological Garden Foundation met at 3:05 p.m., Friday, November 14, 1975, at the Wentworth Office Center, Conference Room, West Saint Paul, Minnesota.

Members present: John McKay, President; David W. Onan, II, Vice President; F. L. Alexander, John E. Tilton, Robert Engels, Dr. U. S. Seal, Adolf Tobler, Mary Ann Scroggins, Jerome Wagner.

Others present: Donald D. Bridgwater, Director, Zoological Garden; G. D. Hegstrom, Project Director, Zoological Garden; R. L. Bonawitz, Associate Director of Operations and Visitors Services, Zoological Garden.

The meeting was called to order by Mr. McKay.

Motion was made by Mr. Tilton that the minutes of the October 31, 1975 meeting be approved. Motion seconded and carried.

Mr. McKay presented the financial report and reported expenditures for \$20 for stamps, \$75 for telephone and \$215 for office rent for month of December.

Mr. McKay introduced Gloria Bridgwater as the Foundation's new office manager-secretary-accountant and said she would be working 30 hours per week and paid as a consultant since she would be receiving no benefits.

Mr. McKay gave the President's Report and reported letters had been sent to all persons/institutions who furnished funding in response to the Oppenheimer memorial.

Mr. McKay introduced the President's Summary (Attachment A)--Foundation Status-Activity and Funding, Estimated Operating Budget November 1975 thru February 1976, Alternative Projected Operating Budgets One and Two Years. Mr. Bridgwater corrected page two, Onan Foundation, to read \$2,500 instead of \$2,000.00.

The Board discussed the future Director's position description (Attachment B). Mr. Alexander suggested the Foundation should look at any and all people who come to the Foundation. Mr. Tobler said the first objective should be to raise matching money quickly and said the person should be from here, but that the long-range objective might be different. Dr. Seal asked if something had been done to design a time frame. Mr. McKay said yes and Mr. Bridgwater explained the time frame schedule on the wall (condensed version attached-Attachment C). Mr. Alexander said one goal is an immediate goal and the other goal is a continuous ongoing fund development over the years and that we are not hiring someone on a two or three year contract. Mr. Engels said when the person is interviewed, he should be told

one of the first responsibilities is to raise \$2½ million by a certain date and that this should be worked into one of the job descriptions--by the second stage there could easily be a turnover. Mr. Onan said the description describes a person with experience, a person who has shown the ability to do this kind of job. Mr. Alexander said the applicant should have the ability to manage his time well.

Dr. Seal suggested the applicant might want to give himself his own title. It was suggested the applicant should report to the Board of Directors.

It was suggested the Position Objective should say to raise \$1,595,000 in the first year's operation. Mr. Bridgwater said it would be \$375,000 now and \$1,175,000 later. He said it is a matter of getting enough funds raised to release a match.

Mr. Onan said the future director should look at an immediate objective of \$375,000 and a long-range objective of \$1,595,000 by January 1978. Mr. Tobler said if someone set a specific date the future director might think twice about wanting the job and that we should point out the faster he does it the better, but with no specific date. Mr. Alexander moved that it should be left up to Mr. McKay, Mr. Bridgwater and Mr. Verret. Mr. Engels seconded the motion. Motion carried.

Mr. Engels moved that the Position Objective should read "an Executive Director who will be able to accomplish these objectives." Mr. Alexander moved it should read: 1. \$400,000 first year 2. \$1.1 million by 1978 and 3. long-range (over the years to raise funds) because the person interviewed might want to make this as a career not just a short-term job.

Mr. Tobler said Number 8 under Other General Characteristics should be changed to read "Must be willing to accept a possible short-term contract, and if successful, a permanent contract."

Mr. Alexander asked how we should go about hiring and Dr. Seal said Mr. McKay and Mr. Bridgwater should do the interviewing. Mr. McKay said we should have a screening process and that he now has resumes from three people. Mr. Onan said he would like to look at all of the resumes. Ms. Scroggins said some people do not want it known that they are looking for a job. Mr. Bridgwater said that we should identify some point in time where all of the final applicants are interviewed during a single time sequence and a decision made while the series of interviews are fresh.

Mr. Tilton said we should develop some kind of procedure to let people know we are looking for candidates. Mr. Tobler suggested running an ad and setting a deadline. Mr. Tilton asked if we should get a professional firm to find a director. Mr. Onan liked the idea of an ad.

Mr. Engels suggested January 1, 1976 as a deadline. Mr. Onan suggested December 1. The President was instructed to insert an ad in the local press. It was suggested we might go to Verret for an example of an ad.

Mr. Tilton suggested the president, zoo director and staff should screen the applicants. Mr. Onan and Mr. Alexander requested to read all resumes.

Mr. Engels suggested Mr. Onan serve with Mr. McKay and Mr. Bridgwater, and Mr. McKay suggested Mr. Alexander serve on the committee also.

Mr. Tobler asked if everything had been worked out with the Bush Foundation to release funds and Mr. McKay said he and Mr. Bridgwater are in the process of setting up a meeting with them.

Mr. Engels reported on candidates for the Board of Directors for the Foundation. He said Mr. Dayton, Mr. Wenzel and Mr. Wilke are considering the position.

Mr. McKay told the Board that the Foundation had received a Fee Statement from Dorsey, Marquart, Windhorst, West & Halladay for legal services rendered to the Foundation by Mr. William R. Hibbs in the amount of \$2,006.33. Mr. McKay noted that he would call and discuss this bill with Mr. Hibbs.

Mr. Alexander suggested the Executive Committee should meet again on November 28th at 3:00 p.m.

Mr. McKay adjourned the meeting at 5:00 p.m.

PRESIDENT'S SUMMARY

Foundation Status - Activity and Funding

A. We are now equipped to:

- 1) Receive funds
- 2) Account for funds
- 3) Carry out day-to-day correspondence
- 4) Fully equipped office
- 5) Sufficient equipment or use of same
- 6) Carry out developmental correspondence
- 7) Basic support staff
- 8) Initial Foundation contracts
- 9) Initial special donor contracts

B. We are not equipped or funded to:

- 1) Develop major printed material
- 2) Prepare or carry out a major overall funding strategy
- 3) Develop on-going and long term fund raising efforts
- 4) Long term management of funds

C. Available or projected funds:

| | | |
|---|--------------|----------|
| Currently available | \$4,000 | |
| Available in January | <u>1,000</u> | |
| | \$5,000 | |
| Available in quarterly increments over the next years | | \$13,000 |
| Available to Foundation by March 1976 | | 75,000 |

D. Summary

- 1) We have sufficient funds to operate at Level A for 4 months (November to March 1, 1976)
- 2) We should have funds to operate at Level A and B for two years, without a paid director or special studies.
- 3) We would need \$50,000 additional monies to operate for two years with paid director, special studies, and programs.

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

Estimated Operating Budget
November 1975 thru February 1976

Income

| | |
|------------------------|-----------------|
| Cash on hand | \$ 3,000.00 |
| <u>Onan Foundation</u> | <u>2,000.00</u> |
| TOTAL | \$ 5,000.00 |

Expenses

| | |
|--|-----------------|
| Rent (\$215 / month x 3) | \$ 645.00 |
| Office (Organization and management includes secretary, accounting and management - \$6 / hr. not to exceed 30 hr. / week) | 2,880.00 |
| Milage (16¢ / mile) | 128.00 |
| Communications | |
| Phones (\$24.00 / month) | 96.00 |
| Long Distance (\$30.00 / month) | 120.00 |
| Postage (\$42.00 / month) | 168.00 |
| Xerox | 80.00 |
| Supplies and Expense | 200.00 |
| <u>Miscellaneous Expenses</u> | <u>260.00</u> |
| TOTAL | \$ 4,577.00 |
| <u>ANTICIPATED INCOME</u> | <u>5,000.00</u> |
| OPERATING BALANCE | \$ 523.00 |

ALTERNATIVE PROJECTED OPERATING BUDGETS
ONE AND TWO YEARS

Support Staff

| | |
|--|--------------|
| Secretary and Office Management (contract) (including basic accounting) | \$ 12,480 |
| Audit and Supervisory Accounting | 2,000 |
| Overload Clerical (\$4.00 / hour) | <u>2,080</u> |

Offices Operation

| | |
|--|--------------|
| Rental | \$ 2,580 |
| Phones | 600 |
| Office Equipment | 2,000 |
| Supplies | 1,200 |
| Postage and Communications | 1,200 |
| Xerox | 400 |
| Other (including travel, rentals and etc.) | <u>2,000</u> |

TOTAL \$ 26,540

Special projects such as brochures, mailings, programs 12,000

Director of Consultant Program (including fringes + 25%) 30,000

\$ 68,540

This basic support assuring volunteer leadership with special projects funds \$ 38,540

With director or professional advice 68,540

Funding needs annually: Minimum - no projects 14,400

Minimum - projects 38,540

Minimum - with director and projects 68,540

For two years - minimum - projects 77,080

For two years - minimum - director and projects 137,080

Projected base level office operation (\$1,200/month) 14,400

No projects major

No expansion

Attachment B

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION
POSITION DESCRIPTION

POSITION TITLE: Executive Director

REPORTS TO: Foundation President

DIRECTLY SUPERVISES:

POSITION OBJECTIVE:

PRINCIPLE RESPONSIBILITIES:

1. To develop and implement, with the dedicated involvement of the Executive Committee and the Foundation Board, short and long range fund development programs needed to support the program and objectives of the Minnesota Zoological Garden. This includes the development of an initial fund development program plan which includes:
 - a. A definition of the purpose for any fund-raising activities.
 - b. The identification of the community power structure.
 - c. The development of the basic structure of the campaign in terms of levels of authority and community organization.
 - d. A delineation of the standards of giving in the form of tables showing the number of gifts and anticipated size from the various types of donors.
 - e. A statement of requirements in terms of volunteer workers, campaign literature, equipment and resources.
 - f. A time schedule and budget for accomplishing the initial program.
2. To develop strategy, plans and procedures as needed to promote the interest of community leadership in the Minnesota Zoological Garden. This includes the development of the data/information needed to allow individual Foundation Board members and the Foundation Board as an entity to participate in the promoting of such interest.

3. To develop proposals for institutional and government grants.
4. To secure funds by use of capital campaigns, living trusts, bequests and annual donations.
5. To serve as the principle administrative officer of the Foundation.
6. To prepare and provide financial and Foundation status reports to the Foundation Board of Directors on a regular basis.
7. To prepare and file financial reports with the IRS and other reports and documents as needed by the State or Federal Government.
8. To maintain books and records supporting all fund-raising activities.
9. To develop statistical and, following detailed analysis, summary reports which will allow the Board to measure the results of its fund development efforts and direct attention to uncultivated items and/or areas.
10. To develop and construct a public relations program for the Foundation.
11. To coordinate the fund-raising activities of the Foundation with the Minnesota Zoological Board, Minnesota Zoological Staff and as needed with the Minnesota Zoological Society.
12. To manage fund-raising and capital campaign programs.
13. To attend Foundation Executive Committee meetings, Foundation Board meetings, and to participate in the development of policies and procedures.

DESIRABLE QUALITIES:

1. Strong administrative skills
2. Managerial experience
3. Ability to develop in-depth plans and objectives aimed at fulfilling the Foundation's objectives.
4. Demonstrated familiarity and experience with all forms of fund-raising activities and all forms of giving.
5. Demonstrated leadership ability and ability to organize and manage volunteer groups and programs.
6. Good communication skills.

OTHER GENERAL CHARACTERISTICS:

1. Ability to operate and produce on a time schedule (preferably with a proven track record).
 2. Ability to make clear, concise, but appealing public presentations.
 3. Knowledge of operational functions and general philosophies of corporations and foundations.
 4. Personable and able to relate the zoo story to the public.
 5. Is able to relate to and work with the Zoological Garden staff and be acceptable to them.
 6. Is able to relate to and work with the Zoological Board and be acceptable to them.
 7. Must indicate a basic value system compatible with the purposes of the Foundation's goals.
 8. Must be willing to accept a possible short term contract.
 9. Must be able to write effectively and understand the media services.
 10. Must have a basic knowledge of finance, taxes and related areas.
- Justina*

REQUEST FOR A GRANT IN AID

Submitted: December 12, 1975

to

The Bush Foundation

W-962 First National Bank Building
St. Paul, Minnesota 55101

Submitted by

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION
33 East Wentworth Avenue
Suite 218
West St. Paul, Minnesota 55118.
612-225-0356

John C. McKay, President

David W. Onan II, Vice President

G. Richard Palen, Secretary Treasurer

TABLE OF CONTENTS

- I. Identification of applicant
- II. Confirmation of eligibility
- III. Basis for grant application
- IV. Organization information
- V. Purpose of requested grant
- VI. Statement of impact and effectiveness
- VII. Reports acknowledgment
- VIII. Authorization for application

APPENDICES

- A. Articles of Incorporation
- B. Letter of tax exempt status
- C. Employer identification number
- D. Bylaws
- E. Letter of acknowledgment, Minnesota Zoological Board

I. Identification of Applicant

This application for a grant from the Bush Foundation is submitted by the Minnesota Zoological Garden Foundation whose official address is: Wentworth Office Center, 33 E. Wentworth Avenue, Suite 218, West St. Paul, Minnesota 55118.

II. Confirmation of Eligibility

A. Statement of Incorporation

The Minnesota Zoological Garden Foundation has filed Articles of Incorporation with the Secretary of State and these were approved July 3, 1975 (Appendix A) making the Minnesota Zoological Garden Foundation a public non-profit charitable foundation.

B. Tax Exempt Status

The Minnesota Zoological Garden Foundation received its Internal Revenue Service Tax Exempt Status as a public non-profit foundation on October 15, 1975 with Employer Identification No. 51-0147653 (Appendices B and C).

C. Declaration of Non-Adverse Action

To the best of the Foundation's knowledge, there has not been nor is there pending any adverse action by the Bureau of Internal Revenue with request to its tax exempt status as outlined above.

III. Basis for Grant Application

A. Background

In 1969, legislative action established the Minnesota Zoological Garden as a Department of State Government and charged it with the development of a major innovative zoological garden for the State of Minnesota. The subsequent master plan for such a facility was approved in 1973 and a funding program was authorized to accomplish these ends as follows:

- a) \$23,025,000 in general obligation bonds was authorized
- b) \$2,350,000 in additional general obligation bonds could be issued on a matching basis provided that; matching funds were secured by the zoological garden through grants, gifts and aids from non-state sources up to \$2,350,000.00.

The results of this legislation was the authorization to proceed with construction; acceptance of full operational support prior to zoo opening and the increase of funding through matching bond grants as they were matched by non-state sources. The project is proceeding as scheduled on a 480 acre site in Dakota County with completion scheduled in 1977.

B. Basis for Application

The basis for this grant application arises out of the need to secure additional non-state funds to assist in the realization of the full \$2,350,000 matching funds provision granted by the 1973 State Legislature through the raising of an equal matching amount from non-state sources and for the insured long-term support, maintenance and improvement of the Minnesota Zoological Garden through operational and capital improvements programs.

Constitutional prohibitions prevent the zoological garden from dedicating funds to insure the above goal and the Minnesota Zoological Garden Foundation has been established with the express purpose of providing a vehicle to secure and manage both short and long term funding for this worthwhile and exciting public institution.

IV. Organization Information

A. Operational Information

The Minnesota Zoological Garden Foundation has been organized as a public fund raising body solely to support the operational and capital improvements programs of the Minnesota Zoological Garden both in its short term and long term objectives.

The Foundation's officers and Board of Directors are responsible for carrying out the purposes of this grant request and are listed as follows:

Officers and Directors

John C. McKay, President, 2106 Caroline Lane, South St. Paul, Minnesota 55075 - past director of the Minnesota Energy Agency until mandatory retirement; past president of CENEX, worked there 26 years until mandatory retirement; 13 years planning commission, South St. Paul; member of board of directors of United Way, St. Paul.

David W. Onan II, Vice President, 235 Gleason Lake Road, Wayzata, Minnesota 55391 - President of the Onan Family Foundation, Minneapolis, Minnesota.

G. Richard Palen, Secretary-Treasurer, 1473 Summit Avenue, St. Paul, Minnesota 55105 - President, Palen-Kimball Company, St. Paul; member of Midway Civic and Commerce Association and Minneapolis Chamber of Commerce.

Firmin L. Alexander, 1355 Lincoln Avenue, St. Paul, Minnesota 55105 - Executive Administrator, Learning Centers Program, St. Paul Public Schools; Chairman, Minnesota Zoological Board.

Robert H. Engels, 1921 Humboldt Avenue South, Minneapolis, Minnesota 55403 - Retired president and chairman of board, Northern States Power Company.

John Tilton, 5320 Malibu Drive, Edina, Minnesota 55436 - former newspaper publisher, first chairman of Metropolitan Council's Zoological Advisory Committee; first chairman of Minnesota Zoological Board.

Reuel Harmon, 14 High Road, Inver Grove Heights, Minnesota 55075 - Former chairman of board, Webb Publishing Company, St. Paul; past president of Minnesota Zoological Society; former vice-chairman of Minnesota Zoological Board.

Dr. U. S. Seal, 9801 Pillsbury Avenue, Minneapolis, Minnesota 55420 - Research bio-chemist, Veterans Administration Hospital; professor of bio-chemistry, College of Biological Sciences, University of Minnesota. An original appointee to Minnesota Zoological Board.

Mary Ann Scroggins, 3222 St. Croix Trail South, Afton, Minnesota 55001 - Newspaper and public relations writer; joined Minnesota Zoological Society in 1972 as legislative coordinator of state zoological garden bill.

Adolf Tobler, 915 Edmund, St. Paul, Minnesota 55104 - former business representative of St. Paul Trades and Labor Assembly. Former vice president of Minnesota Zoological Society.

Richard Salet, 308-100 Cedar, Mankato, Minnesota 56001 - Mankato businessman, graduate of University of Wisconsin and Harvard Business School; former member of Minnesota Zoological Board.

Robert Kinney, 940 Smithtown Terrace, Excelsior, Minnesota, 55331 - President and Chief Operating Officer, General Mills; Chairman, YMCA Metropolitan Minneapolis.

Jerome Wagner, 715 Park Avenue, Anoka, Minnesota 55303 - Biology and natural sciences teacher, Anoka Senior High School. Former director of education for St. Paul Science Museum.

Karla Williams, 26 19th Avenue S. W., New Brighton, Minnesota 55112 - Member, board of directors, Minnesota Zoological Society; Director of first Minnesota Aid to the Zoo Horse Show, 1974; active in Jaycee Wives, PTA, Chimera Theatre and March of Dimes.

Larry Freeman, 2581 Quebec Avenue South, St. Louis Park, Minnesota - Group case underwriter, Minnesota Mutual Insurance, St. Paul; serving second term as president of Minnesota Zoological Society, former membership chairman.

Reverend Alan W. Moss, 21 S. E. Prince, Minneapolis, Minnesota 55414 - Our Lady of Lourdes, Minneapolis.

W. John Driscoll, 357 Salem Church Road, West Saint Paul, Minnesota 55118 - President, Green Valley Holding Company, St. Paul; Board of Directors, First National Bank, St. Paul; Board of Directors, First Midwest Corporation.

Malcolm McDonald, 710 Lincoln Avenue, St. Paul, Minnesota 55105 - Vice President in investment services group, First National Bank, St. Paul; Trustee of Wilder group; Trustee of F. R. Biglow Foundation and The Biglow Foundation; Director of Community Development Corporation of St. Paul.

B. Principal Direction

The foundation operates with a full time support from its officers at 33 East Wentworth Avenue, West St. Paul, Minnesota under the direction of its President, John C. McKay. As future funding permits, it is the foundation's intent to secure a paid Executive Director or Manager to serve at the pleasure of the Executive Committee and assist in carrying out its mission.

The foundation is governed by its Articles of Incorporation (Appendix A) and its By-laws (Appendix D).

C. Purposes of Organization

The foundation's purposes are as outlined in Section III B. above and as specifically stated in its Articles of Incorporation;

"This corporation is organized and shall be operated exclusively for charitable, educational, and scientific purposes and, in limitation of the foregoing, this corporation is organized and shall be operated exclusively for the benefit of the Minnesota Zoological Garden in the accomplishment of its purposes through the rendering of financial assistance, performing of services, and such other acts and benefits as are appropriate and helpful to further the authorized objectives of the Minnesota Zoological Garden and to assist the Minnesota Zoological Board which has been created to supervise and control the Minnesota Zoological Garden. For such purposes and not otherwise, and subject always to the limitations contained in Article III hereof, this corporation shall have only such powers to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose of any funds and property and the income therefrom for the furtherance of the purposes of this corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber, and use the name, and such other powers which are consistent with the foregoing purposes of this corporation and which are afforded to the corporation by the Minnesota Nonprofit Corporation Act, and any further laws amendatory thereof and supplementary thereto."

V. Purpose of Requested Grant

A. General

A grant in the amount of \$75,000 over a two year period is requested to assist in the establishment and development of the Minnesota Zoological Garden Foundation as follows:

- a) To enable the foundation to develop a program to raise \$1,500,000 to release equal matching funds over a two-year period for the capital construction program of the phase I Minnesota Zoological Garden.
- b) To develop long-term funding and fiscal management to support further operational and capital improvement programs of the Minnesota Zoological Garden.
- c) To provide a portion of administrative and office support, develop printed material and support specific fund raising projects to achieve purposes one and two above.

B. Specific Program

The foundation became operational on 1 November 1975 with available assets of \$4,500 with additional fund guarantees of \$14,000 for the following six months. It has established a two year capital operating budget to January 1978 as follows:

PROJECTED OPERATING BUDGET
November 1, 1975-January 1, 1978

| <u>STAFF</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|---|-------------|-------------|-------------|
| Director and/or consulting services (including fringes) | --- | 30,000 | 30,000 |
| Secretary-Office management and business accounting | 2,080 | 12,480 | 13,728 |
| Audit Supervisory Accounting and Legal | 2,006 | 2,000 | 2,000 |
| Clerical overload (4.00 per hour) | | 2,080 | 2,080 |
| <u>OFFICE OPERATION</u> | | | |
| Rent | 215 | 2,580 | 2,580 |
| Phones | 78 | 600 | 800 |
| Postage and communications | 84 | 1,200 | 1,300 |
| Office Equipment | --- | 2,000 | 1,500 |
| Xerox | 80 | 400 | 500 |
| Supplies and Support Materials | 200 | 1,100 | 1,200 |
| Travel | 128 | 1,800 | 2,000 |
| Miscellaneous Expenses | 172 | 960 | 1,000 |
| <u>SPECIAL PROGRAMS</u> | | | |
| Includes brochures, mailings, project coordination - | | 12,000 | 12,000 |
| TOTAL | \$ 5,043 | 69,200 | 70,688 |
| Known Income | 5,500 | 6,457 | 7,000 |
| Projected Needs | | 62,743 | 63,688 |

VI. Statement of Impact and Effectiveness

It is most appropriate that the Minnesota Zoological Garden Foundation seek this grant from the Bush Foundation. Mr. Archibald G. Bush had a long standing interest in developing a major zoo for the Twin Cities area. He served as the first president of the Minnesota Zoological Society from 1961-1964 and continued until his death as honorary chairman of its Board. It was commonly understood that if such a program could have been removed from the arena of local politics that he was willing to supply substantial funding necessary to implement such a program. Further in April, 1974, a grant from the Bush Foundation in the amount of \$785,000 was made to assist in meeting the matching funds made available by the state to realize this state-wide institution.

Now in order to facilitate and insure the full realization of the initial state matching funds provisions and to establish a long-term body of financial support for the Minnesota Zoological Garden, the Minnesota Zoological Board has indicated by official letter (Appendix E) that it wishes the Bush Foundation to reduce its original grant by \$75,000 and upon the merits of this application agree to provide an equal amount to the foundation named herein.

VII. Reports Acknowledgment

The Minnesota Zoological Garden Foundation is prepared to furnish any reports required to show how grant monies were spent and to certify that they were spent for the indicated purposes. Further the Foundation is prepared to submit any necessary financial data and records over and above that contained herein as necessary.

The Minnesota Zoological Garden Foundation has reviewed and will accept the terms and conditions of such a grant as stated in the Bush Foundation Donee Agreement.

VIII. Authorization for Application

John C. McKay, President of the Minnesota Zoological Garden Foundation has been authorized by action of its directors to make this application.

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

Suite 212

33 Wentworth East
West Saint Paul, Minnesota 55118

Tel. 225-0356

November 26, 1975

OFFICERS & DIRECTORS

*John McKay
President
*David W. Onan II
Vice President
*G. Richard Palen
Secretary-Treasurer
Reuel Harmon
Larry S. Freeman
*Firmin L. Alexander
*Robert H. Engels
James Weiler
*John Tilton
Adolf Tobler
Mary Ann Scroggins
Dr. U.S. Seal
Jerome Wagner
Robert Kinney
Malcolm McDonald
Reverend Alan W. Moss
W. John Driscoll
Richard Salet
Karla Williams

*Executive Committee

Dear

This is the most challenging letter that I have ever undertaken to write. How does one in a brief statement tell the story of years of patient work on the part of a lot of people to bring about a Minnesota Zoological Garden?

The 1973 Minnesota Legislature provided \$23 million in funding with \$2.35 million additional available if matched by private donations. They wanted to give the people an opportunity to participate in the creation of the Minnesota Zoological Garden so that they, too, could feel the pride of being a part of such a worthwhile project. The wisdom of this additional funding provision has been proven as inflation continues to take its toll. In order to insure the realization of the full concept of the finest zoo of its kind, it has become obviously mandatory and crucial to the success of the project that these additional funds be raised.

The Minnesota Zoological Garden Foundation was organized to do that job. Our sole purpose is raising funds to support the Minnesota Zoological Garden in the accomplishment of its immediate goal and also for its ongoing support.

The complexities and pressures of our complicated society are causing many people to search for some means of escape. Some have a cabin on a lake--a place to get close to nature and get away from it all. Others seek relief through drugs, alcohol or tranquilizers. Where many activities pull families apart, the zoo is a total family activity. The Minnesota Zoological Garden will be a facility that will offer every member of the community an opportunity to get close to nature and to relax in pleasant surroundings of woods, lakes and wildlife. I cannot conceive of any other way you could touch the lives of so many people in such a wholesome, natural way than through a gift to the Minnesota Zoological Garden.

Don Bridgwater, Director of the Minnesota Zoological Garden, along with board members John Tilton and Reuel Harmon, met with you or your representative on October 10, 1974 and presented the plans for the Minnesota Zoological Garden in detail. If you desire further information, members of our Board of Directors and I are anxious to meet with you to discuss all aspects of the Minnesota Zoological Garden. Our Foundation is recognized by the Internal Revenue Service and donors may deduct contributions. Our employer identification number is 51-0147653.

We would be most grateful as will the thousands who will enjoy the Minnesota Zoological Garden for your consideration.

Sincerely,

John C. McKay
President

JCM:gb

MINNESOTA ZOOLOGICAL FOUNDATION

FINANCIAL REPORT

December, 1975

| | <u>Credits</u> | <u>Debits</u> |
|-------------------------------|----------------|---------------|
| Oppenheimer Memorial-Harris | \$ 5.00 | |
| Onan Foundation | 1,642.43 | |
| Balance Brought Forward | 2,174.14 | |
| St. Paul Dispatch | | 55.75 |
| Sexton Printing Inc. | | 129.03 |
| Spring Hill Conference Center | | 45.00 |
| Secretarial Service | | 180.00 |

BALANCE \$3,411.79

Liability: Unpaid invoice - Dorsey, Marquart, Windhorst,
West & Halladay \$2,006.33
for legal services

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION
POTENTIAL DIRECTORS

- * 1. Jack Stassen
- * 2. Robert Voight
- ~~3. Maggie Johnson~~
- 4. Carol T. Masuda
- 5. Jerry L. Searles
- 6. Bob Rees
- * 7. Frederick W. Joy
- ~~8. Charles L. Huntley~~
- ~~9. Joyce Rand~~
- 10. William B. Malevich
- 11. Edna A. Meyer
- ~~12. Thomas R. Mazzitello~~
- ~~13. Dick Truax~~
- ~~14. Robert R. Wiesner~~
- 15. David M. Ziegenhagen
- *16. Louis Gelfand
- ~~17. Dennis O'Neill~~
- *18. Allan Topping

THE BUSH FOUNDATION

W-962 FIRST NATIONAL BANK BUILDING

SAINT PAUL, MINNESOTA

55101

File

TELEPHONE 227-0891
AREA CODE 612

February 19, 1976

Mr. John C. McKay, President
Minnesota Zoological Garden Foundation
33 East Wentworth Avenue, Suite 218
West Saint Paul, MN 55118

Dear Mr. McKay: .

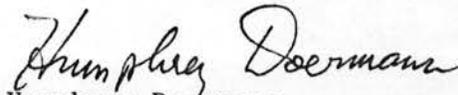
I am pleased to tell you that at its recent meeting the Board of Directors of The Bush Foundation adopted a resolution providing for the payment to the Minnesota Zoological Garden Foundation the total sum of \$75,000 for start-up and operating support over two years. At the same time, the Board voted to reduce by \$75,000 our April, 1974, grant of \$785,000 to the Minnesota Zoological Garden Foundation. The period for which these funds are granted extends from February 17, 1976, to February 16, 1978. Payment will be made in March, 1976.

This grant and notice of approval are subject to your performance of the terms and conditions as outlined in the attached copy of AGREEMENT OF DONEE.

The Bush Foundation will expect to receive from you an acknowledgment of your acceptance of this grant and of the conditions prior to disbursement of funds.

We wish you well in your program.

Sincerely yours,



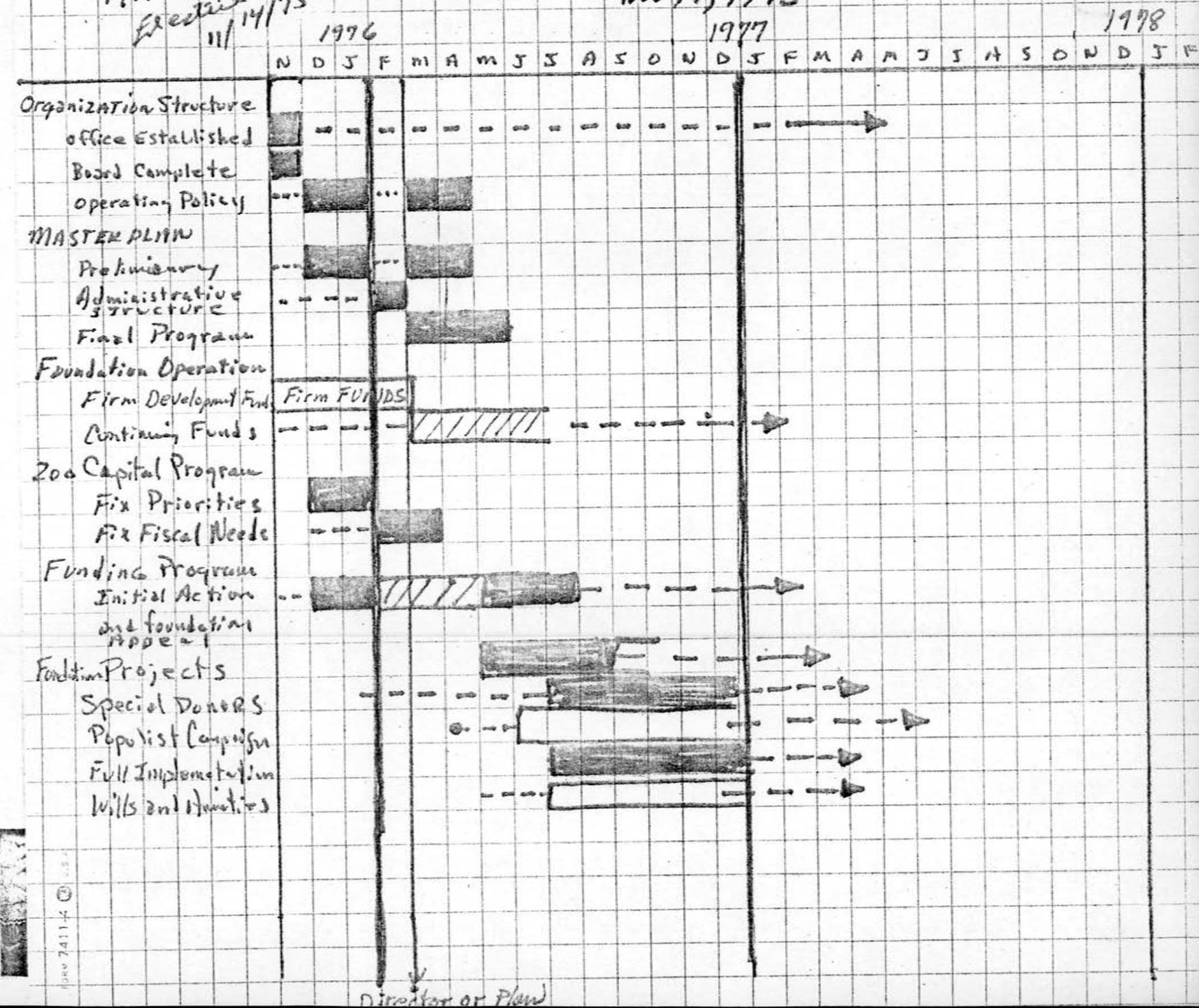
Humphrey Doermann
Executive Director

HD:SS:ly
Enclosure
cc Mr. Firmin L. Alexander

15
11/14/75

Approved
by Council
Electors
11/14/75

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION
TACTICAL SCHEDULE
NOV 14, 1975



FORM 7411-4

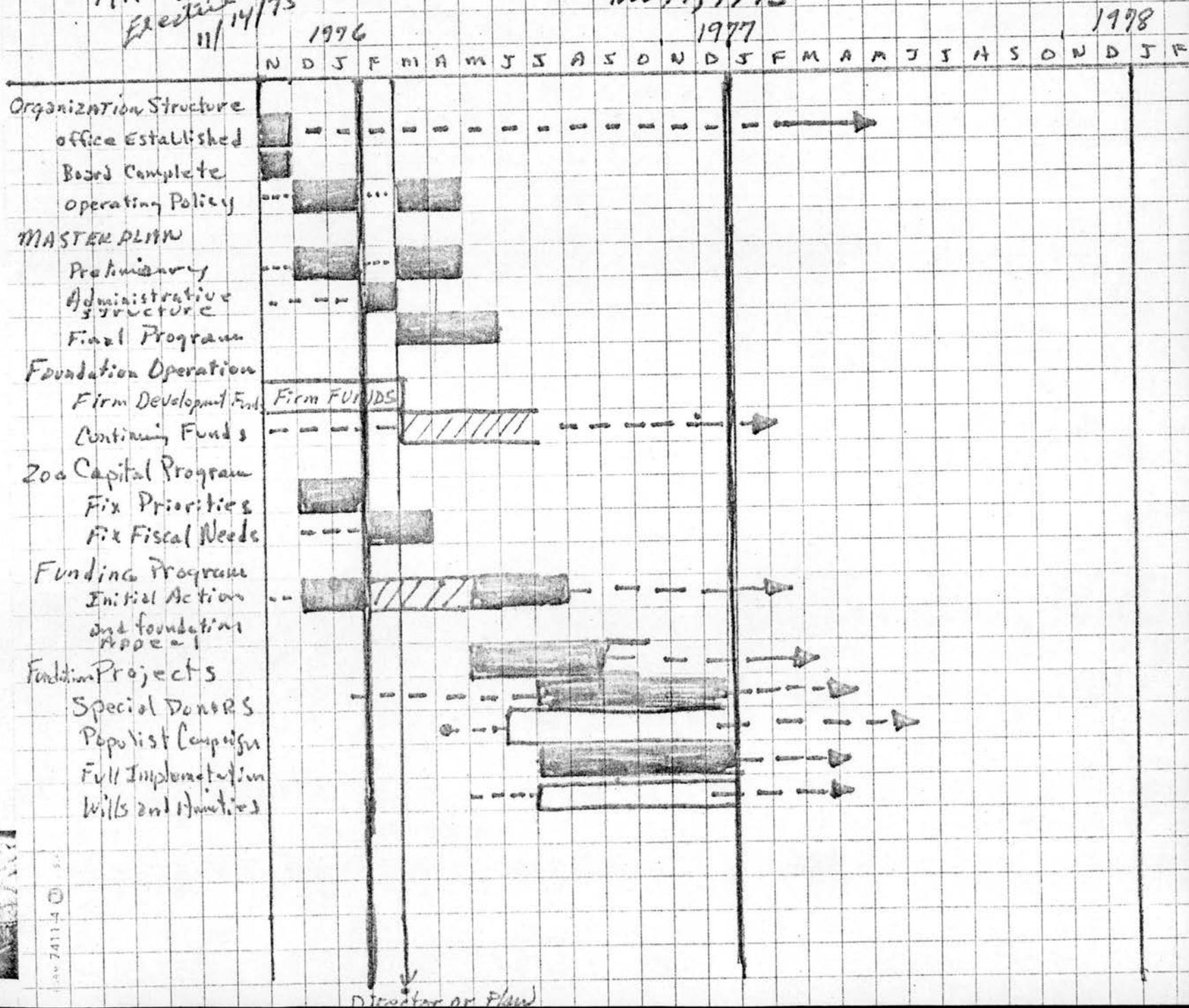
Director on Plan

MINNESOTA ZOOLOGICAL GARDEN FOUNDATION

TACTICAL SCHEDULE

NOV 14, 1975

Approved
by Council
Executive
11/14/75



NOV 14 1975

Director or Plan

DORSEY, MARQUART, WINDHORST, WEST & HALLADAY

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TELEX: 29-0605
TELECOPIER: (612) 340-2868

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(507) 288-3156

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(612) 227-8017

WILLIAM R. HIBBS
(612) 340-2663

November 5, 1975

Mr. John McKay
Minnesota Zoological Garden Foundation
33 East Wentworth Avenue
West St. Paul, Minnesota 55113

Dear John:

Enclosed please find a photocopy of a letter dated October 28, 1975 from W. W. Remington of the Income Tax Division of the Minnesota Department of Revenue, holding that the Minnesota Zoological Garden Foundation is exempt from Minnesota income tax under §290.05, Subdivision 1(i) of the Minnesota Statutes, and exempt from employer's excise tax under §290.031 of the Minnesota Statutes. Please note that the letter requires that a copy of the Annual Report which is filed with the Internal Revenue Service must also be filed with the Minnesota Department of Revenue within ten days of when it is filed with the Internal Revenue Service.

The enclosed exemption letter does not exempt the Minnesota Zoological Garden Foundation from sales tax imposed on purchase or sale of goods, but I do not see that it is necessary to obtain this type of exemption; if I am incorrect in this regard, please let me know, and we will prepare and file a Minnesota sales tax exemption application.

Having now completed the creation of the Minnesota Zoological Garden Foundation and having obtained the Federal and Minnesota income tax exemptions for the organization, it would appear that our work is substantially complete. John Tilton had earlier invited me to submit a statement for our services to the Foundation, and I am therefore submitting such a statement at this time. Consistent with my earlier discussion with John Tilton, the enclosed statement represents only part of the total time incurred in our providing services for the Foundation. We trust that you will find the statement satisfactory.

Very truly yours,

William R. Hibbs

WRH:ao

Enclosure

cc: Mr. Robert Bonawitz
Mr. John E. Tilton
Mr. Donald D. Bridgwater

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WILLIAM R. HIBBS

(612) 340-2663

October 16, 1975

Mr. John McKay
Minnesota Zoological Garden Foundation
33 East Wentworth Avenue
West St. Paul, Minnesota 55118

Re: Exemption Application

Dear John:

Our recent communications with Ms. McMahon of the Internal Revenue Service have been rewarded: enclosed please find a copy of the federal exemption letter for the Minnesota Zoological Garden Foundation. You will note that the exemption letter finds that the Minnesota Zoological Garden Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code as a charitable and educational organization, and that it is not a private foundation by reason of Section 509(a)(3) of the Internal Revenue Code. Further, the organization is not liable for FICA taxes imposed upon private foundations under Chapter 42 of the Internal Revenue Code unless the waiver is filed, (but it is not automatically exempt from other federal excise taxes), and the organization is one for which contributions received may be deducted by their donors. The exemption letter further indicates that a Form 990, Return of Organization Exempt From Income Tax, must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. According to our records, a fiscal year ending June 30 has been elected for the Minnesota Zoological Garden Foundation and therefore the Form 990 will be due December 15 of each year with a penalty of \$10 per day imposed upon the organization and perhaps its responsible officers in the event that the return is not timely filed. The only taxable income which the organization might have is the so-called "unrelated business income;" at this time, I do not see that the organization will create any such income, but if you ever have doubt as to the character of any income received by the organization, you should be sure to contact me. Finally, as you are no doubt aware, the Minnesota Zoological Garden Foundation has received a federal employee identification number, which, according to a telephone call I received several weeks ago from someone in the office of the Minnesota Zoological Garden Board, is 51-0147653.

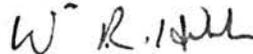
Mr. John McKay
Page Two

October 16, 1975

Having now received our federal income tax exemption, it is appropriate that we submit an application for Minnesota income tax exemption, three copies of which I enclose herewith. Please execute two copies of this Request for Exempt Classification and return them to me, along with two signed copies of the Power of Attorney which are also enclosed herewith.

I am delighted that we have finally received our exempt status despite the problems we had dealing with Ms. McMahon regarding the private foundation status of the Minnesota Zoological Garden Foundation. I have this day ordered a minute book for the organization and will transmit the same to you upon receipt.

Very truly yours,



William R. Hibbs

WRH/jh
encl.

cc: D. Bridgwater
R. Bonawitz

Department of the Treasury

District Director

Internal Revenue Service

Date: October 15, 1975 In reply refer to: Miss McMahon
612-725-7344
StP:EO:75-1365 LHM:ag



▷ Minnesota Zoological Garden Foundation
Wentworth Office Center
33 East Wentworth Avenue
West St. Paul, Minnesota 55118

Purpose: Educational, Charitable
Accounting Period Ending: June 30

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt status. Also, you must inform us of all changes in your name or address.

If your gross receipts each year are normally more than \$5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file a return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,

C. D. Switzer

C. D. Switzer

District Director

cc: Mr. William R. Hibbs
Power of Attorney

DEPARTMENT ATTORNEY GENERAL*Office Memorandum*

TO : BOB BONAWITZ
Assistant Director
Minnesota Zoological Board

DATE: 7/11/75

FROM : RICHARD S. SLOWES *Reck*
Special Assistant
Attorney General

SUBJECT: Transfer of Funds Granted to Zoological Board to
Zoo Foundation

I have reviewed the documents that you provided me with earlier this week concerning grants to the Zoological Board from the Bush and Onan Foundations in light of the Board's desire to have some of those funds allocated to the zoo foundation for start-up expenses. Because none of the grant money has actually been received by the Board, I find no legal problem in the Board's taking action to effectuate such an allocation. As we have already discussed, however, I do not believe it would be proper or possible for the Board itself to make the allocation. Rather, I believe the Board should simply inform the donor foundation that it has become aware of the zoo foundation's need for funds to meet its start-up expenses, that the zoo foundation intends to apply to the donor foundation for a grant of such funds, and that the Board has no objection to a reduction in its grant in order that the zoo foundation's application might be approved.

If you have any further questions or requirements concerning this matter, please do not hesitate to contact me.

lk

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(612) 227-8017

July 8, 1975

Mr. Donald D. Bridgwater, Director
Minnesota Zoological Garden
207 Veterans Service Building
St. Paul, Minnesota 55102

Re: Minnesota Zoological Garden Foundation
Incorporation

Dear Don:

Per our telephone conversation, I enclose herewith one of the original copies of the Articles of Incorporation of the Minnesota Zoological Garden Foundation which was filed for record with the Secretary of State of Minnesota on July 8, 1975, together with a xerox copy of the Certificate of Incorporation, the original of which I am retaining with my files regarding the Minnesota Zoological Garden Foundation.

The Minnesota Zoological Garden Foundation now having been incorporated, it is time for the Board of Directors of the Foundation to adopt the Bylaws which we have revised and prepared in accordance with the general agreement of the incorporators. After adoption of the Bylaws, we should commence preparation of the Exemption Application for the Foundation. In this regard, I enclose herewith a Form of Exemption Application which will need to be filled out and forwarded to the Internal Revenue Service. If you, or in your absence Bob Bonowitz, could review the application and rough out answers to most of the questions posed by the application, this will greatly facilitate our proposed meeting on Tuesday, July 22 at 9 A.M. in my office. If prior to our proposed July 22 meeting, you would like to discuss either the form of adoption of the Bylaws or the enclosed Exemption Application, please feel free to give me a call.

Very truly yours,



William R. Hibbs

WRH:sih
Enclosures

DORSEY, MARQUART, WINDHORST, WEST & HALLADAY

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(612) 227-8017

WILLIAM R. HIBBS
(612) 340-2663

October 10, 1975

Ms. Laura McMahon
Internal Revenue Service
Exempt Organizations
Room 340
316 North Robert Street
St. Paul, Minnesota 55101

Re: Minnesota Zoological Garden Foundation
Exemption Application

Dear Ms. McMahon:

This letter is a follow-up to our telephone conversation this Wednesday regarding the exemption application of the Minnesota Zoological Garden Foundation (the "Foundation"). During our telephone conversation, you expressed some reservation as to whether the Foundation will be excluded from the term "private foundation" by reason of Section 509(a)(3)(B) of the Internal Revenue Code of 1954, as amended (the "Code"), as an organization "operated . . . in connection with" the Minnesota Zoological Garden, which was created by the 1969 Minnesota Legislature under Section 85 A of the Minnesota statutes. You indicated that your reservation arose principally out of the fact that less than a majority of the Foundation's Board of Directors is appointed by the Chairman of the Minnesota Zoological Garden Board. You asked me to furnish you with additional background information regarding the operation of the Foundation and the Foundation's relationship to the Minnesota Zoological Garden Board, this for the purpose of showing that the "responsiveness" test set forth in Regs. § 1.509(a)-4(i)(2) and the "integral part" test set forth in Regs. § 1.509(a)-4(i)(3) are met by the Foundation.

The above-cited regulations provide that the Foundation will be deemed to have met the "responsiveness" test if one or more of the officers, directors, or trustees of the Foundation are elected or appointed by the officers, directors, trustees or membership of the Minnesota Zoological Garden Board, Regs. § 1.509(a)-4(i)(2)(ii), and if the officers, directors or trustees of the Minnesota Zoological Garden Board "have a significant voice in the investment policies of the [Foundation], the timing of grants, the manner of making them, and the selection of recipients by [the Foundation],

Ms. Laura McMahon
Page Two

October 10, 1975

and in otherwise directing the use of the income or assets of [the Foundation]." Regs. § 1.509(a)-4(i)(2)(d). As presently constituted and operated, it seems clear that the Foundation meets both parts of this two-pronged "responsiveness" test. Obviously, under the current Foundation Bylaws, one or more of the directors of the Foundation is appointed by an officer of the Zoological Garden Foundation Board, thus meeting the first test. (In this regard, if it were necessary for a majority of the supporting organization board to be appointed by the officers, directors, or trustees of the supported organizations to meet the responsiveness test in order to satisfy the requirements for the "operated in connection with" relationship, it would seem that Regs. § 1.509(a)-4(i)(2)(ii)(a) would have provided that "a majority of" rather than "one or more" of the supporting organization's officers, directors, or trustees must be appointed by the officers, etc. of the supported organization). Regarding the second "significant voice" part of the responsiveness test, the following facts regarding the relationship between the Foundation and the Minnesota Zoological Garden leave little doubt that the Minnesota Zoological Garden and its Board have a significant voice in the investment policies of the Foundation:

(a) Currently, the Foundation is sharing office space with the Minnesota Zoological Garden, and the long-range plans are to obtain office space for the Foundation either on the same floor or one floor above the Minnesota Zoological Garden office space;

(b) Currently, the Foundation and the Minnesota Zoological Garden are using the same telephone operation; their long-range plans are to continue with interchangeable telephone lines for the two organizations, so as to minimize cost and so that communications regarding contributions, use of funds, and other organizational matters can be easily communicated between the organizations;

(c) To date, Robert Bonawitz, the Associate Director of Operations and Visitor Services of the Minnesota Zoological Garden, has been operating as the ad hoc secretary for the Foundation and has been aiding the Foundation in its organization, bookkeeping and record keeping systems, and in its other administrative undertakings;

(d) Mr. John McKay, President of the Foundation, has worked and will continue to work very closely with Mr. Donald Bridgwater, Executive Director of the Minnesota Zoological Board, with respect to the initiation of operations of the two organizations, coordination of cash flow and use of funds, long-range planning for use of funds, investment policies with respect to the Foundation's use of funds for the benefit of Minnesota Zoological Garden and other administrative considerations for the Foundation and for the Minnesota Zoological Garden; in the last few months, Mr. McKay and

not correct
called
w.
Hibbs
to advise
of investment
on
10/14/75

Ms. Laura McMahon
Page Three

October 10, 1975

Mr. Bridgwater have spent 10 hours or more each week together conferring on these matters, and there is no doubt that this same pattern of inter-change and coordination will continue in the future.

(e) At present, a majority of the Board of Directors of the Foundation are also members of the Minnesota Zoological Garden Board, and, as required by Section 3.02 of the Bylaws of the Foundation, 11 of the 26 Foundation Board members will at all times be appointed by the Chairman of the Minnesota Zoological Garden Board. In this regard, it should be noted that to date, the Chairman of the Minnesota Zoological Garden Board has appointed nine Appointed Directors, each of whom is also a member of the Minnesota Zoological Garden Board of Directors, thus obviously giving the Minnesota Zoological Garden Board a "significant voice" in the operations, investment policies and expenditures of the Foundation. It is anticipated that the remaining two Appointed Director positions will also be filled by Minnesota Zoological Garden Directors.

(f) Both the President and the Treasurer of the Minnesota Zoological Garden are also members of the Foundation Board of Directors and of the five member Executive Committee of the Foundation.

(g) The Foundation Board of Directors meetings are held prior to or immediately following the meetings of the Minnesota Zoological Garden Board, this for the purpose of encouraging the attendance by the directors of the Foundation of meetings of the Minnesota Zoological Garden Board, and encouraging all members of the Minnesota Zoological Garden Board (whether or not also members of the Foundation Board) to attend the Foundation Board meetings. This purpose has been well served, for there has been a good interchange of relationship between the respective Boards of Directors. In particular, since his election as President of the Foundation, Mr. John McKay has been invited to attend and has attended all of the meetings of the Minnesota Zoological Garden Board of Directors.

In light of the foregoing facts, it seems absolutely clear that the Minnesota Zoological Garden will have a significant voice in every phase of the operations of the Foundation, including its investment policies and its policies with respect to grants, and therefore that both parts of the "responsiveness" test under the above-quoted regulations will in all respects be complied with.

With respect to the "integral parts" test, you asked me to indicate whether, but for the involvement of the Foundation, the Minnesota Zoological Garden would be engaged in the activities which are to be carried on by the Foundation. Following our telephone discussion earlier this week, I discussed this point with Mr. Robert Bonawitz, Associate Director of Operations and

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Visitor Services for the Minnesota Zoological Garden, and with Mr. Donald Bridgwater, Executive Director of the Minnesota Zoological Garden. Both of these gentlemen indicate that the principal reason for the creation of the Foundation was to enable a separate organization to engage in the solicitation for and the receipt of contributions for the benefit of the Minnesota Zoological Garden, an activity which the Minnesota Zoological Board, as a branch of the State of Minnesota, would have problems engaging in without creating some problems under Section 85A of the Minnesota Statutes, the statute creating the Minnesota Zoological Garden. Without doubt, but for the Foundation, the Minnesota Zoological Garden would be engaged in the solicitation for and receipt of contributions for the new state zoological garden, and would have undertaken each and every other function now to be carried on by the Foundation. The whole purpose of creating the Foundation is to relieve the Minnesota Zoological Garden from having to carry on these activities. In light of this historical basis for the creation of the Foundation, there is little doubt that the Foundation is merely undertaking certain activities which would otherwise have been carried on by the Minnesota Zoological Garden.

Finally, it would appear to me from reading the regulations and from reading articles dealing with the history and purposes behind Section 509(a)(3) that a majority of the Foundation's Board of Directors need not be appointed by the Minnesota Zoological Garden Board or its officers in order to meet the requirements of Section 509(a)(3)(b). As noted in the parenthetical statement in the second paragraph of this letter, it seems clear that Regs. § 1.509(a)-4 (i)(2)(ii)(a) would have contained the words "a majority of" rather than the words "one or more" as a requisite to satisfying the responsiveness test, if, in fact, a majority of the directors of the supporting organization must be appointed by the officer, director or trustee of the supported organization. At least one writer on the subject would seem to agree with this interpretation; Donald V. Moorehead, in an article entitled "Private Foundations and Public Charities: Handling Definitional Problems under the Tax Reform Act," 31st New York University Institute on Federal Taxation 1267 (1973), notes at page 1298 that the "operated in connection with" relationship between a supporting organization and a supported organization "... focuses not on direct or common control, but whether, notwithstanding the lack of direct or common control, the supporting organization is responsive to and significantly involved in the operations of the public charity." In the present fact circumstances, it is quite clear that the Foundation and the Minnesota Zoological Garden are engaged in this sort of interchange relationship.

After reviewing the foregoing, please call me at your earliest convenience so that we may discuss the matter further by telephone. Both the Minnesota Zoological Garden Board and the Foundation Board have scheduled

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meetings to be held on Friday, October 17 and if at all possible, we would like to complete communication with your office regarding the exemption application for the Foundation prior to these meetings. I will look forward to hearing from you soon.

Very truly yours,

William R. Hibbs

WRH:st

cc: D. Bridgwater
R. Bonawitz
J. McKay

MEMORANDUM

May 13, 1975

TO: Incorporators of the Minnesota Zoological Garden Foundation (MZGF)

FROM: Paul A. Verret, Associate Executive Director, Minnesota Foundation

SUBJECT: A report on staffing and development of the Minnesota Zoological Garden Foundation

At your invitation, the following report is submitted concerning the staffing and development of the proposed MZGF. This report is premised on the assumption that the MZGF has before it a number of important unresolved matters centering around development of policy, goals and objectives, staffing and future direction. The MZGF has to raise \$2.35 million to match available state funds, \$900,000 of which has been raised with \$400,000 more needed by July 1976, and the balance needed by July 1977. It is my understanding that most of the above described funds have been at least potentially encumbered as part of the development of the new facility. Doubtless, were more funds raised, they could be well utilized.

Within a somewhat pressing time schedule, therefore, the MZGF Board has a number of staffing and operational decisions it must make relating to the following functions:

1. Receiving funds.
2. Accounting for funds.
3. Carrying on day-to-day correspondence.
4. Carrying on developmental correspondence.
5. Developing printed material.
6. Staffing - Director and assisting staff.
7. Renting and equipping an office.
8. Raising \$2.35 million from local and national foundations.

9. Laying the groundwork for on-going fundraising efforts and conducting such efforts.
10. Developing and implementing a "populist" fundraising effort on a local level.
11. Three to five years from now, the foundation may also be functioning as an awarder of grants for projects related to the Zoo much along the lines of the Minnesota Medical Foundation. (Enclosed please find a brochure on the Foundation).

Based on our discussion of May 8, 1975, the MZGF is currently considering two operating models at this time:

1. Purchase of service from Minnesota Foundation until MZGF has grown to the point of requiring its own staff, probably a period of 6 months to a year.
2. Start with MZGF staff from the very beginning.

A summary diagram of each model is as follows:

Model #1 - Minnesota Foundation

Model #2 - MZGF

MZGF BOARD

MZGF BOARD

MZGF Board
Does

MF
Does

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Develops policy. 2. Maps out plan of action. 3. Carries on day-to-day operation using Minnesota Foundation. 4. Defers groundwork for ongoing fundraising effort. 5. Defers "populist" fundraising effort. 6. Defers planning for addition of "awarding component" to the foundation. | <ol style="list-style-type: none"> 1. Carries on day-to-day business in light of MZGF policy. 2. Receives funds for MZGF. 3. Provides accounting services. 4. Develops printed material under direction of MZGF. 5. Initiates the contacts needed for raising the balance of the needed \$2.35 million. |
|--|--|

MZGF Board
Does

MF Does

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Develops policy. 2. Maps out plan of action. 3. Carries on day-to-day business. 4. Hires staff. 5. Rents office. 6. Purchases equipment. 7. Receives funds. 8. Provides for own accounting. 9. Develops printed material. 10. Conducts campaign to raise balance of \$2.35 million. 11. Lays groundwork for ongoing fundraising effort and conducts such effort. 12. Works out "populist" fundraising efforts. 13. Begins to plan for addition of "awarding component" to foundation operation. | <ol style="list-style-type: none"> 1. Nothing. |
|--|---|

Model #1 - Minnesota Foundation

Model #2 - MZGF

Cost

Minnesota Foundation staff time is provided according to the following formula:

Hourly rate of staff \$ _____

25% for overhead \$ _____

Base Rate \$ _____

Direct out-of-pocket expenses agreed upon before purchase \$ _____

Total (billed quarterly) \$ _____

Typical staff rates prior to July 1, 1975 are:

| | |
|------------------------------|-------------|
| Associate Executive Director | \$11.25/hr. |
| Controller | 10.66/hr. |
| Associate | 10.00/hr. |
| Accounting | 5.00/hr. |
| Secretary | 4.50/hr. |
| Stenographer | 3.50/hr. |

To provide the services for MZGF as outlined above might well require additional staffing at rates to be determined.

Model #1 - Minnesota Foundation

Model #2 - MZGF

An estimate of Minnesota Foundation staff time to perform the functions diagramed on Page 3 is as follows:

| | | |
|---|-------|-------------|
| Associate Executive Director - 500 hrs. @ \$11.25 | \$ | 5,625.00 |
| Secretary A - 2080 hrs. | 4.50 | 9,360.00 |
| Accounting - 1000 hrs. | 5.00 | 5,000.00 |
| Controller - 100 hrs. | 10.66 | 1,066.00 |
| Stenographer - 1000 hrs. | 3.50 | 3,500.00 |
| Staff Associate - 2,080 hrs. | 10.00 | 20,800.00 |
| | | <hr/> |
| Total | | \$45,351.00 |
| + 25% | | \$56,668.75 |

Other Expenses, estimate:

| | | |
|--------------------------------|--|-------------|
| Printing | | \$10,000.00 |
| Travel | | |
| Mileage - \$5,000 @ \$.12/mile | | 6,000.00 |
| Airfare - | | 4,500.00 |
| Hotel | | 3,000.00 |
| Other | | 1,000.00 |
| Phone | | 1,500.00 |
| Misc. | | 1,000.00 |
| | | <hr/> |
| Total | | \$27,000.00 |

Staff: Staff directly hired by MZGF might come to the following:

| | | |
|----------------------|---------------|----------|
| Executive Director | \$30,000 | |
| Secretary | 8,700 | |
| + 25% benefits | <u>9,675</u> | \$48,375 |
| Accounting 1/2 time | 8,000 | |
| Overload secretaries | | |
| @ \$4.00/hr. | 2,000 | 6,000 |
| Extra staff help | <u>10,000</u> | |
| Total | | \$68,375 |

Office space and equipment - \$ -0-

| | | |
|-----------------------|--------------|-----------|
| Office space & equip. | | |
| Reception room | \$ 500 | |
| 2 offices | 3,000 | |
| Storage & work area | 1,000 | |
| Decorating | 1,000 | |
| Phones | 1,500 | |
| Rental | 7,500 | |
| Office Equip. | <u>2,000</u> | |
| Total | \$16,500 | \$16,500* |

*This can be reduced through rental of more modest quarters and rental of equipment.

Model #1 - Minnesota Foundation

Model #2 - MZGF

| | |
|--------------------|--------|
| Operating expenses | \$ -0- |
|--------------------|--------|

| |
|--------|
| \$ -0- |
|--------|

| | |
|---------------------|--|
| Operating expenses: | |
|---------------------|--|

| | |
|--------------------------|---------------|
| Car rental & maintenance | \$ 3,500 |
| Air fare | 4,500 |
| Hotel | 3,000 |
| Other | 1,000 |
| Office | 10,000 |
| Printing | <u>10,000</u> |

| | |
|-------|----------|
| Total | \$32,000 |
|-------|----------|

Summary

| | |
|--------------------|------------------|
| Staff | \$56,668.75 |
| Office & Equipment | -0- |
| Other Expense | <u>27,000.00</u> |
| Total | \$83,668.75 |

Summary

| | |
|--------------------|---------------|
| Staff | \$ 54,375 |
| Office & Equipment | 16,500 |
| Operating Expense | <u>32,000</u> |
| Total | \$116,875 |

The Advantages and Disadvantages of each model are compared on the following pages.

Model #1 - Minnesota Foundation

Model #2 - MZGF

Quality
of
Staffing

Advantage:

Provides immediate short-term operating staff. Staff with some degree of experience that can start instantly.

Disadvantage:

1. Transition to permanent staff is delayed until initial contacts are completed. New staff then has to make all contacts over again. A serious disadvantage.
2. Lack of time to get in-depth knowledge of the zoo before setting out to operate.

Advantage:

Provides for continuity of staff and development. This work requires a staff which is thoroughly steeped in the business under discussion and thoroughly committed to the pursuit of the objectives of fund-raising.

Disadvantage:

Costs more immediately; but pays off in the run.

Model #1 - Minnesota Foundation

Model #2 - MZGF

Flexibility

Advantage:

Provides opportunity for immediate start-up and allows for shift to permanent staff when MZGF is prepared to make this transition.

Disadvantage:

None as far as flexibility is concerned.

Advantage:

Permanent staff is hired on a "contract basis", i. e. performance is to be expected on a strict schedule over two or three years and it is understood that once a job is completed, a particular position may no longer be open.

Disadvantage:

Locks in MZGF to a "permanent" staff immediately.

Model #1 - Minnesota Foundation

Model #2 - MZGF

Sustained
EffortShort RangeAdvantage:

Get MZGF off and running immediately.

Disadvantage:

Even short term, the use of Minnesota Foundation for 6-12 months does not promote meaningful sustained effort.

Long RangeAdvantage:

None

Disadvantage:

Use of Minnesota Foundation to develop initial fundraising contacts and then turning to a full time permanent staff is duplication and needlessly expensive.

Advantage:

The same staff that "gets the ball rolling" carries the program once underway.

Disadvantage:

If the wrong staff is selected under the wrong conditions, matters can easily go from bad to worse.

Advantage:

Long range continuity of staff is a significant plus for this model.

Disadvantage:

None.

Model #1 - Minnesota Foundation

Model #2 - MZGF

Future growth
& development

Advantage:

None after the first few weeks.

Advantage:

Provides adequately for possible future growth and development.

Model #1 - Minnesota Foundation

Model #2 - MZGF

Conclusion

Using the indicators developed above, the benefits to the MZGF derived from the use of Minnesota Foundation services appear to be short term and costly when compared to the return on the dollar.

On the other hand, the cost of the purchase of MZGF staff, while somewhat higher to begin with, appears to be well worth it.

It is recommended that Model #2 can be adopted providing:

1. An amount sufficient to fund the first year of operation is raised.
2. An adequate personnel system is adopted.
3. The right director is found who is willing and able to:
 - a. Operate and produce on a time schedule.
 - b. Spend enough time learning about the Zoo to fully tell the story.
 - c. Put in the hours to get the job done.
 - d. Is affordable, \$30,000 may be too low.
 - e. Either has or is able to develop contacts on the local and national scene and develop these contacts to the point of successfully "closing" on grant applications.
 - f. Is able to work with State Zoological Board and their staff in fundraising and allocating using state, federal and private funds.

Preliminary Operating Statement

Aid to the Zoological Horse Show

| | <u>Income</u> | | |
|-------------------------|------------------|-----------------------------|----------------------------|
| | <u>To date</u> | <u>Estimated Income</u> | <u>Total</u> |
| Advertising | \$ 10,526.00 | \$ 9,540.00 | \$ 20,066.00 |
| Box Seats | 1,072.00 | 50.00 | 1,122.00 |
| C. Club | 5,200.00 | 100.00 | 5,300.00 |
| Class Sponsors | 19,408.00 | 1,800.00 | 21,208.00 |
| Donations | 305.00 | | 305.00 |
| Entry Fees | 40,463.00 | | 40,463.00 |
| Ticket Sales & Programs | 8,194.45 | 2,000.00 | 10,194.45 |
| Approximate Total | <u>85,168.45</u> | <u>13,490.00</u> | <u>98,658.45</u> 99,000.00 |

| | <u>Expenses</u> | | |
|--|------------------|------------------------------|------------------|
| | <u>To date</u> | <u>Estimated to come</u> | <u>Total</u> |
| Advertising | \$ 820.05 | | \$ 820.05 |
| Cleanup | 600.00 | \$ 600.00 | 1,200.00 |
| Insurance | 714.00 | | 714.00 |
| Horse Oriented | 2,322.20 | | 2,322.20 |
| Society Oriented | 360.96 | | 360.96 |
| Office Expense | 106.55 | | 106.55 |
| Postage (Society) | 53.54 | | 53.54 |
| Postage (Horse) | 40.23 | | 40.23 |
| Premium Book | 747.70 | | 747.70 |
| Show Services | 8,590.42 | | 8,590.42 |
| Joyce Warner | | 1,000.00 | 1,000.00 |
| Flowers | | 300.00 | 300.00 |
| Stadium Rental | 1,500.00 | 2,000.00 | 3,500.00 |
| Sanitation & bedding | | 2,850.00 | 2,850.00 |
| Karla and office | 4,257.75 | 600.00 | 4,857.75 |
| Judges - Misc. | | 200.00 | 200.00 |
| Stationary-Supplies | 191.25 | | 191.25 |
| Trophies & Awards | 2,807.69 | | 2,807.69 |
| Volunteer Expense | 453.26 | | 453.26 |
| Prize Money | | 21,000.00 | 21,000.00 |
| Program Book | | 6,000.00 | 6,000.00 |
| Total | <u>23,565.60</u> | <u>34,550.00</u> | <u>58,115.60</u> |
| Reserve for bad debts and contingencies | | | 3,700.00 |
| Approximate total | | | 62,000.00 |
| Net Profit | | | 37,000.00 |

These figures are unreconciled and unaudited. We suggest that there be a substantial holdback of any distributions pending an audit. The law requires an audit by a public accountant and we recommend such an audit forthwith.

Respectfully Submitted,

Maurice E. Scroggins
Treasurer
Minnesota Zoological Society Horse Show

MINNESOTA ZOOLOGICAL GARDEN



MEMORANDUM

TO: Members of the Minnesota Zoological Board

FROM: John Tilton

SUBJECT: Broad-Based Funding Campaign

Because I shall be unable to attend the March Zoo Board meeting, I ask your indulgence for this long and complex communication, designed to secure a reversal of the Board's position last Friday on the question of a broad-based financial campaign for the State Zoological Garden.

I would ask someone (Mary Ann Scroggins or Jim Weiler, perhaps) to introduce at the March meeting a resolution approximately as follows:

"Resolved, that the Director and Finance Committee develop a plan for a separate organizational structure, including but not limited to, consideration of a non-profit corporation with authority to solicit, accept and expend funds to assist the Zoological Garden program, such plan to be submitted to the Board for consideration at the April meeting, together with the names of individuals likely to play principle roles in such a structure."

I would hope there would be a second ... and a favorable vote.

After a telephone discussion with Dr. Seal Friday evening, I am convinced I failed in my presentation of this matter last week because I sought to hurry the discussion in an effort to save Board time. (It's a measure of our interests and priorities that finance discussions always come at the bottom of our agenda. We spend hours each month in meticulous study of every facet of our planning program ... from whether trees are dead or alive to how many animals are in the macaque exhibit ... yet are asked to race through a discussion of difficult and complex financial problems which can mean millions of dollars to our program, when some Board members already have departed and the rest are tapping their fingers, impatient to be away.) This memo is an effort to correct that failure.

Why the alarm? Here are the reasons why, I believe, the Finance Committee felt a sense of urgency in this matter.

Because there is some evidence the success or failure of our whole program well may be affected. There's a critical point at which a zoological garden falls below the level of internationally recognized excellence, (like the zoos of London, the Bronx, San Diego, Frankfurt, Germany) to a purely local or metropolitan facility like Kansas City, Omaha or Phoenix. In my view, we are dangerously near that point.

I share with all of you a vast enthusiasm for the innovative display procedures already planned by our staff and planners: the emphasis on programmed animal

activity and psychology; the stress on orientation and education; use of closed circuit TV, hydrophones, and other modern gadgetry; new concepts of family groupings and display.

Nonetheless, I feel we may be inviting some irrational and possibly fatal criticisms by our failure to provide (despite the expenditure of some \$26 million in public funds) so many expected, traditional and exotic animal displays. Our new members may not realize that under present planning we shall not show elephant, giraffe, zebra, hippo, orang, rhino, ostrich, kangaroo, dromedary or snow leopard. We will not show the "king of beasts" I think every school child expects ... the African lion, the Asiatic lion, or the American lion or cougar (the latter two dropped for budgetary reasons).

It's been the hope of some of us that we might raise perhaps \$1 or \$2 million above our budget which would fill some of these crucial holes in our display planning. Eighteen months ago, even a year ago, I think we could have found that money. Today I'm not so sure because inflation and recession have depreciated the resources of all foundations drastically ... slashed the profits of most of our corporate supporters to the point where they have frozen most of their giving.

What the story will be a year from now is anyone's guess. But surely there's nothing to lose by getting to work immediately. (There's a very real chance most foundations already have charted their 1975 giving programs and we shall have to wait another year even under the best of circumstances.)

In 18 months, because of a skeleton staff, the illness of the Director, and our incredible planning pressures we have put off, from month to month, any meaningful effort to organize an effective fund raising program. In fact, we have made progress in only four areas:

1. We've submitted one formal foundation request (to the Bush Foundation, completed at 11:00 PM the night before submission) which brought us some \$800,000, largely through the efforts of Reuel Harmon.
2. Because of the personal interest of Bud Onan we have a \$25,000 grant from the Onan Foundation, of which \$10,000 has been paid.
3. After months of argument we finally put a successful horse show on the road that yielded \$25,000 but, in fairness, that success was 90% the work of the two dedicated, sponsoring horse associations.
4. Don Bridgwater, Reuel Harmon, and I made a group presentation to representatives of a score of local foundations at a meeting arranged for our benefit by the Minnesota and Minneapolis Foundation people but that effort, months ago, never has been followed up, though I am sure most of those representatives expected a request from us within the following few days.

A couple of other points:

Despite the fact that there are some constitutional, statutory or administrative restrictions forbidding our employment of fund solicitors, the legislative intent that we do proceed with fund solicitation is clear ... both in our original enabling legislation and the act approving our \$23 million Phase I program.

It is true, if our housekeeping legislation passes, we may be quite near our "matching funds" objectives. But I do not really believe an investment by concessionaires was what our legislators had in mind when they set up this program. And I do not share Dr. Seal's satisfaction that we may be so near our initial objective. The "matching fund" directive by the legislature is our principle argument for foundation and corporate support. Once it is gone, we face added handicaps in any solicitation. Contrary to a sense of satisfaction or complacency, we should be concerned about this matter.

Now ...

The Director has presented a carefully worked out program for a fund raising campaign. There are areas which can be developed at minimal cost and effort (suggestions for bequests in wills ... requests to foundations). But we have no structure with which to launch even a minimal program.

You will note that the resolution, outlined above, omits any reference to the employment of a director for this project ... a matter which seemed to concern many Board members. I feel we can cross that bridge when we reach it. But if the resolution is approved and we can agree on a structure we shall, at least, have gotten off dead center at last.

JET/je