



Minnesota State Zoological Board.
Zoo-Related Organizations Files.

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PRELIMINARY FUND RAISING PROGRAM ANALYSIS

February 5, 1975

Initial private fund raising needs are divided into three priorities:

1. \$1,175,000 in non-state funds, to release equal matching funds which have already been committed to the fixed capital budget for construction of \$26,036,000.
2. \$1,175,000 in non-state funds, to release equal matching funds for facility program enrichment and reinstatement items.
3. Additional funds to provide program support or capital improvement beyond the first phase construction objectives.

During the past 18 months we have succeeded to a certain degree with fund acquisition but have had neither time nor personnel to implement a major concentrated program. The current status of our fund raising program is provided in the following table:

CURRENT ESTIMATED CONTRIBUTIONS

<u>FUND SOURCE</u>	<u>Current</u>	<u>Anticipated</u>
Foundations	\$810,000	\$ 5,000
Special Donors	1,000	225,000
General Public	25,500	
Program Grants	65,000	
Concessionaire Capital		800,000
Total	\$ 901,500	\$ 1,030,000
Grand Total	\$1,931,500	

Fund sources are broken down into five major categories including (1) Foundations; (2) Special Donors; (3) General Public Contributions; (4) Program or Research Grants; and (5) Concessionaire Capital Contributions.

Certain of these funds indicated in both the current and anticipated columns will be dependent upon legislative action before they can be approved as matching funds.

With regard to concessionaire capital, it is apparent that food service proposals should yield about \$800,000 in potential matching funds. The transportation concession could yield upward to \$5 million, but this issue remains somewhat unclear due to the uncertainty of financing mechanisms. However, it can be seen by estimated grand total of current or anticipated

outside source funds, and dependent upon legislation, we may be lacking only \$418,500 from fulfilling the entire \$2.350 million matching funds available.

TACTICAL SCHEDULE

I have prepared a fund raising program tactical schedule covering the period from February 1975 through March 1977. This tactical schedule consists of the following major categories:

- (1) Masterplan preparation.
- (2) Organizational Structure Setup.
- (3) Legislation.
- (4) Categories of Fund Sources including:
 - a. Concessions Capital
 - b. Special Programs and Research Grants
 - c. Foundation Programs
 - d. Special Donors
 - e. General Public Appeal

This is only a preliminary tactical schedule and should be reviewed from a standpoint of work load, staff support, and timing relative to annual activities of various groups such as foundations, schools, etc.

MASTERPLAN: It is proposed that a final tactical schedule be prepared, refined, and finally approved in March. Simultaneously, preliminary ground-work would begin to create an organizational structure to implement the fund raising program. This organization should be structured and approved by the end of April. During this time our legislative program will be active and if the matching fund portion of this bill passes, it will have an effect upon our status in terms of accumulated dollars. In May, I am then proposing that both our legislation and concessionaire decisions will have been completed and it would not be necessary for any fund raising organizations to carry responsibilities for these activities, other than our present in-house staff.

Special Programs and Research Grants: These areas of fund generation are basically related to the availability of facilities on site and would include such things as basic animal research grants, program support for education or film production. We, in fact, have several grants of this sort already in house for the ISIS system. We would anticipate continuing approach identification and application for these sorts of grants. It is anticipated that these elements could be handled by current staff and Board personnel.

We will review current grants and funds available and institute in July a renewal and follow up program and continue these approaches throughout the remainder of the year. In January 1976 we would begin evaluation and contact activity and continue this until January 1977 where again a reassessment would occur. A second portion of this would be the review of currently available programs in May, final lists to be prepared in June, and

program application to begin in July and continue through the remainder of the year. In April, program reassessment would occur followed by a second series of program applications. Both elements of special programs and research grants will be a continuous activity throughout the lifetime of the zoo.

I have identified three general fund sources including (1) foundation programs, (2) special donors, and (3) general public appeal. These three areas will require some additional organizational structure and support in order to implement them. There can be some degree of staff support for these activities. However, we cannot hire personnel specifically to carry out fund raising programs under existing constitutional and statutory regulations. I have envisioned some form of outside structure with possibly some paid individuals to coordinate activities, channel funds, and carry out necessary implementation procedures.

Foundation Programs: This area would receive the highest priority since this source represents the largest monetary return for the amount of effort put forth. Elements here include the analysis of available foundations both local and national, the development of final lists, and the implementation of primary applications. The tentative schedule suggests that this analysis would begin in June, final list completed in July, and primary application prepared for submission would begin in August, continuing through December, 1975. At this time secondary applications would be emphasized and secondary application programs would be conducted throughout 1976 with all applications complete in November 1976. The intent is to coordinate applications with the schedules of foundations with regard to action on grant applications.

Special Donors: This is another area which tends to yield both small and large funding. An example of such a program would be the proposed snow leopard grant request which we are currently pursuing. The preliminary tactical schedule indicated beginning and end point elements for special donor identification, follow up contacts, and solicitation. Again, this is a continuing activity which would last throughout the lifetime of the zoo. However, with regard to facilities that might be provided in time for opening of the zoo, I have identified August, 1976 as a possible last date for the inclusion of these facilities.

General Public Appeal: This area of fund raising demands perhaps the greatest amount of effort, the largest amount of volunteer assistance, and offers the greatest opportunity to all areas of the public to contribute to the zoological garden. I have broken this area into three basic categories: schools, communities, and special groups. The latter area is illustrated by the Aid to the Zoo Horse Show activity. There are a large number of activities which would have to be conducted in order to implement such a program. These would include the organization, training and direction of solicitors, the identification of specific projects for appeal, the development of a message in the form of a brochure, etc., format layout, news releases, and distribution. Other elements would include mass mailings, public presentations, and the setting up of a system of fund collection, accounting and follow up. Activities of this sort would in addition require some expenditure of funds for printing, mailing, travel, and the like. I am proposing that such a program plan be started in July with a target date to complete a program with its elements and schedules by September 1975.

SUMMARY: It is my feeling that some type of outside structure must be set up to accomplish the proposed program. In fact, I would envision perhaps two separate structures: one to coordinate and handle foundation programs and special donors, and another to handle general public appeal programs. I have envisioned some type of group functioning as a fund raising unit for the Minnesota Zoological Garden. Members of this group would be made up of persons willing to serve in such capacity on a volunteer basis and selected from communities throughout the state. Such a group, I feel, would need a paid executive director or manager to develop schedules, coordinate programs and direct contacts. Further, I envision that the individual would be provided space within the zoological garden offices and could receive some support from our present staff and Board. A basic element of this group would be those members of the State Zoological Board Finance Committee. There is the possibility that such a group could be structured under the existing Minnesota Zoological Society but there are some basic relationship problems which would have to be worked out.

With regard to general public appeal, I believe this could be developed on a volunteer basis through the vehicle of the Zoological Society with some dependence on other volunteer organizations such as civic clubs, community groups and the like.

Based upon this general presentation, I would like to solicit questions and recommendations from members of the Finance Committee which would lead to an organizational-approved program no later than April, 1975.

11 December 1974

MEMORANDUM: From John Tilton
TO: Firmin Alexander, Don Bridgwater.
SUBJECT: Zoo finance campaign.

M. Harmon

This memorandum is written in the event my service on the State Zoo board terminates Dec. 31, at the end of my current appointment. It is designed to appraise you of the status of the current Zoological Garden finance campaign.

There are, I think, two immediate concerns.

First, of course, is the very serious neglect of the campaign to solicit grants from foundations...not only every foundation based in Minnesota but perhaps a score of larger, national foundations as well. I am aware of the problems here...the pressures of the planning and construction effort in the Zoo itself; Don's illness and the resulting burden on Clague; the satisfying sense that the finance campaign was not emergent and the tendency to delay it accordingly. Three of us went to some effort to make the presentation to foundation representatives at the Minneapolis fund-sponsored meeting in Minneapolis. Somehow we must press ahead with a long-overdue followup in the form of grant requests to the foundations present. The holidays are on us. Then will come the legislature. Meanwhile the stock market collapse is eroding foundation assets and ~~ma~~ forcing them into genuine curtailment programs. Here we are juggling with about \$3 in potential construction monies...too much to permit any further delay.

The second concern is the need to, somehow, fund the transport system in the new zoo so that the operating profits therefrom will accrue to the Zoo board and not some outside concessionaire. Here we gamble with a profit center which, in Don's judgment, will yield between \$400,000 and \$500,000 a year.

My efforts in this area have been to explore the possibility of revenue bonds...either issued by the State of Minnesota with transport system revenues pledged to their repayment; or revenue bonds issued by a newly created authority. It is agreed, I think, that there is no market for revenue bonds today, at almost any interest rate. But there is the chance that our financial community might be willing to cooperate by buying some thousands of such bonds as a public service gesture, providing the revenue projections work out and the burden is broadly shared among banks, savings and loan people and insurance companies.

Here I have touched bases with Sen. Norbert Arnold, new finance committee chairman, and Nick Coleman, both of whom expressed interest in pursuing the plan. I'm still trying to reach George Konzemius...Don is to sound out the Governor's office next week.

In the financial community I've talked with Peter Gillette of NW National Bank of Minneapolis and a Metro council member fully conversant with the Zoo, as well as the following three key people:

1. Frank MacDougal, head of the bond department at North Central office, Prudential Insurance Co; MacDougal says his company generally backs away from such schemes but believes it would cooperate if other financial institutions did so;

2. Chuck Gesme, head of the bond department at NW National of Minneapolis, who referred me to Joe Miller Jr. and told me that Miller (if he can be interested) can swing the whole program for us.

3. Joe Miller Jr., boss man of Miller-Schroeder, a big municipal bond house in Bloomington. Miller was interested enough, on a California trip a few days later, to rent a car and go out see the San Diego Zoo's new people mover. I also suggested he inspect the Los Angeles "Magic Mountain" facility of Universal Mobility. Haven't heard if he did so.

11 December 1974.

MEMORANDUM: From John Tilton

P A G E T W O

We have talked about organizing a volunteer solicitation group from Zoo society and other interested members. By all means, it seems to me, this should be followed up.

In summary, it would seem to me the Board should push ahead with all stops out on the foundation solicitation. In this connection it seems we should assign a full time secretary to this job, even though ~~she~~ she's hired ultimately for another assignment. Given a desk and a secretary and a little authority to move and the program can push ahead rapidly, even with largely volunteer help.

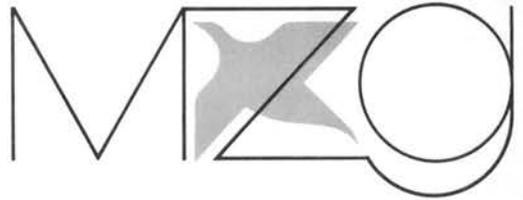
One priority ~~here~~ is the "bargain list" of projects, either under construction or on the reinstatement or enrichment lists, which can be included in such requests.

Meanwhile someone should keep in touch with Joe Miller and sound out some other financial institutions on the revenue bonds idea. Part of our task here will be to develop a prudent projection of earnings potential for the train, worked out in detail with a frank discussion of potential hazards for investors: another fuel crisis, a major depression, war etc., etc.

Once we get the foundation appeals out of the way and have found some solution to the transport system problem we can then move ahead on a broadly based campaign for individual and corporate gifts and grants

Co: Harrow, Salex

MINNESOTA ZOOLOGICAL GARDEN



October 22, 1974

Memo to: Dick Clague
From: Don Bridgwater
Subject: Fund Raising

On October 10, 1974, Mr. Harmon, Mr. Tilton and I made a presentation to the Minneapolis Foundation. This now gives us a basic entre' to enter into individual contacts with the members of the foundation for potential funds for MZG.

I am attaching a list of the foundation corporate and family representatives, as well as a copy of the minutes of that meeting.

We should begin a rather systematic approach to these groups while our recent presentation is firmly in their minds, or perhaps it would be appropriate to hold a meeting of the Finance Committee prior to our next board meeting to review our fund raising program.

THE MINNEAPOLIS FOUNDATION

400 Foshay Tower
821 Marquette Avenue
Minneapolis, Minnesota 55402
612/339-7343

October 18, 1974

Mr. Donald Bridgwater
Minn. Zoological Garden
Veterans Service Bldg.
Columbus Circle
St. Paul, Minn. 55155

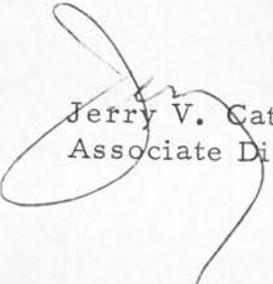
Dear Don:

Enclosed please find a copy of the minutes of our Foundation Representatives meeting of October 10, 1974. Included in the minutes is a list of those in attendance.

I want to thank you, Reuel and Tom for an excellent presentation on the zoo. Along with the film trip your presentations gave us a good comprehensive overview of plans to date. I will look forward to receiving more information concerning your progress.

Again, my thanks to all for your participation in our meeting.

Sincerely,



Jerry V. Catt
Associate Director

JVC/ab
cc: Mr. Reuel Harmon
Mr. John Tilton

TO: TRUSTEES CORPORATE CONTRIBUTIONS AND
FOUNDATION REPRESENTATIVES

FROM: JERRY V. CATT - THE MINNEAPOLIS FOUNDATION
ASSOCIATE DIRECTOR

RE: MINUTES OF FOUNDATION REPRESENTATIVES MEETING
October 10, 1974 - 3:30 p.m.
Northwestern National Bank - Directors' Room

PRESENT:

Harold Adams	Minnesota Charities Review Council
C. Roger Bailey, Jr.	Northwestern National Bank
	Trusted Foundations
David Beal	Green Giant Company
Thomas Beech	The Minneapolis Foundation
Carol Berde	Dayton Hudson Foundation
Donald D. Bridgwater	Minnesota Zoological Garden
Conley Brooks	Marbrook Foundation
Jerry Catt	The Minneapolis Foundation
Calvin W. Clark	Citizens' League
Thomas P. Cook	The Phillips Foundation
Alan S. Cooper	United Way of Minneapolis Area
James W. Dahlman	Onan Company
Russell V. Ewald	The McKnight Foundation
Wm. C. Getsck	Pako
Roger Hale	Tennant Company
Thomas Hale	Cargill Foundation
Reuel Harmon	Minnesota Zoological Garden
Bower Hawthorne	Minneapolis Star & Tribune
Dennis Heaney	NW National Bank of Minneapolis
Peter Heegaard	S. T. McKnight Foundation
Albert Heimbach	Farmers & Mechanics Savings Bank
Ted Kolderie	Citizens' League
Valerie S. Lies	Otto Bremer Foundation
Warren J. McCoy	The Pillsbury Company
Charles F. Murphy	The Graco Foundation
Lee Nelson	International Multifoods Corp.
Henry H. Nowicki	F. A. Bean Foundation
George Pennock	Tennant Company
Omar Schmidt	Community Health & Wealth Council
James P. Shannon	The Minneapolis Foundation
Donald Wallin	Twin City Federal Savings & Loan
John Tilton	Zoo Board
Norm Jepson	Minnegasco

Following a brief welcome, an updated listing of current and potential Capital Fund Drives, and also a revised listing of area Foundation, Corporate and Family Representatives were distributed. Information concerning changes in these listings should be forwarded to The Minneapolis Foundation.

Mr. Catt introduced Thomas M. Katus, Program Coordinator of the Phelps, Stokes Fund who briefly explained the purposes of the national conference on Indian Higher Education, sponsored by the American Indian Higher Education Consortium, at the Chief Gall Conference Center on the Standing Rock Sioux Reservation in South Dakota from October 29 - November 1, 1974. Persons interested in this conference were asked to contact the Phelps, Stokes Fund, 1832 Corcoran St. N. W., Washington D. C. 20009, Telephone (202) 462-2596 for further information.

Bower Hawthorne, Chairman, introduced the speakers and also moderated the question period which followed.

Speaking about the progress and plans for the Minnesota Zoological Garden (MZG) were:

Reuel Harmon, Board Member
Donald Bridgwater, Director
John Tilton, Director

After a slide presentation which described the design and program of the zoo, located in Apple Valley, the speakers discussed the MZG funding status.

The state has provided \$23 million in bonds and in addition will match, dollar-for-dollar, up to \$2.3 million to be raised from private sources. The effort to do so is currently under way. The campaign has an open-ended time frame.

The zoo is designed to sustain its own operating expenses through admission fees.

During the discussion it was pointed out that about \$1 million has been received to date toward the \$2.3 million target.

Bower Hawthorne introduced the following who spoke concerning the program, direction and needs of the Citizens League:

Peter Heegaard, Board Member and immediate
past president
Ted Kolderie, Executive Director

After a summary of the League's history, the speakers described plans and objectives for 1975 and beyond.

The Citizens League intends to continue to fulfill its role as an asker of the difficult questions about governmental structure and operations. However, in the near future the League anticipates it will focus on public services, asking basic questions about the economics, effectiveness, and accountability of such services.

The League has restructured its staff somewhat in an effort to give concentrated attention to programming and to increasing requests for information and assistance both locally and nationally.

The Citizens League's 1975 budget is presently set at \$225,680. Financial support of the League has historically come from Twin Cities businesses (currently there are about 550 firm members) and from individual and family memberships. The League has not sought non-business giving in any major way in the past. However, recognizing the impact of inflation and the expansion of the League's program, an effort will be made to contact area Foundations, in order to supplement the funds raised from historical sources.

During the discussion it was pointed out that the League has an exceptionally broad and stable funding base. However, the League feels it may be approaching the giving limit of this base. The 1975 budget is \$32,180 more than 1974 receipts.

The meeting adjourned at 4:45 p.m.

Copies of the updated Capital Funds Drives and the Foundation Representative's lists are enclosed for those not in attendance at the meeting.

THE MINNEAPOLIS FOUNDATION

400 Foshay Tower
821 Marquette Avenue
Minneapolis, Minnesota 55402
612/339-7343

Staff

James P. Shannon
Jerry V. Catt
Thomas F. Beech

October 1974

Bonus Hawthorn, Ed. Mpls. Star & Tribune Chairman of Council of
FOUNDATION, CORPORATE AND FAMILY REPRESENTATIVES

AMERICAN LINEN SUPPLY FUND, INC.
220 Steiner Building
47 South Ninth Street
Minneapolis, Minnesota 55402
George R. Steiner, President
339-0213

OTTO BREMER FOUNDATION
Northern Federal Building
386 North Wabasha - Suite 1300
St. Paul, Minnesota 55102
Joseph Imberman, Grants
Administrator
227-8036

APACHE FOUNDATION
Foshay Tower
Minneapolis, Minnesota 55402
Dean G. Newman, President
332-7222

BURLINGTON-NORTHERN FOUNDATION
176 East Fifth Street
St. Paul, Minnesota 55101
Wilbur Bush, Vice President
227-0911

BAKER FOUNDATION
4900 IDS Center
Minneapolis, Minnesota 55402
Roger Baker, Trustee
339-3223

BUSH FOUNDATION
W-962 First National Bank Building
St. Paul, Minnesota 55101
Humphrey Doermann, Executive
Director
227-0891

F. A. BEAN FOUNDATION
414 Title Insurance Building
Minneapolis, Minnesota 55401
Henry H. Nowicki, Manager
333-0600

CARGILL FOUNDATION
1200 Cargill Building
Minneapolis, Minnesota 55402
Thomas Hale, Executive Director
330-7220

BEMIS COMPANY FOUNDATION
800 Northstar Center
Minneapolis, Minnesota 55402
D. A. Clarke, Vice President
and Director of Public Affairs
332-7151

CONTROL DATA CORPORATION
8100 - 34th Avenue South
Minneapolis, Minnesota 55427
Gary H. Lohn, Consultant - Public
Affairs
853-4642

THE BING FOUNDATION
P. O. Box 337
Long Lake, Minnesota 55356
Hugh Harrison, President
473-5152

DAIN, KALMAN & QUAIL
Dain Tower
Minneapolis, Minnesota 55402
Douglas Coleman, President of
DKQ Foundation
371-2711

GEORGE D. DAYTON FOUNDATION

505 Peavey Building
Minneapolis, Minnesota 55402
Wallace Dayton, President
336-1769

DAYTON HUDSON FOUNDATION

1204 IDS Center
Minneapolis, Minnesota 55402
Carol Berde, Administrative Director
370-6554

DE LUXE CHECK PRINTERS
FOUNDATION

2199 North Pascal Avenue
St. Paul, Minnesota 55113
Wm. B. Geery, Secy. -Treas.
631-1010

DONALDSON FOUNDATION (THE)

P. O. Box 3217
St. Paul, Minnesota 55165
William West, President
698-0391

FARMERS & MECHANICS SAVINGS BANK

Sixth and Marquette
Minneapolis, Minnesota 55402
Albert Heimbach, Vice President
341-5819

FIRST BANK SYSTEM

120 South Sixth Street
Minneapolis, Minnesota 55402
Lloyd L. Brandt
370-5176

FIRST MINNEAPOLIS FOUNDATION

120 South Sixth Street
Minneapolis, Minnesota 55402
Richard A. Nordbye, Vice President
and General Counsel
370-4625

FIRST TRUST COMPANY OF ST. PAUL

First National Bank Building
St. Paul, Minnesota 55101
John Kirk, Foundation Unit Manager
291-5000

FORD MOTOR COMPANY

Parts Distribution Center
63 St. Anthony Boulevard N. E.
Minneapolis, Minnesota 55413
Douglas R. Anderson, Manager
781-7471

H. B. FULLER COMPANY

2400 Kasota Avenue at Highway 280
St. Paul, Minnesota 55108
David Durenberger, Counsel for
Community Affairs
645-3401

GABBERTS - Corporate Office

6800 France Avenue South
Minneapolis, Minnesota 55435
John Gabbert, President
925-3636

B. C. GAMBLE FOUNDATION

Gamble Plaza - Sixth Floor
Minneapolis, Minnesota 55416
Roy S. Johnson, Vice President
374-6218

GENERAL MILLS FOUNDATION

9200 Wayzata Boulevard
Minneapolis, Minnesota 55440
William R. Humphrey, Jr.,
Executive Director
540-3337

GOLD BOND STAMP COMPANY

12715B Highway #55
Minneapolis, Minnesota 55427
Curtis L. Carlson, President
540-5000

THE GRACO FOUNDATION

P. O. Box 1441
Minneapolis, Minnesota 55402
Charles F. Murphy
332-2262

GREEN GIANT COMPANY

LeSeuer, Minnesota 56058
David Beal, Civic Affairs Manager

HILL FAMILY FOUNDATION

W-975 First National Bank Building
St. Paul, Minnesota 55101
John D. Taylor, Executive Director
224-9635

HONEYWELL FUND

2701 Fourth Avenue South
Minneapolis, Minnesota 55408
John Mitchell, Executive Assistant
to Corporate Vice President
Van R. Cooley, Supervisor, Manpower
870-6821

INTERNATIONAL MULTIFOODS CORP.

Multifoods Building
Minneapolis, Minnesota 55402
Frank Madde, Vice President of
Human Resources - 340-3314
Lee Nelson, Manager, Employee Relations
340-3749

INTERNATIONAL DAIRY QUEEN

5701 Green Valley Drive
Minneapolis, Minnesota 55437
Richard Eller, Director of
Public Relations
835-3700

H. V. JOHNSTON FOUNDATION

700 - 39th Avenue N. E.
Minneapolis, Minnesota 55421
Ira Burhans, President
788-9271

JUDSON FUND

4308 IDS Center
Minneapolis, Minnesota 55402
David M. Winton, Trustee
338-5781

MARBROOK FOUNDATION

127 South Tenth Street
Minneapolis, Minnesota 55403
Conley Brooks, President
332-2454

MARQUETTE NATIONAL BANK

777 Marquette Avenue
Minneapolis, Minnesota 55402
Vance DeLong, Bank Shares
Contribution Representative
333-5411

MC KNIGHT FOUNDATION (THE)

Suite 405
Shelard Plaza
Minneapolis, Minnesota 55426
Russell V. Ewald
Executive Vice President
546-8814

S. T. MC KNIGHT FOUNDATION

Trust Department, N. W. Nat'l. Bank
Seventh and Marquette
Minneapolis, Minnesota 55402
Peter Heegaard, Vice President
872-8345

Iva Kroeger

1108 Village Road #13C
Chaska, Minnesota 55318
448-3035

MC NEELY FOUNDATION

444 Lafayette Road
St. Paul, Minnesota 55101
Thomas W. Murray
291-5000

MIDLAND NATIONAL BANK

401 Second Avenue South
Minneapolis, Minnesota 55401
Everett J. Swanson, Assistant
Vice President
372-7150

MINNEAPOLIS STAR AND TRIBUNE

425 Portland Avenue
Minneapolis, Minnesota 55415
Bower Hawthorne, Vice President
for Public Affairs
372-4370

MINNESOTA GAS COMPANY
733 Marquette Avenue
Minneapolis, Minnesota 55402
Norman C. Jepson, Controller
372-5020

MINNESOTA FOUNDATION
305 Wilder Building
St. Paul, Minnesota 55102
Paul Verret, Associate
Executive Director
222-4633

3M FOUNDATION
3M Center
St. Paul, Minnesota 55101
W. M. Bennett
Director of Civic Affairs
733-1110

PAUL N. MYERS, JR., FNDN., INC.
9 East Pleasant Lake Road
St. Paul, Minnesota 55110
Catherine M. Busher, Secretary
484-1005

NATIONAL CITY BANK
315 Nicollet Mall
Minneapolis, Minnesota 55401
Edward C. Brown, President
335-6610

NORTHERN STATES POWER COMPANY
414 Nicollet Mall
Minneapolis, Minnesota 55401
A. E. Hassinger, Vice President
Communications & Employee Relations
Joseph D. Strauss, Director of
Consumer Affairs
330-6514

NORTHWEST AIRLINES
International Airport
St. Paul, Minnesota 55111
Roy Erickson, Vice President
Public Relations
726-2111

NORTHWEST BANCORPORATION
1200 Northwestern Bank Building
Minneapolis, Minnesota 55402
Charles C. Hokans
Public Affairs Assistant
372-8788

NORTHWESTERN BELL TELEPHONE
COMPANY
224 South Fifth Street
Minneapolis, Minnesota 55402
Neil Ostlund
Customer Relations Supervisor
344-6532

NORTHWESTERN NATIONAL BANK OF
MINNEAPOLIS
7th & Marquette
Minneapolis, Minnesota 55402
Dennis Heaney
Public Relations Representative
372-8954

NORTHWESTERN NATIONAL BANK,
TRUSTEED FOUNDATIONS
7th & Marquette
Minneapolis, Minnesota 55402
C. Roger Bailey, Jr., Vice President
372-8131

NORTHWESTERN NATIONAL LIFE
INSURANCE COMPANY
20 Washington Avenue
Minneapolis, Minnesota 55401
Lawrence G. White, Second Vice President
Personnel & Adm. Serv.
372-5221

ONAN COMPANY
1400 - 73rd Avenue N. E.
Minneapolis, Minnesota 55432
James W. Dahlman, Vice President
786-6322

ONAN FAMILY FOUNDATION
Box 2145 - Loop Station
Minneapolis, Minnesota 55402
Dave Onan, President
332-7804

PAKO CORPORATION

6300 Olson Memorial Highway
Minneapolis, Minnesota 55427
Kenneth M. Knopf
Chairman of the Board
540-6011

PEAVEY COMPANY

Peavey Building
Minneapolis, Minnesota 55402
Ron Kennedy, Vice President
Public Affairs
370-7611

THE PILLSBURY COMPANY

Pillsbury Building
608 Second Avenue South
Minneapolis, Minnesota 55402
Warren J. McCoy, Director
of Financial Relations
330-4143

PIPER, JAFFRAY & HOPWOOD, INC.

115 South 7th Street
Minneapolis, Minnesota 55402
John Winsor, Senior Vice President
371-6011

THE PHILLIPS FOUNDATION

2345 N. E. Kennedy
Minneapolis, Minnesota 55413
Thomas P. Cook, Executive Director
331-6230

ELIZABETH QUINLAN FOUNDATION

1000 Soo Line Building
Minneapolis, Minnesota 55402
William Lahiff, President
471-8522

RIPLEY MEMORIAL FOUNDATION

4602 Bruce Avenue
Edina, Minnesota 55424
Mrs. Gordon A. (Nancy) Elleby

SAINT PAUL COMPANIES

385 Washington
St. Paul, Minnesota 55102
Mary Snitkey, Human Relations Analyst
221-7359

SAINT PAUL FOUNDATION

W-2796 First National Bank Building
St. Paul, Minnesota 55101
Charles J. Birt, Director
227-1655

SEARS

900 East Lake Street
Minneapolis, Minnesota 55407
John Young, Regional Director
Public Relations
874-3444

SOUTHWAYS FOUNDATION

930 Dain Tower
Minneapolis, Minnesota 55402
George Pillsbury, Secy., Treas.
338-3873

TENNANT COMPANY

701 North Lilac Drive
Minneapolis, Minnesota 55422
George Pennock, President
540-1212
Martin N. Kellogg, Vice President
and Treasurer
540-1208

TWIN CITY FEDERAL SAVINGS & LOAN

801 Marquette
Minneapolis, Minnesota 55402
Donald Wallin, Vice President
370-7000

UNIVERSITY OF MINNESOTA FOUNDATION

107 Walter Library
Minneapolis, Minnesota 55455
Robert J. Odegard, Executive Director
373-9934

WCCO-TV (Midwest Radio-TV, Inc.)
50 South Ninth Street
Minneapolis, Minnesota 55402
F. Van Konynenburg, Chairman of the
Executive Committee
338-0552

ARCHIE D. & BERTHA H. WALKER
FOUNDATION
1121 Hennepin Avenue
Minneapolis, Minnesota 55403
Louise McCannel, President
332-3556

AMHERST H. WILDER FOUNDATION
305 Wilder Building
355 Washington Street
St. Paul, Minnesota 55102
Leonard H. Wilkening, Executive Director
222-7431

COMMUNITY HEALTH & WELFARE
COUNCIL
404 South Eighth Street
Minneapolis, Minnesota 55404
Omar Schmidt, Executive Director
333-6193

HUMAN RESOURCES PLANNING
COUNCIL OF ST. PAUL
333 Sibley
St. Paul, Minnesota 55101
Gerald Ouder Kirk, Executive
Director
224-5531

GREATER MINNEAPOLIS CHAMBER OF
COMMERCE
15 South Fifth Street
Minneapolis, Minnesota 55402
Charles Krusell, Executive
Vice President
339-8521

MINNESOTA CHARITIES REVIEW
COUNCIL
Northwestern Bank Building
Minneapolis, Minnesota 55402
Harold Adams, Executive Director
339-5030

GREATER ST. PAUL UNITED FUND
AND COUNCIL
333 Sibley
St. Paul, Minnesota 55101
William J. Smith, Executive
Vice President
224-5531

UNITED WAY OF MINNEAPOLIS AREA
404 South Eighth Street
Minneapolis, Minnesota 55404
Alan S. Cooper, Director
333-6193

	<u>ORGANIZATIONS</u>	<u>DATES</u>	<u>GOAL</u>	<u>ACHIEVED</u>
18.	Minnesota Sheriffs' Boys' Ranch	Current	\$ 200,000	\$ 150,000
19.	Minnesota Society for Crippled Children & Adults (MiSCCA) Phase II	Current	1,750,000	750,000
20.	Minnesota Valley Restoration Project	Current	5,000,000	1,318,752
21.	Minnesota Zoological Gardens	Current	2,300,000	985,000
22.	Minnetonka Arts Center	Current	1,500,000	-0-
23.	Nature Conservancy	Current	310,000	208,000
24.	North Central Bible College	Current	450,000	175,000
25.	Outreach Community Center	Current	100,000	62,000
26.	St. Mary's Extended Care Center	Current	1,000,000	532,733
27.	St. Paul Arts & Sciences Council Old Federal Courts Building & Science Museum Expansion	Current	15,000,000	2,000,000
28.	Sister Kenny Institute	Current	1,000,000	408,000
29.	Spring Hill Conference Center	Current	2,600,000	1,965,000
30.	United Cerebral Palsy of Minnesota	Current	142,000	100,167
31.	United Theological Seminary	Proposed	8,000,000	-0-
32.	University of Minnesota	Current	<u>49,750,000</u>	
	a. Cardio-vascular Research Center		9,500,000	8,200,000
	b. Regents' Professorship Program (Endowment)		1,000,000	115,000
	c. Leukemia Research Fund - 1971-75		2,000,000	616,000
	d. Kidney Transplant Center		2,250,000	847,000
	e. Rarig Center - Radio, TV & Theatre		1,000,000	-0-
	f. Law School		1,000,000	125,000
	g. University Hospitals		33,000,000	30,000,000
33.	Viking Council - BSA	Current	550,000	300,915

October 8, 1974

TO: FOUNDATION REPRESENTATIVES
 FROM: JERRY V. CATT - THE MINNEAPOLIS FOUNDATION
 RE: CAPITAL FUND DRIVES - CURRENT AND POTENTIAL

	<u>ORGANIZATIONS</u>	<u>DATES</u>	<u>GOAL</u>	<u>ACHIEVED</u>
1.	The Blake Schools	Current	\$ 8,000,000	-0-
22.	Children's Health Center	Current	14,500,000	\$ 7,000,000
3.	Duluth: Area Cultural Center Duluth Public Library	Current Current	3,000,000	1,675,000 -0-
4.	Dunwoody Institute	Begin '74	5,000,000	-0-
5.	Freshwater Biological Institute	Current	4,000,000	2,403,894
6.	Goodwill Industries	Proposed '75	1,500,000	480,000
7.	Hazelden	Current	550,000	90,000
8.	Hospitality House	Proposed	250,000	10,000
9.	Jamestown	Current	200,000	115,000
10.	Little Sisters of the Poor	Current	3,200,000	-0-
11.	Lutheran Social Service Note: Goal - Minn. Fdns. \$300,000 Raised to date 165,000	Current	3,750,000	2,500,000
12.	Mayo Foundation	1972-75 1975-80	100,000,000 200,000,000	73,000,000 -0-
13.	Midwestern School of Law	Current	160,000	
14.	Minneapolis Society of Fine Arts	Current	32,000,000	25,500,000
15.	Minnehaha Academy	Current	1,750,000	200,000
16.	Minnesota Children's Museum	Fall 1974	5,500,000	-0-
17.	Minnesota Orchestral Association Lyceum Hall	Current	13,500,000	11,500,000

1974-75

MINNESOTA ZOOLOGICAL GARDEN
ITS HISTORY

This project goes back almost a half century. It stems from three successive studies by the Zoological Society, the Citizen's League, and the Metropolitan Council's Zoo Advisory Committee. Each found, in essence, 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 ranging from increased tourism to a major contribution to "quality of living" standards in the area.

Armed with the conclusions of these studies the Metropolitan Council went before the 1969 session of the Legislature with plans for a \$20,000,000 metropolitan area zoo to be funded from a one cent increase in the cigarette tax.

The plan embodied a host of innovative principles of zoo design: animals were to be visually free while the people were confined; there was heavy stress on education, research and conservation, as well as the fundamental recreational appeal.

The Legislature approved the plan in principle but ruled that, if state funds were to be used, the facility must serve all the people of Minnesota -- become in fact the first "state zoo" in the United States. It directed the Governor to appoint an eleven member zoological board, charged with the responsibility for planning, building and operating a state zoological garden. An appropriation of \$500,000 was approved to fund preparation of a master plan. The zoological board was directed to return to the 1971 session for plan approval and further funding.

The board was appointed, selected a 480 acre site in Apple Valley, Dakota County (30 minutes from downtown Minneapolis and Saint Paul), and named the architectural firm of InterDesign to prepare a master plan.

This plan called for a \$37,000,000 expenditure including all operating costs and debt service for the four year construction period. The site itself was to be given to the State by the commissioners of Dakota County. Four basic components marked the plan: A Minnesota exhibit; a "northern trek" exhibit -- a symbolic monorail tour through herds of northern hemisphere animals; a turn-of-the-century farm, demonstrating pioneer family skills of the region; and an aquarium including a "walk through" exhibit of beluga whales, the fresh water whales of Hudson Bay.

When it became apparent the plan was meeting opposition (over some of its funding provisions) it was scaled down to a \$4,000,000 holding operation. That plan, as revised, passed the Senate but failed by a single vote in the final five minutes of the session, to pass the House.

History of the Minnesota Zoological Garden
Page 2

The Master Plan was revised and the program for the zoological garden was resubmitted to the Legislature in 1973. The Legislature approved a \$23,025,000 bonding program with a provision for additional state monies contingent upon receipt of monies from non-state sources. The plan as finally revised and approved is outlined in the Funding Program memorandum and the Implementation Plan 1973, enclosed.

Because of the active cooperation of a team of scientists at the University and in the zoological board itself, the new zoo will feature a host of exciting design features with extensive use of infra-red lighting (for nocturnal animals), closed circuit television (for a look at den interiors), novel demonstrations of animal psychology and exhibits of defense mechanisms, nutrition, reproduction and such. This zoo will be an all-weather, all-season zoo designed to take full advantage of the state's climate, stressing animal life which can and does live in these latitudes.

Under present planning the zoo will be opened fully in the summer of 1977. Attendance projections call for an initial attendance of 1.7 million the first year -- substantially more than any of the professional sports programs. Admission rates tentatively are fixed at \$2.00 for adults and 50 cents for children, but with all children in school class groups admitted free. We anticipate about 300,000 school group visitors annually. Special provision will also be made for free time for needy and elderly citizens. The economic impact of the zoo is difficult to measure, but we do know the facility will pay \$1,600,000 directly to the state in admission taxes its first 20 years of operation, and we estimate we can meet all operating expense out of user generated revenues and some 70% of the debt service during that same period. Once the bonds are retired the zoological garden will continue to grow as a major economic asset to the state.

MINNESOTA ZOOLOGICAL BOARD

FIRMIN L. ALEXANDER, CHAIRMAN
SAINT PAUL

MARY ANN SCROGGINS, VICE-CHAIRMAN
MINNEAPOLIS

DR. U. S. SEAL
MINNEAPOLIS

JOHN E. TILTON
MINNEAPOLIS

ADOLF TOBLER
SAINT PAUL

JEROME WAGNER
ANOKA

STEVEN BALACH
DULUTH

NORMA (MRS. LYNN) HANSON
GOODRIDGE

REUEL HARMON
SAINT PAUL

P. B. HOFSLUND, PHD.
DULUTH

RICHARD SALET
MANKATO

FUNDING PROBLEMS OF THE MINNESOTA ZOOLOGICAL GARDEN

The plan for the Minnesota Zoological Garden, as revised and approved by the Legislature and Governor Anderson, authorizes the Zoological Board to issue \$23,025,000 in general obligation bonds for capital funding. The original request, however, was for \$27,625,000 for the first phase funding. We feel that the originally requested amount is necessary to construct the type of zoo all Minnesotans can be proud of. The State has agreed to match funds over the next three years, in equal amounts, if the additional funds can be procured from sources other than the State of Minnesota. Therefore, those willing to assist us with financial support will know that every dollar invested in the Minnesota Zoological Garden will be doing double duty, in line with legislative policy, to enrich the zoo and bring to Minnesota one of the world's finest such facilities.

Over the next three years the management of the Minnesota Zoological Garden -- the State Zoological Board, an agency of the State of Minnesota; the professional staff headed by Donald D. Bridgwater, Director; and the State Zoological Society, a state-wide, non-governmental organization of zoo enthusiasts -- is planning a fund raising campaign that will center first on the large, private and family foundations; secondly on the state's corporation and corporate foundations; thirdly on organizations, smaller businesses and smaller foundations; and finally, on individuals. Thus, we are seeking the support of every citizen of the State of Minnesota.

A gift spread over two or three years would indeed be welcome. We prefer undesignated gifts for general zoo enrichment, but shall respect the wishes of the donors in this area.

We feel that the Minnesota Zoological Garden, the first "state zoo" in the United States, will fill a major cultural and recreational void in the State of Minnesota. In addition, it will bring economic benefits in many areas and make major contributions in education, conservation and biological research.

We would like to be able to reach all of the people in the state during our campaign. We feel that through education of the people we can make everyone understand the great benefits that the Minnesota Zoological Garden will bring and hope for state-wide support in our undertaking.

April 5, 1974

Mr. Paul A. Verret
Associate Executive Director
Minnesota Foundation
305 Wilder Building
St. Paul, MN 55102

Dear Paul:

This is in response to your letter to Mr. Tilton of March 4 which he has forwarded to me for a response. We are still interested in having the Minnesota Foundation provide the information described in your letter. In order for us to execute a formal agreement with the Foundation for services, I will need to have an estimate of costs, expressing dollar figures, which I can then submit to the director for approval and forward through the system to the department of administration for their review and approval. I realize that it is difficult to arrive at a precise estimate. I think if you were to prepare an estimate based on your best guess and express that it is an estimate only that it would be satisfactory. One of the requirements that we have to work with is that all contracts or agreements for service have both an up-set dollar limit and some statement of value per unit of work being performed. This is one of the reasons why we have been unable to come up with a broader working agreement with the Foundation regarding other services that have been discussed with you since May of last year.

I would appreciate receiving your estimate as soon as possible and would be more than happy to answer any questions that you might have regarding this or the larger contract for service.

Sincerely,

J. Richard Clague
Operations and Visitor Services

JRC/s1

MINNESOTA FOUNDATION

305 WILDER BUILDING
ST. PAUL, MINNESOTA 55102

LEONARD H. WILKENING, Executive Director
PAUL A. VERRET, Associate Executive Director

March 1, 1974

Mr. John Tilton
Minnesota Zoological Board
Veterans Service Building
Saint Paul, Minnesota 55155

Dear Mr. Tilton:

Sometime ago while you were in my office, we discussed a number of ways in which Minnesota Foundation could help the State Zoological Board in its quest for funds, one of which is by using Minnesota Foundation as a conduit funding source. A letter of agreement related to this service is on your desk.

Another way of assisting the Board, which we discussed, was in preparing, for use by those members of the State Zoological Board seeking to raise funds, a summary listing of a number of key items on each and every private foundation in the State of Minnesota. Toward that end, I ordered aperture cards from the Internal Revenue Service on the tax returns for all foundations in Minnesota in the most recent year available. These cards have now been received.

If the Zoological Board is still interested in our preparing this researched material, then I am prepared to do the following:

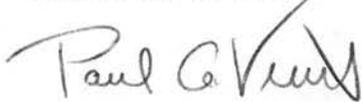
- a. For each and every foundation listed in the material supplied by the Internal Revenue Service, Minnesota Foundation will provide the Zoological Board with the name of the foundation, a list of its officers and directors (names and addresses), a statement as to the market value of assets held by each foundation, and the total amount of grants paid out in the particular tax year being researched.
- b. Minnesota Foundation will also prepare a card file listing the names of each officer and director of each foundation in alphabetical order. This will be information drawn from

Mr. John Tilton
February 28, 1974
Page 2

step "a" described above. The value of "b" lies in the identification of those directors of foundations who serve on more than one Board.

If you are still interested in the Foundation providing this service and are still willing to pay one-half the cost of our providing this service, including one-half the cost of the purchase of aperture cards, one-half the cost of the purchase of an aperture card viewer, and one-half the cost for researching and preparing this material for your use with Minnesota Foundation retaining both the viewer and the cards, then we will proceed to act as soon as you so notify us.

Sincerely yours,



Paul A. Verret
Associate Executive Director
Minnesota Foundation

PAV:lmb

(222-4633)

MINNESOTA FOUNDATION

305 WILDER BUILDING
ST. PAUL, MINNESOTA 55102

LEONARD H. WILKENING, Executive Director
PAUL A. VERRET, Associate Executive Director

May 31, 1973

Mr. Donald Bridgewater
Director
State Zoological Board
Veterans Service Bldg.
St. Paul, Minn. 55155

Dear Mr. Bridgewater:

This letter is submitted pursuant to several conversations in which it was agreed that Minnesota Foundation would submit an offer to provide certain administrative services to the Minnesota State Zoological Board.

For many years Minnesota Foundation has been providing administrative services to a number of foundations and nonprofit organizations. The scope of these services, which vary in accordance with the needs and requests of each client, range from relatively complete administrative, consulting and advisory services, including the receipt, disbursement and accounting of funds to preparing necessary financial statements and reports, receiving and analyzing all requests for funds, preparing agendas for and minutes of meetings and conducting all correspondence and related work.

It is my understanding that, at least initially, the Minnesota State Zoological Board is interested in having Minnesota Foundation function as a conduit for State Zoological Board funds. By this it is meant that Minnesota Foundation will receive the funds of the State Zoological Board and disburse these funds according to regulatory controls established by the State Zoological Board. Minnesota Foundation is in a position to provide additional services, as requested.

In the event that Minnesota Foundation is asked to be responsible for any of the funds of the State Zoological Board, the fidelity bonds, public liability and related insurance policies of Minnesota Foundation will be amended to include the State Zoological Board as a named insured. It is understood and agreed that in the event this offer is accepted, the State Zoological Board will not be involved in an employer/employee relationship or have any of the responsibilities of an employer. The cost of Minnesota Foundation's services will depend entirely on the scope of the services requested and the amount of work involved.

Minnesota Foundation will maintain a record of the amount of time spent by individual employees performing work for the State Zoological Board. It charges for staff time on the basis of the employees' hourly rate plus 25 percent for insurance and overhead, including the use of office facilities. A list of the staff members who may be involved in providing services to the State Zoological Board and their present hourly rates is attached and marked Exhibit A. Salary

Mr. Donald Bridgewater
Director, State Zoological Board

-2-

May 31, 1973

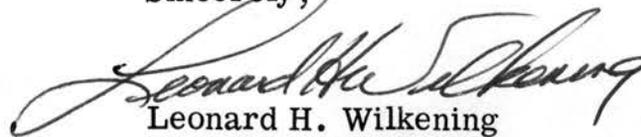
increases are normally made effective on July 1 of each year and charges for staff time are increased accordingly. Materials used consist of miscellaneous office supplies, duplicating service and postage. In the event special projects are undertaken requiring a purchase of other supplies or equipment, after appropriate consultation and authorization, such supplies or equipment would be purchased and the cost billed to the State Zoological Board. With the exception of the Hamm Foundation, clients of Minnesota Foundation use the telephone service of Minnesota Foundation. A separate telephone could be installed for the State Zoological Board and answered accordingly, the cost to be paid by the State Zoological Board. However, our experience is that a separate telephone is not needed unless there is a very substantial volume of work for an individual client.

The Board of Trustees of Minnesota Foundation assumes the responsibility for maintaining a staff adequate and competent to perform the work designated to it by the State Zoological Board. Recognizing that it will be important to the Trustees of the State Zoological Board to have some one person to whom they may refer inquiries and hold responsible for the work of the State Zoological Board, the Board of Trustees of Minnesota Foundation agrees that the State Zoological Board may, if they wish, designate its Associate Executive Director as their Consultant.

This agreement may be cancelled by either party on thirty days' written notice. It is suggested that this agreement become effective as soon as it is signed. This offer may be accepted by having an authorized representative of the State Zoological Board sign the duplicate copy of this letter, which is enclosed herewith, in the space provided.

The Trustees and staff of Minnesota Foundation hope that this offer is acceptable to the State Zoological Board, but will be glad to consider any suggested modifications. We are looking forward to working with the State Zoological Board.

Sincerely,



Leonard H. Wilkening
Executive Director

LHW:jb
cc: John Tilton
Firman Alexander

The proposal set forth above is accepted by the Officers of the State Zoological Board to become effective upon signature subject to the provision that it may be cancelled at any time on thirty days' notice.

STATE ZOOLOGICAL BOARD

By: _____

Date: _____

EXHIBIT A

STAFF MEMBERS - ADMINISTRATION DEPT.

MINNESOTA FOUNDATION

		<u>Hourly Rate*</u>
Leonard Wilkening	Ex. Dir.	\$ 16.16
Norraine Bohman	Secretary	4.28
Jessie Beliveau	Secretary	3.36
Lyle Johnson	Controller	9.07
Judy Blomster	Machine Oper.	3.72
Donald Adams	Account Clerk	4.09
James Meinke	Accountant	5.74
William Showalter	Admin. Asst.	6.82
Elaine Tuhy	Secretary	3.23
Cleo Behan	Bookkeeper	3.10
Paul Verret	Assoc. Exec. Dir.	9.16
John Bussewitz	Accountant	4.58

* Effective July 1, 1972

POTENTIAL EXPENDITURE LIST FOR ZOO CONSTRUCTIONBackground

Objective: It is desirable to identify the basic public expenditure items proposed for Phase I constructions, and to maintain a current list of items which could be added as public expenditures if funds were available.

Explanation of Categories: There are four different categories: I. Assured Items; II. Reinstatement Items; III. Enrichment Items; and IV. Expansion Items. Each is separately defined. The numbering system is a description of items with similar characteristics, not a statement of priorities. As an example, a Youth Residence Center (listed in Category III), might be given a higher priority for public expenditure than items in Category II. The purpose is to have a list of items from which priorities can be set if additional funding is available.

Similarly, the order of listing within a category is not a list of priorities for items within that category. It is a list which has information to assist in evaluating options and setting priorities.

Description of Use: The assured items are the basic construction budget. The budget for Phase I construction assumed that at least 50% of the matching private contributions would be received; thus, any fund raising program must be directed toward funding Category I items.

The Management Method adopted by the Zoo Board requires the Primary Consulting Team and Project Control Group to maintain cost control. In doing so, there will be instances where the "aim high and cut back" Zoo Board philosophy will require items to be cut from the assured items. Any such item will be placed in the Reinstatement Category.

Zoo Board approval of design development, contract award, and major change orders will permit the Board to review and approve the deletion of assured items or the selection of items for additional public expenditure. Further, only the Zoo Board would have authority to increase the budget. The Board could, at that time, request that the designers add a particular item or make a recommendation regarding such additions.

The list must be kept current by the Primary Consulting Team. The current list would be available for review by Board members at ZooTeam or the Project Director's office.

Concessions: Those items which are expected to be constructed by a concessionaire are not included in this list since they will not require public expenditure. The one partial exception to this is food services. The building shell in the main building and midtrek stop will be built under Category I. All other food facilities, including equipment, will be constructed and installed by the concessionaire. Only if a concessionaire cannot be secured would further public expenditure be required.

I. Assured Items

All items scheduled for construction within budgeted public funds:

Includes all items described in the Statement of Intent approved for each contract package as part of schematic design. Any item removed for cost reasons would be placed on the list of Reinstatement Items.

II. Reinstatement Items

All public expenditure items originally approved as schematic design but removed because of later cutbacks to meet budget requirements:

<u>Item</u>	<u>Last Date for a Decision to Include</u>	<u>Estimated Cost At Present Prices</u>
Northern Trek Rest Stop (2)	Nov. 1974	\$240,000
Northern Trek Amphitheater (2)	Nov. 1974	\$120,000
Additional Parking Lot Landscaping	Jan. 1975	\$ 60,000

Water Softening

III. Enrichment Items

All public expenditure items not included in the approved schematic design but providing an enrichment to the zoo project without delaying zoo construction:

<u>Item</u>	<u>Last Date for a Decision to Include</u>	<u>Estimated Cost At Present Prices</u>
Interpretive Center at Bering Straits stop in Northern Trek	Jul. 1975	\$360,000
Snow Leopard Exhibit in Northern Trek	Jan. 1976	\$600,000
Special facilities for the Blind	Jan. 1977	\$ 60,000
Pedestrian Bridges from Park- ing Lot to Entrance Pathways	Jul. 1976	\$180,000
Solar energy for incineration, heating and electricity	Nov. 1974	Depends on Design
Solid Waste disposal for energy production	Jan. 1975	Depends on Design
Youth Residence Center	Jan. 1976	\$180,000

<u>Item</u>	<u>Last Date for a Decision to Include</u>	<u>Estimated Cost At Present Prices</u>
Campground	Jan. 1976	\$ 60,000
Pave 3,000 parking spaces, add curbs, and additional lighting	Jul. 1976	\$360,000
Additional retail shops at Main Entrance	Jan. 1975	\$180,000
Closed circuit TV from dens to viewing area and main building (to the extent not covered by other capital budgets)	Jan. 1977	\$120,000
Add 1,000 square feet on animal health	Jul. 1976	\$ 72,000

IV. Expansion Items

All public expenditure items not planned for construction in the first phase plus reinstatement and enrichment items which can no longer be effectively added to first phase construction:

<u>Item</u>	<u>Estimated Cost at Present Prices</u>
Expansion of Zoogeographic Exhibit Sequence:	
Ethiopian (8 acres interior, 1-1/2 exterior)	\$21,500,000
Australia (1-1/2 acres interior)	\$ 3,750,000
Madagascar (1/2 acre interior)	\$ 1,250,000
Palaearctic (1/2 acre interior)	\$ 1,250,000
Neotropical (1 acre interior, 3 exterior)	\$ 4,000,000
Nearctic (1 acre interior)	\$ 2,500,000

Expansion of Educational and office spaces (add second floor area of 10,000 square feet)

People Tilton knows personally: * Indicates good friends.

Elmer L. Andersen Foundation: Elmer L. Andersen

Apache Foundation: Ray Plank

A.D.M. Foundation: Erving A. Olson. *

Baker Foundation: Wm. and Roger Baker. *

J.F. Bell: T.R. Anderson. *

Bush: Andersen, Marsh, Doermann, Harmon.

Cargill: Whitney MacMillan,

Carolyn: Benton Case.

Cowles: John Cowles Jr.

Dayton Hudson: Wayne Thompson,* Robt MacGregor, Wallace Dayton, Bruce Dayton.

Glen M. Dye: Glen Hamilton.* (Please let Tilton handle this one.)

B.C. Gamble: Carl C. Raugust. *

General Mills: Charles H. Bell,* Paul Parker, Tom Crosby.

Granelda: Donald C., Wallace, Douglas and Bruce Dayton.

Honeywell 1 and 2: Russ Laxson.

Sumner McKnight: Eugene Trumble* (Note: Henry McKnight is recently deceased.)

Star & Tribune: Bower Hawthorne,* John Cowles, Otto Silha,* Howard Mithun.

Northwestern: John A. Moorhead,* Dennis Dunne,* Peter Gillette,* Robt B. Christianson.*

O'Shaughnessy: Larry O'Shaughnessy.

Paper: Lewis Paper.

Peavey: T.F. Heffelfinger, L.M. Staples. *

Renown: George Pillsbury. *

Southways: John S. and George Pillsbury. *

Sweatt: Charles B. Sweatt...I have met but do not know.

Whitney: Wheelock* and John Kimball Whitney...Irene Hixon Whitney.

Winton: David J. Winton.

Minna Foundations we should solicit. Items in (parentheses) are gifts.

Name	App Assets (in millions)	Interest	Trustees etc.
(3) Allis Ed St. Paul	\$31 (.903)	Scholarships	Chas J. Curley, J. Neil Morton
Am Hst & Derrick St. Paul	.053 (.036)	General	John E. Carroll, Harry W. Moberg Robert J. Stoddard
Elmer L. Andersen St. Paul	.751 (.071)	Local, General	Elmer L, Anthony & Eleanor Andersen
(10) Andersen Foundation (Bayport)	7.9 (.519)	General	Fred & Katherine B. Anderson Roy H. Sakrison
Apache Mpls	.144 (.036)	General Local	Ray Plank, JA DeVille, Robt J. Henretta, Carl R. Hanson
A.D.M. Mpls	.00 (.043)	Local Education	Roger Nordbye, W.O. Fobelker W.J. Davis, E.A. Olson, B.W. Schroeder
(18) Athwin Mpls	3.6 (.383)	Local Education	Atherton, Bruce W., Douglas A and Winifred W. Bean
Baker Mpls	1.23 (.117)	General Med. Research	Wm. M, and Roger L. Baker, Leslie C. Park, R.A. Graham.
(14) Bayport Bayport	4.9 (.209)	General Local	Earl C. Swanson, A.D. & Marv Hulings, Roy Sakrison, James Rowland, Arvid Wellman and Hugh, J., Jane K. and Katherine B. Andersen
(13) Bean Mpls	5.9 (.061)	General Education	Atherton, Ruth, John B and Winifred Bean; Charles Ritz, Malcolm MacDonald Andrew Dygert, Betty Flinsch, Laurence M. Gould.
Beim Mpls	.869 (.039)	General Local	R.N. and W.H. Beim, D.E. Bronson
J.F. Bell Mpls	1.6 (.086)	General Education	T.R. Anderson
(9) Bigelow St. Paul	9.1 (.294)	General Education	A.B. Jackson, Carl B. Drake, Eileen Bigelow, Charles J. Curley, Malcolm W. MacDonald, Roger B. Shepard.
Bing Wayzata	.622 (.039)	General Education	Hugh & Betty Harrison, A.J. Kagol.
(4) Otto Bremer St. Paul	22.6 (.597)	General Education	William H Lipschultz, Robert J. Reardon, Gordon Shepard.
(1) Bush St. Paul	163.2 (4.1)	General Education	Elmer L. Andersen, Cecil C. Marsh, Clarence J. Bassler, George D. McConnell, O. Briese, are officers. Humphrey Doermann, Director. Directors: Mrs. Archibald Bush, E.G. Banks Granger Costikyan, Edward J. Devitt, Reuel Harmon, Irving B. Harris, H. Clifford Lee, Herbert E. Longenecker, John A. McHugh, Rev. Harry B. Sweitzer, Wm. T. Ylvisaker.

Minnesota Foundations (page two)

Name	App.Assets In Millions	Interest	Trustees etc.
(17) Cargill Mpls (17)	4. (.240)	General Education	Albert G.Egemeyer, Whitney MacMillan, J.R.Cargill, Gordon Murray, John W. Windhorst, <u>H.B.Juneau</u> , Secy.-Treas.
Curt Carlson Mpls	.663 (.056)	General Education	Curtis & Arlene Carlson, Chester C.Krause.
(11) Carolyn Mpls. (30)	7.4 (.117)	Charity Education	Sumner McKnight Crosby, Thomas M. Crosby, Guido Calabresi, Benton J. Case, Belton A.Copp, Granger Costikyan, Franklin M. & G.Christian Crosby, Frank W.Plant. Robt. B.Diercks, Secy- Treas., Frank B.Weck, Exec.Director.
Cowles Mpls	1.5 (.083)	Local Education	<u>John Cowles Jr.</u> , Otto Silha and other Cowles family members.
(22) Edwin Davis St. Paul (13)	3.3 (.326)	General Education	Mrs. Bette Moorman, Frederick W.Davis, Mary E.Davis, Albert J.Moorman, Donald N.Hanson.
(14) Dayton Hudson Mpls (4)	5.4 (1.1)	Urban Living Quality	Wayne Thompson, Robt W.MacGregor, Hadlai Hull, Albert B.Perlin, Wm. A. Andres, Bruce, <u>Wm K.N.</u> , and Wallace C. Dayton, Wm. Hodder. Joseph L.Hdson, <u>Philip Nasco</u> .
Bellwood St. Paul	1.1 (.032)	Local	John G. and Charlotte Ordway, Jack C.Foote.
Driscoll St. Paul (26)	.950 (.134)	General	W.John, Rudolph W., Elizabeth S. and Margot H.Driscoll, Joseph S. Micallef, Gordon E.Hed.
(16) Glen M.Dye Mpls (23)	4.6 (.157)	Charity	Note: Applications for grants <u>not</u> invited. Tilton will handle.
(19) B.C.Gamble Mpls (22)	3.8 (.178)	Health Education	B.C. and Gladys L.Gamble, Fred Davidson, Roy N.Gesme, Carl C.Raugust, Roy S.Johnson.
General Mills Mpls (7)	2.6 (.662)	Education Community	C.H.Bell, Sewall D.Andrews, Wm. H. Lang, James P.McFarland, Paul L.Parker, Burton Roberts, Eugene Woolley. Officers: Tom Crosby, David M.Lilly <u>Frank C.Hildebrand</u> , John F.Finn, <u>John E.P.Borden</u>
Granelda Mpls	1.5 (.063)	Local General	Donald C., Wallace C. KnN., Douglas and Bruce Dayton, <u>James Schwarz</u> .
Green Giant LeSueur	.188 (.085)	Nutrition Research	O.B.Jesness, P.E.Benson, David Beal, L.E.Thompson, A.J.Hayden, J.M. Jackson, N.R.Morem, L.H.Pblsfuss, L.C.Volling.

Minnesota Foundations (page three)

Name	App. Assets In Millions () Grants	Interest	Trustees etc.
(12) Hamm St. Paul	4.4 (20) (.193)	The Blind Psychiatry	Mrs. Margaret Kelley, Mrs. Theodora Lang, Mrs. Marie Ankeny, F.M. Rarig DeWalt Ankeny, Mrs. Sally A. Anson, Edward Hamm, Mrs. Marie Hamm, James E. Kelley, Wm. H. Lang, Mrs. Cynthia K. O'Neill.
(19) Harris St. Paul	3.6 (19) (.219)	Medical Education	Irving B. and Wm. W. Harris, Nelson R. Harris, Sidney Barrows, Benno F. Wolff, Louis I. Peilen, Dr. Charles L. Steinberg.
(2) Hill Family St. Paul	84. (2) (3.3)	Education Research	W.A. Heckman, Charles J. Curley, John D. Taylor, Louis W. Hill, Harry L. Bratnober, Francis D. Butler, Charles J. Curley, W. John Driscoll, Curtis C. Goodman, A.A. Heckman.
Honeywell Mpls	1 .639 (14) (.312)	General Education	Russell W. Laxon, Stephen F. Keating, J.W. Morrison.
Honeywell Mpls	2 .639 (17) (.233)	General Education	(as above)
(8) Hormel Austin	0.3 (16) (.265)	Plant, Animal Research	R.F. Gray, J.G. Huntting, E.C. Alsaker, I.J. Holton, R.F. Lichty, Raymond B. Ondov, M.B. Thompson.
Hubbard Mpls-St. Paul	1. (mm) (.030)	Local Education	Stan Hubbard, Stan S. Hubbard, Didrikke S Hubbard, Gerald D. Deeney.
Hull St. Paul	1.4 (.037)	Local Education	Roger E. Lindgren, Stafford L. Oberg, Arnold F. Stromberg
Kelley St. Paul	.604 (.092)	Local Med Education	Margaret & James E. Kelley, Cynthia K. O'Neill, James C. O'Neill, James E. Kelley, Frank M. Rarig Jr.
Macpherson St Paul	.698 (.037)	Charity Education	Edw. C. Brown, Charles J. Curley, Philip L. Ray
McKnight Family St. Paul	.336 (32) (.110)	General Welfare	Wm. L. McKnight, Carroll A. McCarthy, Charles J. Hess, Virginia Binger, Bert Cross.
(12) McKnight Foundtn St. Paul	6.8 (.097)	General Welfare	Wm. L. McKnight, Carroll A. McCarthy, Charles J. Hess, Virginia Binger, Bert Cross, Herbert P. Buetow.
(21) Sumner McKnight Chaska	3.3 .82	General Conservation	Frederick Chute, Eugene Trumble, Kenneth M. Owen, H. Turney McKnight. (NW Natl Mpls)

Minnesota Foundations (page four)

Name	App Assets In Millions () Grants	Interest	Trustees Etc.
Mpls Star & Tribune (8)	\$2.7 (.507) (10)	General Local	John St. & Jr. Cowles, Howard Mithun Otto Silha, Philip Von Blon
Morse Mpls	1.2 (.074)	General Local	W.A., Arnold, Barton Morse, M.J. Cargill, John H. and Thomas A. Richardson.
Neilson Mpls	1.2 (.055)	Youth Recreation	Henry Doerr, Mrs. Katharine Neilson Cram, Edward M. Arundel.
Northern Star St. Paul	.304 (.042)	Community Education	Wm. H., Edward H., Wm. Jr. and Candace S. Hamm, Joseph A. Maun.
Northwestern Mpls (16)	1.1 (.280)	Local Education	John A. Moorhead, Philip B. Harris, Robert B. Christianson.
(7) O'Shaughnessy St. Paul (6)	\$11.6 (.736)	Local, Church Education	I.A. and John F. O'Shaughnessy, Charles J. Curley.
Paper St. Paul (25)	2.863 (.041)	Community General	Lewis, William D. and Lillian D. Paper, Lewis R. Harris.
Paulucci Duluth	.995 (.024)	Education Med Research	Jeno Paulucci, Daniel J. Meaney, Donald G. Wertanen, Lee A. Vann
Peavey Mpls	.145 (.094)	General Local	T.F. and F.P. Heffelfinger, L.M. Staples, F.H. Corrigan, G.A.D. Smith, R.F. Kennedy G.T. Leech, W.G. Stocks.
(5) Phillips Mpls (3)	22.3 (1.878)	Education Youth	Jay, Morton B., Pauline Phillips, Samuel H. Maslon, Paula Bernstein, Wm. Bernstein, Helen P. and J.I. Levin.
Piper, Jeffrey Mpls (27)	.109 (.120)	General Community	George Fox, Harry C. Piper Jr., Richard H. Spurzem, John R. Winsor.
Renown Mpls (28)	1.5 (.120)	General Local	Directors of Pillsbury Co.
Robins, Davis Mpls	.323 (.026)	Local Govt.	Solly, Wm Stanford Robins, J.E. and Stephen T. Davis, Dean E. Smith.
(23) Saint Paul St. Paul	3. (.063)	Education Health	Charles J. Birt, director; Wilfrid E. Rumble, Richard H. Bancroft, Harold J. Cummings, Walter P. Gardner, Reuel Harmon, John S. Holl, W.H. Lang, Cecil March, J. Neil morton, John M. Musser Howard J. Seesel.

Minnesota Foundations (Page Five)

Name	App Assets in Millions () Grants	Interest	Trustees etc.
Southways Mpls	1.6 (.067)	General Community	John S., John S.III and George Pillsbury, Robert D. Lacey
Sweatt, Chas Mpls	.962 (.030)	General Fine Arts	Charles B. Sweatt
Sweatt, Harold Mpls	1.3 (.034)	Med Research Local	Harold W. Sweatt
(24) Walker, Archie Mpls	3. (24) (.156)	Education Performing Arts	Mr. & Mrs. Archie D, Archie D Jr. Walter W., Hudson D. and Stephen A. Walker, Dr. and Mrs. Malcolm A. McCannel.
(6) Walker, P. B. Mpls	17.9 (5) (.975)	Walker Art Center	Walker family above.
(10) Weyerhaeuser St. Paul	3.4 (.064)	Local Educational	Frederick T. and Charles L. Weyerhaeuser, Joseph S. Micallef, Gordon E. Hed.
Whitney Mpls	.015 (.075)	Local General	Wheelock, John Kimball and Irene Hixon Whitney.
Winton Mpls	.030 (.052)	Local Educational	Robert J. Flanagan, Charles J. and David J. Winton.

Minnesota Foundations With Assets Over \$3 Millions

Name	Source	Assets (In Millions)	Location
1. Bush Foundation	Archie Bush	163.00	St. Paul
2. Hill Family	James J. Hill	84.00	St. Paul
3. Allis Educational	Charles C. Allis	31.00	St. Paul
4. Otto Bremer	Otto Bremer	22.6	St. Paul
5. Phillips	Jay Phillips	22.3	Minneapolis
6. T.B. Walker	T.B. Walker	17.9	Minneapolis
7. O'Shaughnessy	I.A. O'Shaughnessy	11.6	St. Paul
8. Hormel	Hormel Packing	9.3	Austin
9. Bigelow	F.R. Bigelow	9.1	St. Paul
10. Andersen	Fred C. Andersen	7.9	Bayport
11. Carolyn	McKnights, Crosbys	7.4	Minneapolis
12. McKnight	McKnight Family	6.8	St. Paul
13. Bean	F.A. & Atherton Bean	5.9	Mpls
14. Bayport	Andersen Window	4.9	Bayport
15. Hamm	Hamm Family	4.4	St. Paul
16. Glen M. Dye	Glen M. Dye (Pako)	4.6	Mpls
17. Cargill	Cargill Co.	4.0	Mpls
18. Athwin	Atherton Bean	3.6	Mpls
19. Harris	Harris Family	3.6	St. Paul
20. Weyerhaeuser	Weyerhaeuser Family	3.4	St. Paul
21. Sumner McKnight	Sumner McKnight	3.3	Chaska
22. Edwin Davis	Davis Family	3.3	St. Paul
23. Saint Paul	St. Paul Community	3.0	St. Paul
24. Archie Walker	Archie Walker	3.0	Mpls

Minnesota Foundations with grants of more than \$100,000.

1. Bush	\$4,100,000
2. Hill Family	3,300,000
3. Phillips	1,878,000
4. Dayton-Hudson	1,100,000
5. T.B. Walker	975,000
6. Allis Educational	902,000
7. O'Shaughnessy	736,000
8. General Mills	662,000
9. Otto Bremer	597,000
10. Andersen	519,000
11. Star & Tribune	507,000
12. Athwin	383,000
13. Edwin Davis	326,000
14. Honeywell #1	312,000
15. Bigelow	294,000
16. Northwestern	280,000
17. Hormel	265,000
18. Cargill	240,000
19. Honeywell #2	233,000
20. Harris	219,000
21. Bayport	209,000
22. Hamm	193,000
23. B.C. Gamble	178,000
24. Glen M. Dye	157,000
25. T.B. Walker	156,000
27. Driscoll	134,000
28. Piper Jaffrey	120,000
29. Renown	120,000
30. Baker	117,000
31. Carolyn	117,000
32. McKnight Family	110,000

Finance - Dev Fund

M E M O R A N D U M

TO: Donald D. Bridgwater
FROM: Dick Bengtson RB
DATE: January 24, 1974
RE: Building Account Budget

The following building budget has been approved by the Board:

Bonding authority	\$23,025,000
Donations & match	2,350,000
Interest	661,000
	<u>\$26,036,000</u>

The interest figure of \$661,000 appears to be a rather conservative one, and based on the following analysis a higher figures appears more real.

Assumptions:

1. Reinvestment earning rate of 8%
2. Expenditures will be even throughout period from bond sale until July 1, 1977.
3. Compound interest not considered.
4. Selling of matching bond issue not considered.
5. \$10,000,000 issued on September 1, 1973; estimate \$13,025,000 to be issued on April 1, 1975 based on bid award dates projected by ZooTeam on the construction package master schedule.

Based on the above mentioned assumptions, the following investment earnings are projected:

$$\frac{\$10,000,000 \times 8\% \times 3.83 \text{ years}}{2} = \$1,532,000$$

$$\frac{\$13,025,000 \times 8\% \times 2.25 \text{ years}}{2} = \$1,172,250$$

Total investment earnings = \$2,704,250

As the assumptions are changed or actual figures and dates are realized, the investment earnings will change, but I feel that this + or - \$2,000,000 of additional investment earnings are realistic and probably on the conservative side, if anything.

If further projections are needed, please let me know.

RDB lb

cc: D. Clague and J. Hegstrom

early 1974

MINNESOTA ZOOLOGICAL GARDEN

ITS HISTORY AND THE FUNDING PROBLEM BEFORE IT

Herewith is a summary of the history of the Minnesota Zoological Garden and its funding status as of September 1, 1973, and the need for assistance from private, public-spirited donors in Minnesota.

This project goes back almost a half century. It stems from three successive studies by the Zoological Society, the Citizen's League, and the Metropolitan Council's Zoo Advisory Committee. Each found, in essence, 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 ranging from increased tourism to a major contribution to "quality of living" standards in the area.

Armed with the conclusions of these studies the Metropolitan Council went before the 1969 session of the legislature with plans for a \$20,000,000 metropolitan area zoo to be funded from a one cent increase in the cigarette tax.

The plan embodied a host of innovative principles of zoo design: animals were to be visually free while the people were confined; there was heavy stress on education, research and conservation... as well as the fundamental recreational appeal.

The legislature approved the plan in principle but ruled that, if state funds were to be used, the facility must serve all the people of Minnesota ... become, in fact, the first "state zoo" in the United States. It directed the Governor to appoint an eleven member zoological board, charged with responsibility for planning, building and operating a state zoological garden. An appropriation of \$500,000 was approved to fund preparation of a master plan. The zoological board was directed to return to the 1971 session for plan approval and further funding.

The board was appointed, selected a 480 acre site in Apple Valley, Dakota County (30 minutes from downtown Minneapolis and St. Paul) and named the architectural firm of InterDesign to prepare a master plan.

The plan called for a \$37,000,000 expenditure including all operating costs and debt service for the four year construction period. The site itself was to be given the state by the commissioners of Dakota County. Four basic components marked the plan: A Minnesota exhibit; a "northern trek" exhibit ... a symbolic monorail tour through herds of northern hemisphere animals; a turn-of-the-century farm, demonstrating pioneer family skills of the region; and an aquarium including a "walk through" exhibit of beluga whales, the fresh water whales of Hudson's Bay.

When it became apparent the plan was meeting opposition (over some of its funds provisions) it was scaled down to a \$4,000,000 holding operation. That plan, as revised, passed the senate but failed by a single vote in the final five minutes of the session to pass the house.

Dr. Philip Ogilvie, the director, resigned, and Don Bridgwater, his assistant, was named to the director's post. Legislative leaders were interviewed in a series of meetings to pin point criticism, and a committee from the Minnesota Zoological Society (non-governmental arm of the zoological board) named to prepare revised plans.

As revised and finally approved by the legislature and Governor Anderson, the new plans authorize the zoological board to issue \$23,025,000 in general obligation bonds for capital funding with an additional \$2.3 million in bonds authorized if matching funds in equal amount can be procured from sources other than the State of Minnesota (the additional \$4.6 million would approximate the \$27 million originally estimated for first phase funding). It is this latter provision which now concerns us.

Two basic changes in design plans had been effected in the interest of economy. The monorail was eliminated and a less costly trackless system substituted. Five major exhibits were dropped as was the turn-of-the-century farm. But the Minnesota exhibit was enlarged. A children's "feed and touch" zoo with an auditorium for small animals shows, a nursery for all baby animals and other exciting features is provided.

Because of the active cooperation of a team of scientists at the University and in the zoological board itself, the new zoo will feature a host of exciting design features with extensive use of infra-red lighting (for nocturnal animals), closed circuit television (for a look at den interiors), novel demonstrations of animal psychology and exhibits of

defense mechanisms, nutrition, reproduction and such. This zoo will be an all-weather, all-season zoo designed to take full advantage of the state's climate, stressing animal life which can and does live in these latitudes.

Under present planning the zoo will be partially opened in the summer of 1976 (hopefully to share in some bicentennial funding) and fully opened in the summer of 1977. Admission rates tentatively are fixed at \$2 for adults and 50 cents for children but with all children in school class groups admitted free (we anticipate about 300,000 such visitors annually). Special provision will also be made for free days or free time for needy and elder citizens. Attendance projections call for an initial attendance of 1.7 million the first year ... substantially more than any of the professional sports programs. The economic impact of the zoo is difficult to measure, but we do know the facility will pay \$1,600,000 directly to the state in admission taxes its first 20 years of operation and we estimate we can meet (out of user generated revenues) all operating expense and some 70% of the debt service during that same period. Once the bonds are retired, of course, the zoological garden should be a major economic asset to the state.

The choice, before us, it seems, is whether we shall be satisfied with a very fine zoo (which we shall have in any case) or whether we shall take the final step, procure the added \$4.6 million of contingent funding and bring to Minnesota one of the six outstanding zoos of the entire world. We believe the goal worth the effort.

We have about three years in which to obtain these funds so a gift spread over two or three years would indeed be welcome. We prefer, of course, undesignated gifts for general zoo enrichment but shall respect the wishes of donors in this area.

In summary: The Minnesota Zoological Garden, a first "state zoo" in the United States, will fill a major cultural and recreational void in the state. In addition it will bring economic benefits in many areas and make major contributions in education, conservation and biological research.

Those willing to assist with financial support will know every dollar so invested will do double duty, in line with legislative policy, to enrich the zoo and bring to Minnesota one of the world's finest such facilities ... benefiting every citizen of the state.

A copy of the original master plan and the revisions approved in the 1973 session are attached. We shall, of course, welcome any questions you might have ... directed either to John Tilton or Director Don Bridgwater at 296-2426 (The State Zoological Board, Veterans Service Building, St. Paul, Minnesota) and we are grateful for your interest.

Gifford Powell

(6)
1973

JOHN E. TILTON
3200 W. Calhoun Pkwy.
Minneapolis, Minn. 55416

Friday, Nov. 29.
Don, Ace, Dick:

Here's possible draft of a printed piece on our "snopping list" of possible projects of interest to potential donors. Use it any way you can see it might be helpful.

I think we'll have trouble selling most donors or more prosaic items like added parking space, landscaping around the fence, internal carpeting.

But I do think they might have an interest in helping to finance some facilities already in the planning-construction stage: instrumentation and closed circuit TV, the animal hospital, the children's zoo etc. We really don't give a damn, do we, what they help to fund...so long as we get the money?

This draft made a hell of a lot of assumptions, some of which may be in error. I've tried to underline the statements which I simply filled in without basis of solid information.

Minnesota's Zoological Garden, America's first state-sponsored zoo (1), offers to individual, corporate and foundation donors an unique opportunity to make a lasting contribution to the people of Minnesota and the Upper Midwest.

This is because the Minnesota legislature, funding the zoo, invited donors to assist in the project. And because unfolding plans ~~indicate~~ indicate the amount of private support well may determine whether this Zoo shall pass the critical point of excellence, i.e. shall it be on a level with scores of similar facilities throughout the nation or shall it be ranked among the half dozen great zoos of the world (2).

It is also noted that the Minnesota Zoo, unique in its planning, offers significant opportunity for the effective use of donor funds in four major areas:

1. Conservation. From its inception, planning for the Minnesota Zoo has contemplated that at least two endangered species shall be given an opportunity for a new start in this facility. In fact, present plans list especial facilities for at least six endangered species.

2. Education. Tens of thousands of school children, in class groups, are expected to visit the zoo annually under a carefully planned educational program, relating their classroom instruction directly to their zoo experience. This program's effectiveness will directly relate to donor support

(1) North Carolina has launched plans for a state zoo but only the Minnesota Zoo ~~is~~ is fully in construction.

(2) The Minnesota legislature authorized the State Zoological Board to issue \$23. in bonds to fund the new zoo. But it also invited donor ~~participation~~ participation by offering to issue an added \$2. million in bonds, on a dollar for dollar matching basis, if a similar sum could be ~~acquired~~ acquired from other than official state of Minnesota sources. One of the most exciting potentials of the new zoo is the possibility that, under prudent management, future zoo earnings will fund a series of added construction phases for generations in the future.

3. Research. Under the controlled conditions in a modern zoo, research into a wide range of disciplines takes on new meaning: animal behavior, nutrition, reproduction, psychology and disease.

4. Recreation. Minnesota's new zoo should help answer a host of significant questions in this area: Is effective recreation inherently a learning experience? Are animals appealing because they reflect human problems? What is the philosophical significance of the great biological lessons so apparent in a zoo: the mother-child relationship, the role of predator and ~~prey~~ prey, the meaning of protective coloration and other defense mechanisms? Can meaningful recreation be developed to inform and enrich (as well as entertain) people? What, indeed, is recreation?

Inflation has forced postponement of some crucial displays in the Minnesota Zoo ..unless they can be funded privately with matching funds from state sources.

Herewith is a "shopping list" of tax free projects indicating the variety of desirable facilities available for potential donor consideration, divided into three classifications: (1) Those remaining in the Phase I construction and now in the planning-construction stage; (2) A reinstatement list...facilities originally planned for Phase I construction but presently pushed aside to hold the total project within budget; (3) an enrichment list of exciting projects which would strengthen the overall zoological garden appeal but are presently delayed until later construction phases a decade or so hence because of total project cost limitations. Each may be funded by private donors. Each will be matched, dollar for dollar, by state funds:

PHASE I CONSTRUCTION PROJECTS (in the planning-construction stage).

1. Preswalski's Hors-Bactrian Camel 5 acres \$300,000

Two endangered species displayed in a miniature Russian steppe where each once lived: the prehistoric horse, extinct except in captivity; and the two-humped camel of the Siberian plains.

permitting visitors to hear the beluga whales in the great aquarium in communication...to check pulse, respiration, temperature and other vital signs of animals on display through instrumentated data.

5. Vehicle Storage building. _____ square feet \$60,000

A prosaic but crucial housekeeping item, important to the proper care of the sophisticated equipment needed in the operation and ~~_____~~ maintenance of animal and plant life and the physical plant of the zoo.

6. Small Animal Holding Building _____ Square feet \$221,700

Another little appreciated but vital facility where animals newly introduced to the Zoo may be held for the days or weeks required for necessary testing and orientation before they may be introduced into public displays.

7. Water Softening System \$100,000

Water chemistry in the animal pens, the artificial streams and lakes of the zoo is unbelievably important (Polar bears turn brown with improper water...many forms of animal life die with improper water.) Present construction plans call ^{for} ~~a~~ minimal water softening, ~~_____~~. This project would provide a totally adequate system.

Enrichment Items...not included in the design under construction but which would provide enrichment to the project without delaying the construction process.

1. Interpretive Center, Bering Straits \$360,000

A massive educational and interpretive center midway on the northern trek (at the symbolic crossing of the Bering Straits) adding color, effectiveness and interest to this unique zoo experience.

2. Pedestrian Bridges from parking lots to Entrance Pathways \$180,000

A facility promising both safety and convenience to the millions who will visit the zoo in coming years.

3. Youth Residence Center _____ Square Feet \$180,000

school

when children from distant outstate areas ~~visit~~ visit the

Minnesota zoo travel time and hotel costs will limit their experience. Here is planned a hostel type facility where boys and girls from distant cities may stay. Envisaged on such a trip would be the morning ride of 6 to 8 hours to the Twin Cities; a meaningful, conducted tour of the zoo; a night in the hostel featured by lectures by zoo staff or docents; a tour of the Twin Cities next morning; and the trip home the following night. This is a crucial feature of the Zoo Board's commitment to stress the educational opportunities in the new zoo.

4. Special facilities for the Blind \$60,000

A host of facilities designed to make the Zoo experience more meaningful for the sightless, ranging from braille explanations to talking films.

5. Retail Shops and Restaurants Variable.

Current planning provides such facilities to be ~~self~~ funded and operated by concessionaires. Properly funded such facilities could become significant profit centers, helping to finance successive building phases of the Zoo in the years to come.

Some items which might appeal to donors:

1. Each of the displays of the northern trek.
2. The animal hospital.
3. Closed circuit TV and the instrumentation designed for research and ~~massing~~ public viewing.
3. The whale exhibit.
4. The Minnesota Exhibit
5. The children's zoo and the infant animal care center.
6. The youth residence center or hostel.
7. The Snow Leopard and Cougar exhibits.
8. Northern Trek amphitheaters.
9. The Northern Trek transport system.
10. Vehicle Storage building.
11. Small animal and hoofstock holding buildings.
12. Landscaping in various areas (garden clubs?)
13. Water softening system.
14. Interpretive center at Bering straits stop.
15. Pedestrian bridges from parking lot to entrance pathways.
16. Northern trek amphitheaters.
17. Special facilities for the blind or otherwise handicapped.
18. The Australia Zoogeographic exhibit.
19. A children's zoo exhibit of ~~an~~ exotic animals not planned for display in Phase I: baby elephants, giraffe, zebras, kangaroo or wallaby, ostrich, hippos and rhinos.

Finance Plan, Minnesota Zoological Garden
Scheduled for completion in summer, 1977

Source of Funds

Bonding Authority	\$23,025,000
Donations Plus Matching Funds	2,350,000 *
Interest	661,000
	\$26,036,000

Distribution of Expenditures

Facilities	\$22,345,000
Design and Management Costs	2,485,000
Animals and Equipment	1,036,000
Audio-Visual Materials	170,000
	26,036,000 (1)

(Breakdown of Design and Management Costs:		Pct. of Facilities Budget
Planners Fixed Fee	\$2,145,000	9.6
Project Management	240,000	1.1
Additional Expenses	100,000	.4
		11.1)

\$2,350,000 Fund Raising Plan (1973-1977)

Source of Funds

	1974-75	1975-75	1976-77	Total
Foundation Grants	\$600,000	\$600,000	\$600,000	\$1,800,000
Sale of Annuities	50,000	150,000	---	200,000
Organizational Gifts (2)	---	50,000	50,000	100,000
Bequests	---	25,000	50,000	75,000
Miscellaneous Gifts (3)	---	25,000	25,000	50,000
Interest	---	65,000	60,000	125,000
				\$2,350,000

* Assumes 50% of \$2,350,000 in donations will be received for inclusion in initial construction program.

- (1) Initial planning assumes only one half of initial goal will be attained before the zoo opening in 1977. If the campaign is 100% successful within the time limit a priority list of enrichment projects will be developed. See Appendix A.
- (2) Business and Fraternal organizations will be solicited to assist in providing ancillary facilities and special displays.
- (3) Schools, Churches and similar organizations will be invited to assist with special zoo funding campaigns.

M E M O R A N D U M

TO: FINANCE COMMITTEE MEMBERS
STATE ZOOLOGICAL BOARD

FROM: JOHN TILTON

DATE: NOVEMBER 14, 1973

Dick Clague and I have been discussing the proposed submission to two score Minnesota foundations and perhaps an equal number of national foundations within the next few weeks. One proposal is that we get together with the Finance Committee of the Minnesota Zoological Society and try to develop an understanding of the personal relationships between trustees of the various foundations and members of our two groups. This will be worked out at a meeting of the two groups scheduled within the next week or 10 days so that we can complete our applications to the foundations during the first quarter of the new year.

Most of you know, I think, that the application to the Bush Foundation will be submitted this weekend. Dick Clague and Don Bridgwater have prepared this submission carefully. I will check it over and will be in touch with most of you by phone prior to its submission.

JET 1b

cc: Dick Clague
Don Bridgwater
Paul Verret, Minnesota Foundation

M E M O R A N D U M

TO: Dick Clague

DATE: November 14, 1973

FROM: John Tilton

Here is a draft of a paragraph covering the scope and extended services for the Minnesota Foundation you requested.

ARTICLE I. Scope of Services

A. General. ~~Min. Fdn.~~ shall provide assistance and advice broadly in the design of fund raising programs and the tax implications of grants and gifts made to the Minnesota Zoological Garden.

B. Particular Tasks. Serves as a consultant.

1. For preparation of applications for grants-in-aid to 3 score Minnesota based foundations;
2. Preparation of applications for grants-in-aid to some 3 score national foundations;
3. Formulation of a form of annuity contract for presentation and possible sale to the several hundred Minnesota Zoo Society members and other zoo garden enthusiasts in the state;
4. For both the Minnesota Zoological Board and the larger donors with regard to the tax implications and potentials of grants-in-aid to the Minnesota Zoological Garden.

C. Serve as an agency of record for grants and gifts to the Minnesota Zoological Garden for inspection by major donors who request such record as a pre-requisite to such grants.

From the desk of

J. RICHARD CLAGUE

John -

It would be of
immense help to me
if you would write
out what you see as
the scope & extent of
services for Minn.

Foundation. I have
rest of contract drafted,
and am awaiting this data.
Refer to Article I. in attached
contract for sample of what
I need to include. JR

BMSA
Revised

ADMINISTRATIVE MANAGEMENT
AND
EDUCATIONAL SERVICES AGREEMENT

THIS AGREEMENT, made this 10th day of Aug, 1973, by and between the State of Minnesota, State Zoological Board, hereinafter referred to as the State, as party of the first part, and Behavioral Management Systems Associates, a legal partnership, being duly registered in the State of Virginia, hereinafter referred to as B.M.S.A., as party of the second part,

WITNESSETH:

WHEREAS, the 1969 Minnesota State Legislature created the Minnesota Zoological Garden and established the State Zoological Board as described in Minnesota Statutes, Chapter 85A, and

WHEREAS, Laws 1973, Chapter 207, has provided bonding authority to issue \$23,025,000 in State Zoological Garden bonds to design and construct the Minnesota Zoological Garden, with a provision that an additional \$2,350,000 may be issued upon receipt of matching funds from other than state sources, and

WHEREAS, the State Zoological Board has been given powers and charged with the duties and responsibilities to acquire, purchase, construct, equip, operate and maintain the Minnesota Zoological Garden as described in Minnesota Statutes, Section 85A.01 and Section 85A.02, and amended in Laws 1973, Chapter 207, and

WHEREAS, B.M.S.A. is recognized as an authority in the areas of organization development program design, personnel administration, planned change facilitation, and human resources management, and has worked with a wide range of programs in the areas of education, information and administrative organization and therefore eminently qualified to render the assistance needed by the State,

NOW, THEREFORE, IT IS AGREED by and between the parties hereto:

ARTICLE I. Scope of Services.

A. General. B.M.S.A. shall provide assistance in the design and planning of educational services and programs for the Minnesota Zoological Garden Project. Further B.M.S.A. shall assist in the preparation of filing of grants-in-aid requests, the development of information programs and give assistance in the development of organizational structure and schedules of implementation.

B. Particular Tasks. The professional services to be rendered by B.M.S.A. shall include but not be limited to the following:

1. To assist in the planning of zoo facilities for education functions, its staffing and equipage, and provide input to the design and construction management team in this regard;
2. To assist in the preparation and filing of grants-in-aid requests and foundation applications.
3. To assist in the development and initiation of a state-wide information program;
4. To develop and coordinate the Minnesota Zoological Garden program with appropriate institutions, organizations and agencies;
5. To develop a complete organizational structure for the Minnesota Zoological Garden including specific job functions and their inter-relationships including staffing plans, hiring standards, performance standards, and objective-setting programs;
6. To develop and design appropriate orientation and training programs and materials for public services and animal services functions.

ARTICLE II. Primary Relationships.

The State hereby authorizes its Director to act as its agent in the implementation and continuing administration of this Agreement. It is agreed by the parties hereto that B.M.S.A. shall designate J. Richard Clague as its senior project manager relative to this Agreement and that the performance and supervision of the terms of this Agreement shall be his responsibility. It is further agreed that this designation shall not prevent the utilization of other members of B.M.S.A. in the performance of this Agreement, except that any other senior project manager named shall be subject to the approval by the State.

ARTICLE III. Term.

Subject to the provisions for termination hereinafter provided, the term of this Agreement is from the date of its execution until June 30, 1975.

ARTICLE IV. Termination.

Commencing July 1, 1974, either party hereto may terminate this Agreement at any time by giving written notice

30 days in advance of the effective day of such termination. The State shall be required to provide all payments of compensation and expenses due B.M.S.A. to the effective date of such termination.

ARTICLE V. Terms of Compensation and Method of Payment.

A. Terms of Compensation. The State shall pay to B.M.S.A. \$200.00 per eight hour working day which shall be inclusive of travel and living expenses as required by the terms of this Agreement, except as agreed to in Article VI. The total compensation under this Agreement, exclusive of reimbursement for authorized travel and living expenses, shall not exceed \$44,000.00.

B. Method of Payment. On or before the last day of each month, B.M.S.A. shall submit to the state a written bill or statement, in such form as the state shall prescribe, detailing services rendered and days worked.

ARTICLE VI. Additional Expenses.

If travel is requested and approved, in writing, by the State in the performance of the duties hereunto agreed, to be performed outside the seven county metropolitan area, the State shall reimburse B.M.S.A. for related travel and living expenses in accordance with the Minnesota State Travel Regulations, 1972, or as later amended.

ARTICLE VII. Miscellaneous Provisions.

A. Confidentiality. Any reports, data, documents, studies, or information given to or prepared or assembled by B.M.S.A. under this Agreement with the State, which the State requests to be kept confidential, shall not be made available to any individual or organization by B.M.S.A. without the prior written approval of the State, except that B.M.S.A. shall retain the right to full use of professional management techniques, principles, forms or systems developed while providing services under this Agreement.

B. Nontransferability. Neither of the parties shall, without the consent of the other, assign, transfer or bequeath this Agreement or any rights or obligations arising hereunder.

C. Agreement Complete. This Agreement contains all agreements and covenants between the parties. Any addition to, alteration or modification of this Agreement must be in writing and signed by the party against whom enforcement is sought. Failure to object to a breach shall not act as a waiver. This Agreement is made in Minnesota and Minnesota law shall in all ways apply. The agent for B.M.S.A. for service of all notices or process in the State of Minnesota is J. Richard Clague.

D. Contingent Liability. It is understood and agreed that this Agreement is contingent upon the State receiving fully the proceeds from the sale of the bonds referred to above, and that should, for any reason, the State not receive fully those proceeds, the State will not be liable to B.M.S.A. for any unpaid fees for services, or to continue this Agreement.

E. State's Responsibility. The State will supply sufficient space, office supplies and clerical support to expedite the functions to be performed by B.M.S.A. under the terms of this Agreement.

F. Agreement Commencement Date. This Agreement shall not take effect until it has been completely executed by the parties, incurred and encumbered in the State Auditor's office and approved by the Office of the Attorney General and the Commissioner of Administration.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Approved: Commissioner of Administration BEHAVIORAL MANAGEMENT SYSTEMS ASSOCIATES

By _____ By _____
J. Richard Clague, Senior Partner

Approved as to form and execution this ____ day of _____, 1973. STATE OF MINNESOTA

WARREN SPANNAUS
Attorney General

By _____
Special Assistant
Attorney General

By _____
Firmin Alexander, Chairman
State Zoological Board

DEPARTMENT ATTORNEY GENERAL

STATE OF MINNESOTA

Office Memorandum

ADMW

John Dilton

TO : GERRY HEGSTROM

DATE: November 12, 1973

FROM : WILLIAM H. KURETSKY
Special Assistant
Attorney General

WHK

SUBJECT: Minnesota Zoological Garden

In your letter of November 6, 1973, you raise several questions regarding how proposed concessions at the Minnesota Zoological Garden will be taxed. For the purpose of this memo it is presumed that concessionaires will lease space from the Minnesota Zoological Garden, and that the Minnesota Zoological Garden falls under the term "public park" as used in Minn. Stat. § 272.01, subd. 2 (1971).

Minn. Stat. §§ 272.01, subd. 2, and 273.19 (1971) apparently contain the answer to your inquiry. Minn. Stat. § 272.01, subd. 2 (1971) states;

Subd. 2. When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit; except where such use is by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, airport, port authority, municipal auditorium, municipal museum or municipal stadium there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

Under Minn. Stat. § 272.01, subd. 1 (1971) concessionaires at the Minnesota Zoological Garden apparently are exempt from payment of property taxes. But, this apparent exemption is partially

Gerry Hegstrom
Page 2
November 12, 1973

nullified by Minn. Stat. § 273.19, subd. 1 (1971) which states;

Subd. 1. Property held under a lease for a term of three or more years, and not taxable under section 272.01, subdivision 2, or under a contract for the purchase thereof, when the property belongs to the state, or to any religious, scientific, or benevolent society or institution, incorporated, or to any railroad company or other corporation whose property is not taxed in the same manner as other property, or when the property is school or other state lands, shall be considered for all purposes of taxation, as the property of the person so holding the same.

In reading Minn. Stat. § 272.01, subd. 2 (1971) in conjunction with Minn. Stat. 273.19, subd. 1 (1971) it appears that any property held by concessionaires under a lease for a term of three years or more will be considered, for property tax purposes, as the property of the lessee, and that a concessionaire who holds property under a lease for a term less than three years is exempt from the payment of property taxes.

A second question which you raise in your letter of November 6, 1973, pertains to the Minnesota Zoological Gardens ability to contract with the State Zoological Society.

I have checked the Minnesota Statutes, and it appears as if the State Zoological Society is not a state agency. Therefore, the Minnesota Zoological Garden's ability to contract with the Zoological Society must be treated the same as its ability to contract with any other nonprofit organization. Since the State Zoological Society is not a state agency I cannot advise you on what its legal capabilities or restrictions are.

WHK:smt

MINNESOTA FOUNDATION

305 WILDER BUILDING
ST. PAUL, MINNESOTA 55102

LEONARD H. WILKENING, Executive Director
PAUL A. VERRET, Associate Executive Director

November 13, 1973

Mr. John Tilton
State Zoological Board
Veterans Service Building
Saint Paul, Minnesota 55155

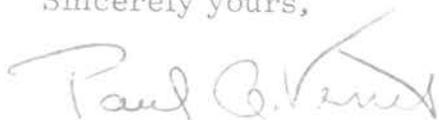
Dear Mr. Tilton:

Pursuant to our November 5th meeting, I have received in writing a letter from our attorney stating that Minnesota Foundation Custodial Accounts do not require the exercise of expenditure responsibility. Hence, Minnesota Foundation is clearly in a position to act as an agency of record and to receive funds from private sources for the State Zoological Board, which funds will be then transmitted to the Zoological Board according to your instructions. At the end of his letter, Mr. Clark raises a question related to the Zoological Board, namely whether it has authority under the statutes to employ Minnesota Foundation to perform these services. As I understand it, our performance of these services will aid the Zoological Board in raising funds from private sources and these funds will eventually be placed in the correct State Zoological Board account. If you have any doubts regarding this matter, please do not hesitate to call me.

I am also enclosing, under separate cover, a copy of the Kresge Foundation 1972 Annual Report. Based on the eligibility and conditions criteria of the Foundation and a perusal of the actual grants made by this organization during 1972, you might want to establish contact with them as regards your proposed project. Please return the report to me when you are through with it.

Once you are ready to finalize an agreement with Minnesota Foundation, I will present it to my Trustees.

Sincerely yours,



Paul A. Verret
Associate Executive Director

PAV:lmb
Enc.



11-7-13
By messenger

MICHAEL A. COHEN
WILFRID E. RUMBLE
FRANCIS D. BUTLER
J.C. FOOTE
IRVING CLARK
HAROLD JORDAN
THEOPHIL RUSTENHOLM
FRANK CLAYBOURNE
PIERCE BUTLER
JOHN L. HANNAFORD
ANDREW SCOTT
JOSEPH H. FINLEY
HENRY D. FLASCH
EUGENE H. WATKINS
JOHN J. MOGRI, JR.
THOMAS E. ROHRICHT
PERRY M. WILSON, JR.
BOYD H. RATCHY
SIMPSON G. ROSS
RALPH K. MOSE
BRUCE L. JOHNSON

DOHERTY, RUMBLE & BUTLER
ATTORNEYS AT LAW
1800 FIRST NATIONAL BANK BUILDING
SAINT PAUL, MINNESOTA 55101
TELEPHONE (612) 322-7001

DANIEL W. O'BRIEN
J. LAWRENCE MCINTYRE
RICHARD A. WILHOIT
TIMOTHY J. HALLSTAD
JAMES E. ROVER
JOHN D. HOESCHLER
WILLIAM J. JOCSORFF
JAMES R. WITTEBERG
VANCE K. OPPERMAN
JOSEPH R. KERNAN, JR.
MICHAEL T. MCKIN
RICHARD B. PETERSON
ROBERT L. BOLLE
RONALD A. ZANENSKY
JEFFREY G. SHERMAN
THOMAS M. DALEY
SUZANNE B. FLINCH
ROBERT J. SCHMIT
C. ROBERT STANTON
GERALD E. O'BRAUGHNESSY

MINNEAPOLIS OFFICE
730 SECOND AVENUE SOUTH
MINNEAPOLIS, MINNESOTA 55402
TELEPHONE (612) 333-5477

November 8, 1973

Mr. Paul A. Verret
Minnesota Foundation
305 Wilder Building
355 Washington
St. Paul, Minnesota 55102

Re: Custodial Accounts - Minnesota
State Zoological Garden Board

Dear Paul:

This refers to your letter of June 26 regarding the Zoological Board, plus later telephone conversation on the subject, and also to your letter of September 17 about custodial accounts or "conduit accounts" of the Minnesota Foundation.

The general principle which applies to various accounts which the Minnesota Foundation has set up, and intends to set up in the future, in our opinion, is that the handling of funds for other charitable organizations at less than the cost of doing so is a charitable operation by the Minnesota Foundation; and that it therefore falls within its powers and within its exemption under Section 501(c)(3) as an organization operated for charitable purposes. Reg. § 1.501(c)(3)-1(d)(2) defines "charitable" as follows:

"Relief of the poor and distressed or of the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening of the burdens of Government; and promotion of social welfare by organizations designed to accomplish any of the above purposes, or (i) to lessen neighborhood tensions; (ii) to eliminate prejudice and discrimination; (iii) to defend human and civil rights secured by law; or (iv) to combat community deterioration and juvenile delinquency. The fact that an organization which is organized and operated for the relief of indigent persons may receive voluntary contributions from the persons intended to be relieved will

Mr. Paul A. Verret
November 8, 1973
Page 2

not necessarily prevent such organization from being exempt as an organization organized and operated exclusively for charitable purposes"

Parenthetically, if all the Minnesota Foundation did was the handling of these accounts at less than cost, we believe it would qualify as an "operating foundation" in that it provides services for other charities, as a charitable function. However, that is not the question before us now.

While the above definition of "charitable" is rather general, it seems to us that if the service performed by the Minnesota Foundation for public charities, governmental units, or other private foundations, assists them in performing one or more of the acts described in that definition, then the Minnesota Foundation is performing one of those "charitable" acts in part; therefore, its performing of the service function is itself a "charitable" act.

We have also considered whether the course of conduct of the Minnesota Foundation in rendering services to other charities (both foundations and public charities) and to governmental units, for a fee, is an "unrelated trade or business." We think it is not, as Section 513 defines the term "unrelated trade or business" as a trade or business the conduct of which is not substantially related to the performance by the organization of its charitable function. The Minnesota Foundation was formed for the purpose of rendering these services, among other purposes, and therefore it is substantially related to its charitable function. However, if the Revenue Service should disagree with that and call it an unrelated trade or business, there should be no trade or business taxable income since the services are rendered at less than cost.

There remains the question of whether when the Minnesota Foundation, a private foundation, renders these services at less than cost to another private foundation, it is making a "grant" which requires it to exercise expenditure responsibility. We appreciate that in some cases (such as the Minnesota Zoological Board (see below)) the recipient of the services is not a private foundation anyway, but a public charity or a governmental unit, so that expenditure responsibility would not be required even if a "grant" is involved. The key section of the Internal Revenue Code is 4945(d)(4), providing that an amount paid or incurred by a private foundation as a grant to an organization other than a public charity, etc., is a taxable expenditure, unless the private foundation making the grant exercises expenditure responsibility. Section 4945(h) says that to exercise expenditure responsibility the private foundation must establish procedures to see that the grant is spent for the purpose made, obtain full and complete reports from the grantee on how the funds are spent, and make full and detailed reports to the IRS.

This brings us to the question -- Are moneys spent by Minnesota Foundation to render these services in excess of the fees charged the equivalent

Mr. Paul A. Verret

November 8, 1973

Page 3

of "a grant" to the organization for which the service is rendered? In the Regulations, § 53.4945-4(a)(2) gives a definition of grants" which is not very helpful. It says that the term "grants" includes scholarships, fellowships, prizes and awards, then it talks about loans and "program-related investments;" then it talks about payments to exempt organizations; then it talks about items that are not included such as salaries of employees, educational payments to employees, and payments to consultants for services, travel expenses or the like. This so-called definition is incorporated by reference in Regulation §53.4945-5(a)(2) relating to grants to organizations. We have not found further helpful or harmful material in the Regulations.

Thus, it comes down to a judgment question as to whether the performances of services for a fee which is largely compensatory but still below the cost of Minnesota Foundation amounts to a giving of a "grant" by Minnesota Foundation. In our opinion it does not. It is true that in other provisions relating to private foundations, where disqualified persons are involved, if a foundation provides a service to a disqualified person that is either not available to the general public or for a price that is less than charged to the general public, that may be an act of self-dealing; however, the evil which Congress was trying to get at there was far different than the problem which it thought existed in relation to grants which needed to be supervised by the private foundation making them. On the whole, it is our opinion that they are not "grants" within that intent.

We have looked at the possible penalties in case the Revenue Service should disagree with the above conclusion. If there is a grant involved in the rendering of these services for less than cost, and if it is held to be a taxable expenditure under § 4945, the initial tax which would be proposed would be 10 percent on the amount of the taxable expenditure, imposed on the Foundation. That would involve calculating 10 percent on the difference between the fees charged and the cost to the Minnesota Foundation, a somewhat difficult calculation. The further initial tax is a 2-1/2 percent tax on the foundation manager if he agrees to the taxable expenditure willfully and without reasonable cause. In view of our opinion above, we do not think that it could be held that the decision by you or by any other foundation manager is willful and without reasonable cause.

Those are initial taxes only, but the additional taxes under § 4945(b) are imposed only if the Revenue Service proposes the initial tax, and the Minnesota Foundation does not correct its conduct within the correction period. Correction means attempting to recover the taxable expenditure, and the correction period means at any time within 90 days after the date of mailing of the notice of deficiency, plus a possible extension (§ 4945(i), I.R.C.).

As we know, many of the cases in which Minnesota Foundation acts as "conduit" or as "bookkeeping agent" or the like involve governmental units such as the Minnesota Zoological Garden Board (see below) or Minnesota Landmarks, or the City of St. Paul, or the like. There are, however, some cases where you have acted as agent of one kind or another for organizations which clearly are private foundations. It is those cases to which the above opinion is addressed.

Mr. Paul A. Verret
November 8, 1973
Page 4

Now turning to the Minnesota State Zoological Board specifically: You have informed us that it is a separate department of the state government created by an act of the legislature. Chapter 85A, M.S.A., as amended by Chapter 207, Session Laws of Minnesota 1973, both of which are enclosed. This makes it a department or an agency of the state government. It has authority to issue bonds carrying the credit of the State of Minnesota in the amount of twenty-three million dollars; it also has authority to issue another \$2,350,000 of bonds if and to the extent that amount is matched by "other than state appropriations," meaning donations to the Zoological Board. § 85A.05, Subd. 6, as amended. The Zoological Board is asking you to be its agent to receive donations and then to disburse them on proper certification by the Zoological Board.

The relationship suggested in your letter of June 26 is that the Minnesota Foundation would be primarily a bookkeeping agent and banking agent for the Zoological Board. We understand that for that purpose you will set up a separate bank account with a title similar to "Minnesota Foundation as agent for Minnesota State Zoological Board." We also understand that people making contributions will be asked to make their checks to the "Minnesota State Zoological Board care of the Minnesota Foundation." * However, we also understand that the Minnesota Foundation will not do any soliciting of such contributions, all soliciting to be done by others, presumably employees of the Zoological Board or volunteers working on its behalf. Similarly, if the Zoological Board finds it desirable to go back to the legislature for further enabling legislation or changes in the existing legislation, we understand that its personnel will do that, and the Minnesota Foundation will not be a participant.

In our opinion, the statutes above referred to, copies of which are enclosed, make the Zoological Board a part of the State of Minnesota. Therefore, even if by rendering the service to the Zoological Board below cost you should be held to be making a "grant," in this case it would be a grant which qualifies as a grant to a state and is therefore excluded from the group of expenditure responsibility grants. by § 4945(d)(4), I.R.C.

Yours very truly,

DOHERTY, RUMBLE & BUTLER

By 

IC:al
Encs.

*We raise the question, which is basically for the Zoological Board to consider, whether it has authority under the statute to employ Minnesota Foundation to perform this service for it. Section 85A.04, as amended, enclosed, seems to be indicating that all funds of the Zoological Board should be maintained in the "general fund," which is part of the funds handled by the State Treasurer, or in specific funds related to the billing account or the bonds. You may wish to discuss this with the Zoological Board executive.

1973

ACTION NEEDS

- 1) Comprehensive fund development plan, including efforts by MZS. TARGET 11-15-73
- 2) Major Foundation applications
 - Bush By 11-15-73
 - Hill By 12-15-73
 - Corporates By 1st quarter '74 meetings
 - Ford By 1st quarter '74 meetings
- 3) Package presentation
 - Design By 1-15-74
 - Produce By 2-15-74
 - On-Line By 2-15-74
- 4) Society-Board Joint/Separate Efforts
 - Define - A.S.A.P.
 - Memo of Understanding By 11-15-74
(Latest 12-15-74)
- 5) Possible Legislative Clarification
 - Legislative Committee - By November Mini-Session, if possible
 - Ordinary Matters Calendar - January 20, 1974

NON-STATE

ADDITIONAL BONDS

COMMITMENTS:

Present construction budget assumes
 -- \$1.175 million in receipts;
 plus investment income, if any.

NEEDS APPROACH:

- 1) Secure commitments of funds from major potential donors by May 15, 1974

(In Millions)

TARGET	\$1.8
--------	-------

- 2) Develop individual and moderate donor programs to yield commitments by August 15, 1974 covering 10 month program.

TARGET	
Total	\$ 1.0
By 8/15/74	0.5

- 3) Encourage major actual receipts by December 15, 1974; with balance by December 15, 1975.
- 4) Encourage individual actual receipts by February 15, 1975; with balance by October 15, 1975.

COMMITMENTS:

Present construction budget assumes
 -- \$1.175 million in receipts;
 plus investment income, if any.

YIELD APPROACH:

- 1) Upon commitments from non-state sources exceeding \$500,000; Board resolution requesting sale of all \$2.3 million in bonds.
- 2) Invest proceeds and submit encumbranch schedule.
- 3) Release and transfer funds upon certified non-state received matches; probably done in \$100,000 batches.

NON-STATE

ADDITIONAL BONDS

TARGET: \$2.35 Million

LIMIT: \$2.35 Million

CONDITIONS:

- Relate to capital plans as outlined in Master Plan.
- Deposited in gifts/grants receipts account.
- Accrue earnings through designated investment.

CONDITIONS:

- Used for capital construction and equipment in accordance with Master Plan.
- Sold upon assurance that non-state funds will be received within arbitrage limits.
- Proceeds not expended/released until match certified.
- Proceeds to earn and accrue interest income.

NEEDS

- 1) Commitments/pledges of non-state capital funds.



Interim target = \$500,000 a.s.a.p.
(Long range target = \$2.35 million)

- 2) Sale of \$2.35 million in bonds a.s.a.p. to permit maximum interest earnings.



(Budget confirmation/planning - design)

- 3) Cash receipts of non-state commitments.



- 4) Release of bond proceeds.



- 5) Use of all funds for capital debts.

FLAT GRANT

Example: \$200,000 capital gift/grant

Non-state yield = \$200,000 -- *firm commitment on approval*

State yield = \$200,000



- * Each grant received of this type yields \$2 for \$1 net to zoo.
- * Yields fund commitment which is not time dependent.
- * Consistent with state/private funding grants programs now operating.
- * Early accumulation of commitments yields early bond sales and investment income as budgeted.

MATCHING GRANT

Example: Match up to \$200,000 over 3 year period.

Non-state yield = \$x on match up to \$200,000

State yield = \$x on match up to \$200,000

Fluid commitment at any given time

* * * * *

Small Foundation (A) gives	\$1,000	>	\$2,000	
Master Foundation matches	1,000			
State matches			<u>\$2,000</u>	<
				\$1,000 (A) \$1,000 Master
Total	\$4,000			Gross

* * * * *

Small Foundation (A) gives	\$1,000			
Small Foundation (B) gives	1,000			
Small Foundation (C) gives	1,000			
	<u>\$3,000</u>	>	\$ 6,000	
Master Foundation matches	3,000			
State matches			<u>\$ 6,000</u>	
Total	\$12,000			Gross

* Each grant received alone yields: Theoretical $\$(x \cdot 4)$ for \$1
Actual net = \$2 for \$1

* Yields time dependent commitment, since master foundation commitment is only equal to each match issued in time. Total potential does not count as a commitment; since it is not convertible to cash at any given time, without restriction.

* Psychological advantage of theoretical $[(x)(\$4)]$ for \$1 offset by time lag of bond sale and resultant investment loss.

November 1, 1973

MINNESOTA ZOOLOGICAL GARDEN
DONOR RECOGNITION GUIDELINES

The Minnesota Zoological Garden will incorporate onsite recognition of donors. The Minnesota Zoological Board approved Finance Guidelines on July 13, 1973 providing in paragraph 4 as follows:

Visual recognition of donors will be referred to the design team for suggestions for the design of a single recognition center. In general, exhibits will not be labeled as provided by individual donors.

The following policy assumptions will serve as a base for specific guidelines:

1. All donations are either in dollars or are translated into dollar values.
2. All donor recognition should be equal in size, emphasis and location.
3. No donor recognition is permanent, but it is assumed larger donations are recognized over a longer period of time.
4. The Zoological Board would select a permanent Donor Recognition Committee responsible for periodic review of donor recognition within Board-established parameters.

The following guidelines are established for design direction and for continuing management of donor recognition:

Category I: All donations up to \$2,000 will be channelled through a Zoological Fund, and such donations shall be individually recognized by the Zoological Fund.

The Zoological Fund itself will be recognized on the central display element.

A chronological record of all individual donations to the Zoological Fund shall be maintained in written form. It shall be available at the Zoo for individual inspection either as a written record or as reproduced periodically onto microfilm and stored in a Microfiche reader or similar display element.

Location of this element: in or near the main entry complex.

Category II: Donations from \$2,000 to \$25,000.

A verbal display element shall list donors names in alphabetical order on a transilluminated directory. The display will be designed to be expandable but could be limited to up to 400 names. There shall be an annual review within the maximum 10 year display period.

Location of this board: in or near the main entry complex.

Category III: \$25,000 and over.

This donation will be recognized in the same way as Category II but with a five year review and 50 year display period. In addition, a verbal notation associated within a graphic display for a donation related to a specific exhibition would give recognition to a donor (no separate and individual plaques or signs are possible).

RECORD OF MEETING

NAME: MINNESOTA ZOOLOGICAL GARDEN
DATE: OCTOBER 5, 1973
PRESENT: Board Members: Alexander, Harmon,
Tilton, Salet. Staff: Clague

PURPOSE: Finance Committee Meeting No. 5

ACTION BY

1. Tilton reported that Board vacations and staff illnesses had slowed planning for the finance campaign to acquire \$2.3 million in gifts required under enabling legislation that will permit the Zoo Board to raise its levels of bonded indebtedness by a comparable amount. However, since the Board's decision to delay application to the Bush Foundation until early in 1974, the planning delay will not be critical. He explained that the Bush Foundation action, with its potential of "double matching funds", will be crucial to the success of the campaign.
2. After discussion it was agreed every effort will be made to prepare a carefully planned, broad based campaign early in 1974, as soon as the Bush Foundation decision is made known. This planning will include but not be limited to:
 - a. A prompt ruling by the Attorney General covering the following points:
 1. Whether or not there is a time limit on the Zoo Board's authority to issue \$2.3 million in additional bonds, based on comparable gifts and grants received; (Tilton)
 2. In what blocks such bonds may be issued, i.e. must the Board wait until the entire \$2.3 million is raised before any bonds may be issued? (Clague)
(Bengtson)
 3. Some kind of guidelines to define the Board's authority to issue annuity contracts and the nature of such contracts if they are to be acceptable under the enabling legislation. (Clague)
(Bengtson)

- b. Interviews with insurance companies, bank trust departments and officials of the Minnesota Foundation to determine the mechanics of setting up such annuity contracts. (Tilton)
(Bengtson)
(Clague)
- c. Completion, at the earliest possible date, of the contract with the Minnesota Foundation to manage the Zoo Board fund. (Tilton)
(Bengtson)
(Clague)
- d. Preparation of appropriate mailing pieces in conjunction with the Zoological Society in preparation for a broad based financial campaign with Society members, school groups and other interested groups. (Tilton)
(Clague)
- e. Instruction to the planners to expedite action on the following:
 - 1. Plans for donor recognition.
 - 2. Preparation of a "shopping list" of projects, ranging in cost from \$10,000 upward which may be suggested to groups wishing to fund such programs. These projects must conform to finance guidelines and include a precise description of the type of donor recognition planned. (Clague)
(Hegstrom)

M E M O R A N D U M

TO: FINANCE COMMITTEE
FROM: JOHN TILTON
DATE: OCTOBER 3, 1973
RE: CONVERSATION WITH BILL KURETSKY, THIS DATA

On the telephone this morning I asked Kuretsky three basic questions.

Is the authorization for the issuance of \$2.3 million of additional bonds above and beyond the \$23 million authorization contingent upon our acquisition of the entire \$2.3 million? In other words, if we acquire, let us say, \$500,000 of that total can we then issue \$500,000 of additional bonds, or must we wait until the total \$2.3 million is acquired. Kuretsky is not certain what his ruling will be on this matter. I am going to try to talk to Senator Ashbach and see if there was some reference in the debate on this matter to this question.

If there is a time limit on this authorization? In other words, if we do not receive the final \$100,000 until the year 2000 or 2100, can we then issue an equal amount of bonds. Here again Kuretsky is not sure, but he suspects there is no time limit from the wording of the statutes.

The question of annuities. Here we face a little bit of a bind because any annuity contract, to be saleable, must be backed by someone of impeccable financial standing to insure payment of interest and/or principal as provided in the agreement. Ideally the State could meet this requirement but Kuretsky believes, as do I, that if the State assumed this responsibility it would, in effect, be increasing its authorization to us to create State indebtedness. The other alternative is to find an insurance company which already has an annuity program and which might be adapted to our use. Here the guarantee of interest and/or principle payments would simply be deducted from the principal amount paid for the contract and only the remaining balance would go to the zoo fund. The answer to this waits on our discussion with the insurance companies and/or bank trust departments with whom we have been talking.

MINNESOTA FOUNDATION

305 WILDER BUILDING
ST. PAUL, MINNESOTA 55102

LEONARD H. WILKENING, Executive Director
PAUL A. VERRET, Associate Executive Director

September 18, 1973

Mr. John E. Tilton, Chairman
Finance Committee
State Zoological Board
Veterans Service Building
Columbus Circle
Saint Paul, Minnesota 55155

Dear Mr. Tilton:

Enclosed you will find a photocopy of a list of the foundations in trusts which were operating in the State of Minnesota during fiscal year 1970. This listing was taken from the 990 and 990 AR I. R. S. tax forms which these foundations filed in the fiscal year commencing in 1970.

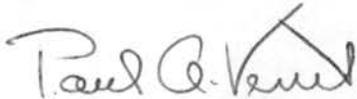
I'm also enclosing a photocopy of a letter, Lewis to Verret, April 4, 1973 in which the cost for a complete set of aperture cards for all 990 and 990 AR I. R. S. tax filings for the State of Minnesota is briefly described. This package, which costs \$81 would give you information on all the foundations contained in the listing which we have prepared for you. I'm not sure if you ought to get that deep into researching Minnesota foundations. However, I can assure you that this microfiche listing of the 1971 records for foundations in Minnesota is the most up to date information available and will also contain the names and addresses of board members and executive directors for each and every foundation in Minnesota. You may want to consider purchasing such a listing. It is my impression that a microfiche viewer can be purchased for a very small amount of money. I can also assure you that these microfiche cards are much easier to handle

Mr. John E. Tilton
September 18, 1973
Page 2

than microfilm, which I believe is also available.

I trust this information proves useful to you. I am looking forward to hearing from you in the near future.

Sincerely yours,



Paul A. Verret
Associate Executive Director
Minnesota Foundation

PAV:lmb
Enclosures

John, I'll discuss all this with you if you
wish. Just call & we'll get together.
PV ✓

Conf. priority
APR 6 1973

THE FOUNDATION CENTER

information on the philanthropic foundations: library service • research • publication

888 Seventh Avenue, New York, N. Y. 10019 / TELEPHONE: (212) 489-8610

April 4, 1973

Mr. Paul A. Verret
Minnesota Council on Foundations
c/o Minnesota Foundation
305 Wilder Building
355 Washington Street
St. Paul, Minnesota 55102

Dear Mr. Verret:

Enclosed is the copy of the IRS price list with instructions for ordering aperture cards by state. You will note that the 1971 records for Minnesota cost \$81. Hopefully, IRS will be in a position to fill orders in the near future.

*\$20 more than
microfilm list
Loser
work with*

Sincerely yours,

Marianna O. Lewis

Marianna O. Lewis
Senior Research Associate

MOL:tb

Internal Revenue Service information returns 990 and 990-AR for 1971 will be available on aperture cards in the spring of 1973. Each card contains up to 15 images, and the majority of foundation records can be accommodated on two cards.

To order aperture cards for individual foundations from the Center, submit a list by state with foundation names, together with city location, in alphabetical sequence. This method will greatly facilitate the filling of orders. In ordering paper copies, please also indicate what portion of the return is required such as "list of grants paid" or "officers and trustees." Institutions will be billed on the following basis.

Prices: Aperture cards - \$0.15 per card (15 microimages, one image for each page of the original return)
 Paper copies - \$0.25 per page
 Postage and handling charge of \$1.00 will be added for orders of six or more aperture cards or paper copies.

Order from: The Foundation Center, 838 Seventh Avenue,
 New York, New York 10019

Large blocks by state should be ordered directly from the Internal Revenue Service as follows:

Internal Revenue Service Price List

Aperture cards of public information data filed by foundations, on Return of Organization Exempt From Income Tax, (IRS Form 990), can be obtained from the Director, Internal Revenue Service Center, Post Office Box 187, Cornwells Heights, Pennsylvania 19020. Prices for complete sets of aperture cards for 1971 returns (by state) processed during 1972 follow.

<i>State</i>	<i>Price</i>	<i>State</i>	<i>Price</i>	<i>State</i>	<i>Price</i>
Alabama	\$ 24.00	Louisiana	\$ 26.00	Oklahoma	\$ 28.00
Alaska	2.00	Maine	31.00	Oregon	37.00
Arizona	19.00	Maryland	57.00	Pennsylvania	238.00
Arkansas	17.00	Massachusetts	229.00	Rhode Island	23.00
California	306.00	Michigan	118.00	South Carolina	22.00
Colorado	43.00	Minnesota	81.00	South Dakota	5.00
Connecticut	97.00	Mississippi	9.00	Tennessee	41.00
Delaware	28.00	Missouri	94.00	Texas	160.00
District of Columbia	56.00	Montana	7.00	Utah	12.00
Florida	79.00	Nebraska	19.00	Vermont	7.00
Georgia	61.00	Nevada	4.00	Virginia	50.00
Hawaii	14.00	New Hampshire	25.00	Washington	41.00
Idaho	6.00	New Jersey	86.00	West Virginia	10.00
Illinois	256.00	New Mexico	4.00	Wisconsin	105.00
Indiana	78.00	New York	787.00	Wyoming	3.00
Iowa	40.00	North Carolina	61.00	OIO (Office of International Operations)	2.00
Kansas	24.00	North Dakota	6.00		
Kentucky	29.00	Ohio	257.00		

Complete set: \$3,864.00

CORPORATE FOUNDATIONS

	1	2	3	4	5	6	7	8	9	10	11	12
	YEAR	TOTAL	# OF GRANTS	Avg AMT	ADJ (5%) Avg		INTEREST				CONTACT	
<u>\$100,000 - \$400,000</u>												
BAYPORT	1969	209281-	88	2378-	2854		EDUC - YOUTH				BAKER, WM.	
CARGILL	1969	240200-	62	3874-	4646		EDUC - COMMUNITY FUNDS				WINDHORST, JOHN EGERMAYER, ALBERT	
DELUXE CHECK	1969	172600-	88	1961	2353		YOUTH				SWANSON, R.L.	
HAMM	1969	193682-	30	6456	7944		BLIND				KELLEY, MARGARET	
HOERNER HALDORF	1969	372109-	237	1570	1882		YOUTH				HOERNER, R.N.	
HONEYWELL #1	1968	312486-	41	7621	9526		EDUC, YOUTH				LAXSON, RUSS	
HONEYWELL #2	1968	233701-	85	2749	3434		" "				" "	
HORMEL	1969	265225-	16	16576	1988						GRAY, R.F.	
MINNEAPOLIS	1970	357805-	69	5185	5962		PUBLIC RECREATION				CARPENTER, LEONARD	
NORTHWESTERN (BANK)	1969	280489	30	9349	11219		EDUC				MOORHEAD, JOHN	
PAPER	1969	141879	76	1866	2238		YOUTH				PAPER, LEWIS	
ST. PAUL COS.	1969	231820	32	7244	8622		EDUC				ANDERSON, F.H.	
SKOGMO	1968	166396	81	2034	2564		YOUTH - HANDICAPPED				GAMBLE, B.C.	
MEYER HAEUSER, C.A.	1970	219425	30	7314	8409		EDUC				ROSENBERG, H.S. III	
" F.K.	1969	121500	49	2479	2971		" - YOUTH				PIASECI, UIVIAN	
" FRED	1970	188183	49	3840	4416		" "				MEYERHAEUSER, F.T.	
<u>\$400,000 - \$800,000</u>												
ANDERSEN	1969	519432	58	8935	10719		YOUTH - HANDICAPPED				ANDERSEN, KATHERINE	
GENERAL MILLS	1970	662393	483	1371	1575		EDUC				CROSBY, THOMAS	
STAR + TRIBUNE	1970	507125	54	9391	10798		EDUC				COWLES, JOHN	
3M	1968	461030	41	11244	14054		YOUTH				BENNETT, BILL	
O'SHAUGHNESSY	1968	736809	89	8278	10343		"				O'SHAUGHNESSY, J.A.	
<u>\$800,000 + ODER</u>												
DAYTON HUDSON	1970	1127952	82	13755	15816		URBAN ENVIRONMENT				THOMPSON, WAYNE	

Family Foundations

	1	2	3	4	5	6	7	8	9	10	11	12
	yr	Total	# of GRANTS	Avg Amt	Adj (5%) Avg		INTEREST				CONTACT	
\$10,000 - \$50,000												
HUBBARD / KSTP	1968	30050-	48	626	781		Youth - Educ				HUBBARD, STAN	
PAULICCI	1969	24511-	11	2228	2612		MED - REC.				PAULICCI, JENO	
APACHE	1968	26108-	37	705	880		Youth				PLANK, RAYMOND	
BING	1969	39400-	23	1717	2057		BEH. SCIENCE				HARRISON, HUGH	
\$50,000 - \$90,000												
ANDERSEN, ELMER L.	1969	68026-	120	566	678		Youth - Educ.				ANDERSEN, ELMER L.	
BELL, JAMES J.	1968	86380-	19	4546	5681		CONSERVATION				ANDERSON, T. R.	
McKNIGHT	1969	62918-	31	2029	2433		COMMUN. FUNDS				McKNIGHT, W. L.	
SOUTHWAYS (Pillsbury)	1969	67285-	40	1682	2018		EDUC.				PILLSBURY, JOHN	
WHITNEY, WHEELLOCK	1969	75032-	203	369	441		Youth - Educ.				WHITNEY, WHEELLOCK	
ONAN	1968	62365-	25	2494	3114		EDUC.				ONAN, R. D.	
\$90,000 - \$130,000												
ANDREAS	1969	104040-	78	1333	1597		EDUC.				ANDREAS, D. O.	
BAKER	1969	117749-	41	2871	3443		Educ - Youth - HANDICAPPED				BAKER, N. M.	
GREEN GIANT	1970	95418-	78	1223	1406		Youth				JESNESS, O. B.	
KELLEY	1968	92116-	77	1196	1491		Youth - Educ.				KELLEY, MARGARET	
ALNORTH	1969	122865-	247	4974	5946		Sci - Duluth AREA				NEWLIN, A. CHAUNCEY	
\$130,000 - \$170,000												
DRISCOLL	1970	134950-	36	3748	4309		Educ				DRISCOLL, W. JOHN	
O'BRIEN	1969	160400-	16	10025	12029		Youth				O'BRIEN, TERENCE	
SOMERSET (HEARS)	1969	133820-	28	4779	5731		Youth				HEARS, NORMAN	
WALKER, ARCHIE D.	1969	156480-	57	2745	3420		Educ - Youth				WALKER, ARCHIE D.	
\$170,000 - \$210,000												
GAMBLE	1968	178360-	85	7134	8914		COMMUNITY FUNDS				GAMBLE, B. C.	
RIVERS	1968	176650-	66	2676	3341		HANDICAPPED				SLAUGHTER, R. B.	THUM
BLANDIN	1969	182580-	-	-	-		Youth - FOREST RESEARCH				OPPENHEIMER, N. H.	
\$210,000 - \$250,000												
TOZER	1968	212924-	269	791	986		COMM. FUNDS - HANDICAPPED				HALDREF, GRANT	
HARRIS	1969	219181-	140	1565	1859		EARLY CHILDHOOD Devel.				HARRIS, IRVING B.	

	1	2	3	4	5	6	7	8	9	10	11	12
	YEAR	TOTAL	# of Grants	Avg Amt	Adj (5%) Avg		INTEREST			CONTACT		
\$250,000 - \$500,000												
ATHNIN	1969	383852 -	37	10374	12446		EDUC.			BEAN, ATHERTON		
BIGELON	1969	289462 -	58	4990	5986		EDUC-YOUTH			JACKSON, A.B.		
DAVIS	1969	326064 -	39	8360	10032		YOUTH-FORESTRY			MOOREMAN, BETTE		
GRIFFIN & M. BURKE	1969	280015 -	35	8002	9602		EDUC.			BURKE, JACKSON		
\$500,000 - \$900,000												
BREMER	1970	599893 -	104	3436	3949		EDUC-HANDICAPPED			LIPSULLTZ, HM.		
ALLI2 EDUC.	1969	885760 -	19	46618	55938		UNDERGRADUATE EDUC.			MORTON, J. NEIL		
\$900,000 & OVER												
BUSH	1969	4196680 -	48	87430	98354					HARMON, RUCUL		
HILL	1970	3095703 -	129	23999	27594							
PHILLIPS	1969	1878599 -	162	11596	13912		YOUTH			PHILLIPS, JAY		
HALKER, T.B.	1969	925160 -	38	25662	30194		CONSERVATION			HALKER, ARCHIE D.		

August 14, 1973

Mr. Bill Kuretzky
Special Assistant
Office of the Attorney General
State Office Building
St. Paul, Minnesota 55101

Dear Bill:

Attached hereto are copies of the two Zoo Board legal matters pending at this time.

The first we have already discussed. Annuity contracts have been proposed. This raises several questions involving the legality of such contracts and interest payments, including but not limited to the ability to credit them as "gifts" under the statute and the ability to use zoo income for interest payments.

The second is a proposed contract with Minnesota Foundation. It was previously forwarded to Dick Allyn for redrafting into appropriate State contract form. The Zoo Board is still interested in this contract.

The responses to these requests ought to be a memorandum opinion and a revised contract. Thanks for your cooperation.

Yours very truly,

Gerard D. Hegstrom
Project Director

Attachment

GDH: mz

cc: Donald Bridgwater
Dick Clague ✓

May 16, 1973

The Honorable Warren Spannaus
Attorney General
Capitol Square Building
St. Paul, Minnesota

Dear Sir:

Attn: Mr. Richard Allyn, Special Assistant

I am sure you know the current legislative session approved a bill funding a new Minnesota Zoological Garden which was signed last week by the Governor. This legislation authorizes the State Zoological Board to issue \$23,005,000 in bonds but with the further provision that an additional \$2,300,000 may be issued, providing matching funds in that amount are made available from sources other than the state of Minnesota. Since the projected cash flow of the zoo construction indicates the additional monies will be required about one year before the construction is completed.

Currently the Zoological Board is studying various techniques to encourage grants and gifts in this amount, in compliance with the legislature's obvious intent. One such proposal calls for the issuance of annuity contracts to friends of the zoo who might be interested in making such gifts, providing they would receive the income from such monies during their lifetimes.

Under this plan a donor might, for instance, give \$5,000, \$10,000, or more to the zoo, the money never to be repaid but the donor to receive a fixed rate of interest on the gift during his lifetime. (Ordinarily rate schedules on such annuities call for a larger rate of interest for older people since their life expectancy is less.)

Senator Robert Ashbach, author of the reference amendment, has indicated his beliefs such gifts would comply with the intent of the amendment. These questions now arise:

1. Giving the bonding limitation imposed on the Zoological Board, may the board issue such annuities in addition to the bonds involved?
2. Given an affirmative answer to the question above, may the board pledge a percentage of the profit from the zoo to guarantee payment of the interest involved?

contd.

Warren Spannaus, Attorney General -2-

3. Given a negative answer to No. 1 above, may the board establish a separate, non-profit foundation to receive such gifts on behalf of the zoo, pledging a portion of the zoo profits to guarantee interest payments?

A ruling on these and other pertinent legal questions involved in this proposal will be appreciated.

Sincerely,

JET vc

John E. Tilton
Chairman of the Board

MINNESOTA FOUNDATION

303 WILDER BUILDING
ST. PAUL, MINNESOTA 55102

May 31, 1973

LEONARD H. WILKENING, Executive Director
PAUL A. VERRET, Associate Executive Director

Mr. Donald Bridgewater
Director
State Zoological Board
Veterans Service Bldg.
St. Paul, Minn. 55155

Dear Mr. Bridgewater:

This letter is submitted pursuant to several conversations in which it was agreed that Minnesota Foundation would submit an offer to provide certain administrative services to the Minnesota State Zoological Board.

For many years Minnesota Foundation has been providing administrative services to a number of foundations and nonprofit organizations. The scope of these services, which vary in accordance with the needs and requests of each client, range from relatively complete administrative, consulting and advisory services, including the receipt, disbursement and accounting of funds to preparing necessary financial statements and reports, receiving and analyzing all requests for funds, preparing agendas for and minutes of meetings and conducting all correspondence and related work.

It is my understanding that, at least initially, the Minnesota State Zoological Board is interested in having Minnesota Foundation function as a conduit for State Zoological Board funds. By this it is meant that Minnesota Foundation will receive the funds of the State Zoological Board and disburse these funds according to regulatory controls established by the State Zoological Board. Minnesota Foundation is in a position to provide additional services, as requested.

In the event that Minnesota Foundation is asked to be responsible for any of the funds of the State Zoological Board, the fidelity bonds, public liability and related insurance policies of Minnesota Foundation will be amended to include the State Zoological Board as a named insured. It is understood and agreed that in the event this offer is accepted, the State Zoological Board will not be involved in an employer/employee relationship or have any of the responsibilities of an employer. The cost of Minnesota Foundation's services will depend entirely on the scope of the services requested and the amount of work involved.

Minnesota Foundation will maintain a record of the amount of time spent by individual employees performing work for the State Zoological Board. It charges for staff time on the basis of the employees' hourly rate plus 25 percent for insurance and overhead, including the use of office facilities. A list of the staff members who may be involved in providing services to the State Zoological Board and their present hourly rates is attached and marked Exhibit A. Salary

Mr. Donald Bridgewater
Director, State Zoological Board

-2-

May 31, 1973

increases are normally made effective on July 1 of each year and charges for staff time are increased accordingly. Materials used consist of miscellaneous office supplies, duplicating service and postage. In the event special projects are undertaken requiring a purchase of other supplies or equipment, after appropriate consultation and authorization, such supplies or equipment would be purchased and the cost billed to the State Zoological Board. With the exception of the Hamm Foundation, clients of Minnesota Foundation use the telephone service of Minnesota Foundation. A separate telephone could be installed for the State Zoological Board and answered accordingly, the cost to be paid by the State Zoological Board. However, our experience is that a separate telephone is not needed unless there is a very substantial volume of work for an individual client.

The Board of Trustees of Minnesota Foundation assumes the responsibility for maintaining a staff adequate and competent to perform the work designated to it by the State Zoological Board. Recognizing that it will be important to the Trustees of the State Zoological Board to have some one person to whom they may refer inquiries and hold responsible for the work of the State Zoological Board, the Board of Trustees of Minnesota Foundation agrees that the State Zoological Board may, if they wish, designate its Associate Executive Director as their Consultant.

This agreement may be cancelled by either party on thirty days' written notice. It is suggested that this agreement become effective as soon as it is signed. This offer may be accepted by having an authorized representative of the State Zoological Board sign the duplicate copy of this letter, which is enclosed herewith, in the space provided.

The Trustees and staff of Minnesota Foundation hope that this offer is acceptable to the State Zoological Board, but will be glad to consider any suggested modifications. We are looking forward to working with the State Zoological Board.

Sincerely,

LHW:jb
cc: John Tilton
Firman Alexander

Leonard H. Wilkening
Executive Director

The proposal set forth above is accepted by the Officers of the State Zoological Board to become effective upon signature subject to the provision that it may be cancelled at any time on thirty days' notice.

STATE ZOOLOGICAL BOARD

By: _____

Date: _____

EXHIBIT A

STAFF MEMBERS - ADMINISTRATION DEPT.

MINNESOTA FOUNDATION

		<u>Hourly Rate*</u>
Leonard Wilkening	Ex. Dir.	\$ 16.16
Norrine Bohman	Secretary	4.28
Jessie Beliveau	Secretary	3.36
Lyle Johnson	Controller	9.07
Judy Blomster	Machine Oper.	3.72
Donald Adams	Account Clerk	4.09
James Meinke	Accountant	5.74
William Showalter	Admin. Asst.	6.82
Elaine Tuhy	Secretary	3.23
Cleo Behan	Bookkeeper	3.10
Paul Verret	Assoc. Exec. Dir.	9.16
John Bussewitz	Accountant	4.58

* Effective July 1, 1972

13 August

1. I called T. Richard Anderson of the Bell Family interest at the General Mills building who referred me to Mr. Paul Parker who in turn referred me to William Humphrey Jr., the executive in charge of the General Mills Foundation. Humphrey will see Dick Clague and ~~ME~~ ME Thursday morning either before or after our interview with Wayne Thompson of the Dayton Hudson Corporation Foundation.

Tilton
over

2. I later talked with Mr. Bill Bennett (733-1724) the executive director of the Minnesota Mining Foundation who said he had met me at a Republican fund raising meeting a few years ago. Bennett will meet at his office in the tall building at 3M headquarters at 9:30 a.m., Wed. August 15.

3. I called Bower - Hawthorne (372-4141) with reference to an interview this afternoon prior to a grant with the Star and Tribune Foundation. A pleasant interview. Hawthorne definitely on our side and will help where he can. Suggested Rev. Ewald arrange group presentation for us with a dozen or so foundations.

↖

14 August

1. Today Dick Clague and I interviewed William Bennett of the Civic Affairs Division of 3 M who requested additional information on the Zoo Project and our plans for its funding. That letter will go out this date.

Clague
Letter
Some

15 August

1. Clague and Tilton talked with Bill Bennett (and another official) who indicated an interest: 1. In a detailed outline of our financing plan; 2. Who else might be contributing (the pecking order here?); The amount we might expect from Minnesota Mining. Should have request in in next few weeks.

↖ Possible

16 August.

1. Two interviews today.

With William R. Humphrey Jr., director of General Mills Foundation, who made careful notes of our discussion and asked data on our financing plan, ~~anna~~ suggested we request a specific amount from General Mills; asked about future of Como Zoo; and said his foundation is under no express timetable. He also said Bell Family foundation and gifts have no connection with General Mills setup.

With Wayne Thompson, president of Dayton Hudson who stressed importance of our educational setup, asked about Como and promised to enlist Don Dayton in stressing importance of zoo with Bruce Dayton and others of Dayton clan.

✓

Finance Committee interviews (page two)

Action
Dates

26 June~~24~~

1. Telephone visit with Paul Verret, Minnesota Foundation (222-4633) He is waiting receipt of contract before proceeding with tabulation of list of Minnesota Foundations for our use. He would like to sit down with us in mid-July to discuss procedures for handling and accounting for our funds. We are to call him (suggest Don and new staff man sit in.)

*Aug. 1
check
Verret*

~~27 June~~

25 June--

1. Telephone call to David Duclos, referred by Mary Ann Scroggins. Duclos is young man, employed full time as fund raiser for Dunwoody Institute. He's a zoo buff, lives at 2208 Irving Ave. So. (Home telephone 377-3670; office telephone 374-5800) and assured me he would like to assist us in our fund raising drive. He would be happy to sit in on our meetings and will send us a list of prospects. I have asked Vi Crawford (June 28) to put him on finance committee mailing list.

28 June--

1. Telephone call from Chas. Bouchert, PR director at Prudential who is trying to set us up with someone there who can advise whether there is place where their company can fit in. Bouchert called this date to say our man is Larry Sarnoff, who has been hopelessly busy but will call on his return from projected business trip July 18 or 19. *Plan to call when he is in on anniversary.*

Oct. Oct. 1

2. Call from Bill Sell who advises that John Verstraete, 733-1200, is our contact there for appeal for 3-M grant.

July ~~20~~ -- 3--

1. Interview with Malcolm McDonald of St. Paul 1st National and Thomas T. Dwight, Trust dept. vice president, discussing ramifications of the annuity proposal. Dwight expressed concern that IRS might not approve annuity program in which the principal (less a reserve for interest) were paid immediately to the beneficiary. He said IRS long ago established a principle that such annuity plans were okay but only if the principle amount were retained and invested and the income therefrom paid to the donors. In any event, of course, such interest is taxable to the donors. The issue here is whether such a gift is considered tax free of gift taxes.

*Aug. 1
check Allyn*

2. Telephone interview with Richard Allyn who advised that Bill Kuretsky is our new attorney in Attorney General's office but that he will stay with us pending conclusion of the annuity problem. It was agreed Mr. Dwight would forward to Allyn a suggested organization of a non-profit corporation to handle this matter for the state. Allyn then will get back to us.

July 16--

1. Luncheon with Humphrey Doermann, Ex. Dir., Bush Foundation. See adjacent Memo to file. (227-0291)

*Aug. 1
Washington*

July 23--

1. Visit with Orrel Thompson, director, Hudson-Dayton Fdn. He suggests we set up meeting with Wayne Thompson and Bruce Dayton for background.

Finance Committee interviews, J.E.Tilton (personally or by telephone)

Action
Dates

19 June.

Oct. 1, 73

1. Norm McGrew of Minneapolis chamber. He says his new executive vp, Charles Krunsell, will work with us to push zoo financing. McGrew suggests I call him in early July to plan for a talk with the Mpls C of C board, appearances on their radio program and a story in some of their publications.

2. Jim Harris, Executive VP of Mpls NW Natl Bank. He's much interested in ur plans...would like to be consulted before we make final decision. He says three plans are available: a. Annuities; 2 Guaranteed life income; and 3. Some kind of fixed trust. When we're ready to talk, he suggests we call Roger Bailey of his department on our plans (372-8123)

15 June.

1. Fred Cady...with reference to contact with Honeywell. He suggests luncheon with Gerry Morse, VP in charge of corporate-employee relations (see below) plus these other individuals who might be willing to make some sort of contribution to the zoo:

Oct. 1
Call Cady,
and Reuel

1. Virginia Winger, wife of Honeywell chief and daughter of 3M's McKnight.

2. Dan Gainey of Owatonna.

3. Mr. Ordway, once member of Zoo society board and one of original 3M partners.

4. E.L. "Bud" King of Homer, near Winona, chairman of board of Watkins Co.

Note: Reuel Harmon indicates (see June 15 letter) he might be able to help with Dan Gainey and in Richard Ordway appeals.

14 June:

1. Telephone call with Richard Gray, who headed campaign for fresh water biological research station. He suggests we call Rev. Russell Ewald, Foundation Services Inc., 1020 Chamber of Commerce Bldg., 15 S. 5th St. Minneapolis. Also Fred Lowerman, Carleton finance campaign consultant.

2. Telephone call with Mr. Ewald who expressed interest and thanked us in advance for information on our plans...since many Mpls foundations consult him before making bequests. Letter mailed containing requested information.

18 May

Telephone call with Herb Lancaster (see memo attached.)

23 June.

1. Interview with Malcolm McDonald of 1st Natl bank, St. Paul, who expressed especial interest in annuity program, will contact his knowledgeable people, brief them and be in touch with us. He will also advise us as to the proper approach to 1st Bank people for a grant or gift to the Zoo fund.

2. Brief visit with Amos Martin of St. Paul C of C. who pledged full support, including appearance (by Harmon perhaps) before his board and addressing letters we may wish to mail out to his membership--without cost to us.

Oct. 1

MINNESOTA ZOOLOGICAL GARDEN

RECORD OF MEETING

Name: Minnesota Zoological Garden
Date: August 10, 1973
Present: Board members: F. L. Alexander,
Rueul Harmon, John Tilton, Staff:
Richard Clague, Guest members:
Mrs. Mary McGee, President of
Minnesota Zoological Society
Purpose: Finance Committee Meeting No. 4

1. Mr. Tilton reported that Jerry Hegstrom had agreed to provide the action discussed in the following areas:
 - a. Expedite rulings from the Attorney General on the annuity funding plan.
 - b. Check the status of the proposed contract with the Minnesota Foundation presently in the Attorney General's hands.
 - c. Seek an early decision from ZooTeam regarding a plan for formal acknowledgment of gifts and grants to the zoo. Also sought is designation by the PCG of major projects which might suitably be funded by major contributors. It was agreed that these projects might be included in present Phase 1 planning. In some instances there might be additional projects to be considered only if added funds are available.

2. Mr. Tilton advised the committee that he will be absent from August 25, 1973 for approximately 4 weeks and it was agreed that Mr. Harmon would report for the committee in the September 7 Board meeting. In the meantime, Mr. Clague will follow through with Jerry Hegstrom with regard to the items in paragraph 1; he will continue to follow up on initial contacts out-

Action by
Hegstrom

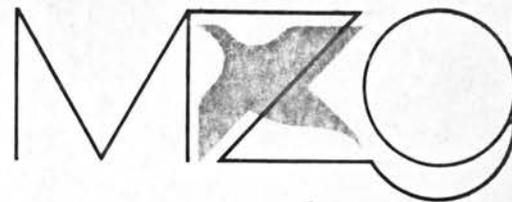
2. (cont'd)

lined in the "zoo donor file"; he will attend the September 4 meeting of the Operation and Personnel Committee with the Society group; he will begin work on a mailing piece for use in later phases of a funding campaign; and he will work with Director Bridgwater and other staff people in the preparation of an application for a grant from the Bush Foundation. It was agreed that Clague would prepare the application, working with the references to the original grant to Bush and to the memorandums covering Mr. Tilton's original luncheon with Humphrey Doermann.

Harmon,
Clague &
Bridgwater

3. It was agreed that the proposal to hold in reserve a major sum (\$250,000-\$500,000) should be delayed for the time being since these monies in any event could not be expended without prior Board approval. This proposal previously discussed by the Operations and Personnel Committee provided that in the event public funds raised exceeded \$2,350,000, the first \$250,000 (or \$500,000) of such added funds should be held in reserve until 12 months after the Zoological Garden is publicly opened so priorities for its expenditure may be re-evaluated in the first operating experience.
4. It was agreed that all pertinent material on the Zoo Board finance campaign hereafter would be forwarded to Mrs. McGee, Dr. Al Weber, and Mrs. Henny Schoeller of the Zoological Society, as well as Mr. A. Verret of the Minnesota Foundation.

MINNESOTA ZOOLOGICAL GARDEN



August 7, 1973

MEMO TO: MEMBERS OF PCG

Enclosed find attachment to Minutes of Meeting No. 2,
omitted in last mailing.

Veterans Service Bldg., Columbus Circle, St. Paul, Minnesota 55155

FINANCE GUIDELINES
MINNESOTA ZOOLOGICAL GARDEN

JULY 13, 1973

1. Concessions: Those concessions involving expenditures of capital funds by concessionaries should be encouraged provided such contracts are of economic advantage to the project and provided the zoological board retains full contractual control over such operations.
2. With regard to all donations the Board will retain the right to design control inherent in the donations provisions.
3. Gifts in kind will not be accepted, unless such gifts have been studied in detail by the designers, staff and zoo board and adjudged of beneficial contributory effect to the overall project and approved by the State Zoological Board.
- x 4. Visual recognition of donors will be referred to the design team for suggestions for the design of a single recognition center. In general, exhibits will not be labeled as provided by individual donors.
- x 5. Gifts and/or donations for facilities included in the current building plan will be accepted, but there must be no obligation to show actual cash flow of these funds and the funds must be added to the general building fund as available.
- > 6. Gifts for facilities or exhibits not intended for the first stage of the zoo construction will not generally be accepted. Exceptions would include major gifts directed toward a facility known to be desirable but unobtainable within the present budget. All such gifts will be subject to MZG review and approval.
7. The fund raising campaign shall be directed in two broad categories:
 - a. An immediate and concentrated campaign to foundations and corporations to obtain \$2.3 million in matching funds.
 - b. A long range campaign directed toward the public including individuals, groups and organizations, including but not limited to wills, bequests, annuities, organizational

7.
 - b. (cont'd)
campaigns and special events such as walks for the zoo, benefits, etc.
8. The Minnesota Foundation should be utilized and contracted with as directed by the MZB in its June 8, 1973 meeting to hold all acquired funds.
9. The role of the MZS with regard to raising the \$2.3 million matching fund should reflect the following considerations:
 - a. Primary emphasis should be placed on the raising of \$2,350,000 in matching funds by both groups.
 - b. Conflicting major capital fund raising efforts should be avoided.
 - c. Both groups should work to insure an adequate funding to carry out the MZS's basic defined program.

MEMORANDUM

Zooteam Inc

INTERDESIGN INC
PETERSON, CLARK & ASSOC
ROBERT M. LAMBERT INC

To Primary Consulting Team
From Peter Seitz
Re Proposal for Recognition of Donors
Date 7/31/73

Donor plaques or other verbal elements to recognize donations by individuals or groups are normally handled in one of two ways --

- a) A single, permanent plaque listing all donations made up to a given time-point and located at a general place.
- b) A single, permanent plaque listing donors related to a facility or part of a facility and located within the facility or at the object.

The Minnesota Zoological Garden differs from other building projects in several ways.

- 1) Donations and the recognition of donors is an ongoing function within the Minnesota Zoological Garden and does not end when construction is completed.
- 2) Monetary donations of any size, from Boy Scout troupes to large corporative contributions, will be received and should be recognized.
- 3) Donations can probably be made in both ways - monetary and objects or materials. *not materials unless approved by Design Team*
- 4) Donations can be made towards an extremely large number of objects, facilities and animals.

The following assumptions are now put forth to develop a workable system for donor recognition.

- 1) All donations are either in dollars or are translated into dollar values. A minimum value for recognition should be set by the Minnesota Zoological Board or the Project Control Team.
- 2) All donations are recognized equal in size, emphasis and location.
- 3) Although no hierarchy is to be set up, it is assumed that only large donations are recognized over a long time period, but none permanently.
- 4) All donor recognition is to be reviewed periodically by the Minnesota Zoological Board and adjusted according to established parameters.

Based on the above stipulations, it is recommended that all donor recognition should be consolidated into a flexible, easy to be up-dated and visually subdued display.

The physical form could be a transilluminated display case, very much like a directory, with phototype in reverse listing names or corporations. Such a device is best located in an area where visitors are introduced to the facilities and should be incorporated into other information displays.

Final design criteria can be proposed as soon as the above assumptions are verified.

MINNESOTA ZOOLOGICAL GARDEN
PROJECT OFFICE

TO : ZooTeam
FROM : Gerard D. Hegstrom, Project Director
SUBJECT: Donor Recognition

The recommended Recognition of Donors has been reviewed with the assistance of Mr. Richard Clague. Based upon that review the following comments are offered to assist in a revision of the proposal:

- 1) Donation of objects or materials will not be encouraged in any way. Item 3) on differences from other projects might better read:
 - 3) "Donations can probably be made in only one way -- monetary."
- 2) Consideration should be given to the use of permanent donor recognition books on file at a location identified on the donor display.
- 3) Consideration should be given to use of a vehicle, such as the Zoological Society, for smaller donations. The Zoological Society could be retained as a relatively permanent donor, with indication that the permanent record book of all such donations is also being maintained.
- 4) Consideration should be given to a non-permanent display in which names are to be removed based upon the judgment of a selected Donor Recognition Committee. The committee would use broad categories for scheduling the review and in that review would use their judgment based on the relative significance of the gift. An example might be as follows:

4)

(cont'd)

Up to \$1,000	Recognition in record book only (Zoological Society Recognized)	No review No scheduled review
\$1,000 - \$100,000	Recognition in record book. Recognition on board for up to 10 yrs.	No review Annual review
\$100,000 and over	Recognition in record book. Recognition on board for up to 50 yrs.	No review Review every 5 yrs.

5) Consideration should be given to appropriateness of categorial donations rather than for specific facilities or programs. The Board could recognize categories such as:

- 1 Animals and Exhibits
- 2 Educational, Conservation or Research Programs
- Buildings and Facilities
- General

6) Non-Permanent but more specific Donor Recognition could also be given through leaflets, brochures, or other temporary promotional material. This should be studied for promotional effect at present.

Finance File

July 30, 1973

Mr. Wayne Thompson
Senior Vice-president
Dayton-Hudson Corporation
777 Nicollet Mall
Minneapolis, Minnesota

Dear Mr. Thompson:

You may not recall, but I believe you and I served on the Minneapolis Chamber together some years ago. I was the publisher of Sun Newspapers and actively interested in the Minnesota State Zoological Garden.

Since the sale of my business five years ago, my personal vocation has been the development of the Minnesota Zoological Garden which has now been partially funded by the State Legislature.

One of our concerns here has been some indication that the top level management of your company has never been fully informed of the implications of this project, economically and culturally for the Twin Cities area generally, and the Dayton-Hudson Corporation, particularly.

Would it be possible for me to sit down with you and possibly Bruce Dayton sometime in the next couple weeks to background him on this project?

The objective, of course, is an appeal to the Dayton-Hudson Foundation for a grant to the zoo. I have talked to Orrel Thompson of the Foundation, but I am realist enough to know that without the active understanding of you and Bruce Dayton our hope for assistance must be minimized.

I will get you on the phone in the next week or so to try to set up this little session.

Sincerely,

JET vc

John E. Tilton, Chairman
Finance Committee

C
O
P
Y

July 23, 1973

Mr. Larry Sarnoff
Associate Director of
Advanced Merchandising & Marketing
Prudential Insurance Co. of America
3701 Wayzata Blvd.
Minneapolis, Minnesota

Dear Mr. Sarnoff:

We seem to find real difficulty in getting together. And because there's no immediate urgency about my problem it may be that a letter, as a preliminary briefing, might be helpful.

Some weeks ago, after serving as chairman of the State Zoological Board for four years, I agreed to quit that post and assume responsibility for a financial campaign before us.

The Board is an arm of state government charged with the responsibility of planning, building and operating the new state of Minnesota Zoological Garden to be built on a 400 acre tract in Apple Valley, Dakota County. It (the Board) was granted authority by the recent legislative session to issue \$23,025,000 in state general obligation bonds to fund the zoo construction. In addition, however the legislature authorized us to issue an additional \$2,300,000 in bonds providing we can find matching funds in that amount from other than state of Minnesota sources. It is this problem which I have agreed to try to solve.

Initially it is our purpose to approach foundations and the larger corporations of the state for grants or gifts. But we have also come up with the idea for the sale of annuities to individuals (if and when the attorney general and the IRS grants approval.)

Essentially the plan would permit the several thousand zoo fans in the state (many of them people of means) to make substantial contributions to the Zoo and yet retain the income from those funds during their lifetimes. The plan (and it is admittedly nebulous) would be to set up a state-sponsored, non-profit corporation which would receive these funds, deduct a sufficient percentage to pay a specified lifetime income to the donors, and pay the balance into the Zoo fund.

Because, for a generation, when I run into this kind of problem, I always go to Prudential ... because you people probably know more

Mr. Larry Sarnoff -2-

about this subject than anyone, I called Charlie Bouchert.

I have no idea how Prudential might become profitably involved. Perhaps you have a plan which, somehow, could be made to fit this situation. Perhaps you could serve as agent in this matter. And the whole idea may run afoul of the IRS or the attorney general.

In any event, I would ask you to think about this a little,,, and when we get the green light, I'll be in touch with you.

Sincerely,

JET vc

John E. Tilton, Chairman
Finance Committee.

cc Charles Bouchert

Y
d
o
c

Finance Dept

June 10th 1973

Mr. Donald B. Bridgwater
Director
Minnesota Zoological Board
Veterans Service Building
St. Paul, Minnesota 55155

Dear Don:

At the Board meeting on June 8th last, I was asked to comment on the matter of public fund raising for the Zoo, from the point of view of the Project design and management team. I was further asked to summarize my remarks in writing, and that is the purpose of this letter.

The general point to be made is that the Board, in its anxiety to encourage citizens' giving, must not inadvertently relinquish elements of design control. The successful execution of the Zoo concept will depend on careful attention to vast number of details, meticulously blended. All of this effort can be endangered if donors, however major, are allowed to impose their own ideas related to the expenditure of donated funds.

Further to this general point about retaining control, then, I would make the following more specific comments:

1. I believe that the general thrust of any public campaign should be to encourage gifts as part of the citizen's (or corporation's) share of the total overall budget of the Zoo, and that this budget should be stated as the total amount including expected donations and matching government funds. Obviously, as much mileage as possible should be wrung out of the aspect that every dollar donated is, in reality, two dollars added to the available funds, because of the matching government grant.
2. Gifts with any sort of design controls conditionally attached, should not be accepted.
3. Gifts designated for specific portions of the Zoo, which were intended to be built in any event, may be accepted so long as the gifts are added to the general available funds, and so long as there is no obligation to demonstrate actual flow of the money to the designated part of the Zoo. In other words, it is harmless to agree to a donor's request that his funds be spent on a specific exhibit, so long as the exhibit will actually be built, and his funds are made available to the general pool. The only danger here is if, at some later date, a decision must be made to eliminate or substantially alter the exhibit in which the donor was particularly interested.

4. At this stage, gifts should not be accepted for facilities not intended for inclusion in the first stage of the Zoo. The only exception might be for a very major gift directed to a facility which is known to be desirable but which cannot be afforded within the present budget. Obviously, such major designated gifts must be assessed individually.

5. There are serious potential problems related to gifts of equipment or building materials. In the main, these are:

- a) These materials might not be what the designers, given a free choice, would select. The effects on the quality and economy of total design could range from minor to very serious. In a project which will have very intensive public use, you must be prepared for a large number of offers from people who manufacture highly visible items, such as benches, lights, signs, hardware, etc., and who will be very conscious of the advertising value of this heavy exposure. Individually, such items may seem unimportant. Collectively, their quality and suitability would heavily influence the overall impression of the Zoo.
- b) When people are donating materials, it is difficult to impose the same rigorous quality and delivery requirements that apply to purchased items. This project will have a tight and complex schedule, and will not be able to stand in line behind cash customers for the supplier's attention.
- c) Gifts of material often include items which the donor has been unable to market successfully, and which are suspect on that basis alone.
- d) Financial control on the job would be complicated by the need to keep separate books which include the assessed value of the gifts, in order to determine the total cost of the job for fee calculation purposes, and to provide the donors with receipts for tax purposes. Value assessment may seem like a minor matter, but it can be contentious and complicated.
- e) If the prospective donor of a gift of equipment or material can not be persuaded to translate his donation into cash, and acceptance of the gift is unavoidable, this should only be done after detailed specifications and quantities have been arrived at by the designers, without reference to the potential gift. It will then be possible to assess the implications of the gift for the total design.

6. The fund raising committee should immediately consider the question of recognition. If visible recognition of gifts is to be built into the fabric of the Zoo, the means of doing so should be very carefully considered. I would suggest that the designers be asked to give some preliminary thought to this matter, in the very near future.

It should be understood that the introduction of a fund raising campaign to a fixed capital budget, while obviously desirable, poses great additional complexities to the basic cost control problem. In short, one is shooting a moving target rather than a fixed one. It is not feasible to simply spend the base budget, and then spend any donated funds on added items. Right from the beginning,

decisions will have to be made based on the best assessment of the total capital funds which will be available. For this reason, the fund raising team should maintain the closest possible liaison with the project design and management team throughout, and the Board must assume responsibility for advising the project team at all times, of the budget which they may use for planning purposes.

Although close liaison with the project team is essential, the demands made on the members of that team to make selling presentations to prospective donors must be carefully controlled, so the they do not become unmanageable.

There may be some feeling on the Board that, when asking the public for substantial amounts of money, one cannot be too choosy and risk offending donors by setting conditions on the acceptance of gifts. Although there may be such a reaction from some prospective donors, I believe that many others will be reassured that the Board is determined to retain firm control over the expenditure of funds. The important thing is to avoid post facto imposition of conditions, and it is therefore critical that the Board develop its position on these matters prior to embarking on any public campaign, rather than working them out as things go along. Equally important, all persons soliciting funds on behalf of the Zoo must be fully aware of the guidelines which the Board establishes, and must not allow their zeal to obtain donations, to lead them into making concessions to donors on these matters without the approval of the Board.

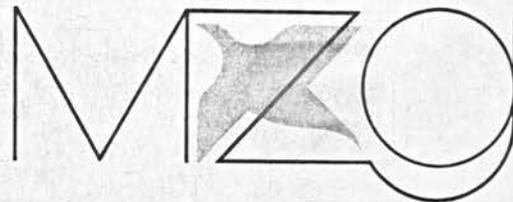
I hope that these remarks may be of some value, and will of course be glad to discuss any of these matters further.

Yours very truly,



David H. Scott

MINNESOTA ZOOLOGICAL GARDEN



June 14, 1973

Mr. A. Verret
Minnesota Foundation
305 Wilder Building
St. Paul, Minnesota 55102

Dear Mr. Verret:

Here are three pieces of correspondence we talked about on the phone today:

1. Minutes of a Finance Committee meeting which outlines some guidelines governing grants and gifts to the Minnesota Zoological Board;
2. A letter from David Scott of Toronto, our consultant in the management of this project covering, generally, the same subject;
3. A letter to a Honeywell executive, requesting financial assistance which, I suspect, will serve as a model for similar requests to other corporations and/or foundations in the state.

Could I ask you to proceed with Xeroxing your list of 700 plus foundations in the state, as per our discussion? It is understood we shall be billed for this list.

Sincerely,

JET vc
enc. 3

John E. Tilton, Chairman
Finance Committee
State Zoological Board

June 10th 1973

Mr. Donald B. Bridgwater
Director
Minnesota Zoological Board
Veterans Service Building
St. Paul, Minnesota 55155

Dear Don:

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- a) These materials might not be what the designers, given a free choice, would select. The effects on the quality and economy of total design could range from minor to very serious. In a project which will have very intensive public use, you must be prepared for a large number of offers from people who manufacture highly visible items, such as benches, lights, signs, hardware, etc., and who will be very conscious of the advertising value of this heavy exposure. Individually, such items may seem unimportant. Collectively, their quality and suitability would heavily influence the overall impression of the Zoo.
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I hope that these remarks may be of some value, and will of course be glad to discuss any of these matters further.

Yours very truly,

A handwritten signature in black ink, appearing to read "David H. Scott", with a long horizontal line extending to the right.

David H. Scott

MINNESOTA FOUNDATION

305 WILDER BUILDING
ST. PAUL, MINNESOTA 55102

LEONARD H. WILKENING, Executive Director
PAUL A. VERRET, Associate Executive Director

May 31, 1973

Mr. Donald Bridgewater
Director
State Zoological Board
Veterans Service Bldg.
St. Paul, Minn. 55155

Dear Mr. Bridgewater:

This letter is submitted pursuant to several conversations in which it was agreed that Minnesota Foundation would submit an offer to provide certain administrative services to the Minnesota State Zoological Board.

For many years Minnesota Foundation has been providing administrative services to a number of foundations and nonprofit organizations. The scope of these services, which vary in accordance with the needs and requests of each client, range from relatively complete administrative, consulting and advisory services, including the receipt, disbursement and accounting of funds to preparing necessary financial statements and reports, receiving and analyzing all requests for funds, preparing agendas for and minutes of meetings and conducting all correspondence and related work.

It is my understanding that, at least initially, the Minnesota State Zoological Board is interested in having Minnesota Foundation function as a conduit for State Zoological Board funds. By this it is meant that Minnesota Foundation will receive the funds of the State Zoological Board and disburse these funds according to regulatory controls established by the State Zoological Board. Minnesota Foundation is in a position to provide additional services, as requested.

In the event that Minnesota Foundation is asked to be responsible for any of the funds of the State Zoological Board, the fidelity bonds, public liability and related insurance policies of Minnesota Foundation will be amended to include the State Zoological Board as a named insured. It is understood and agreed that in the event this offer is accepted, the State Zoological Board will not be involved in an employer/employee relationship or have any of the responsibilities of an employer. The cost of Minnesota Foundation's services will depend entirely on the scope of the services requested and the amount of work involved.

Minnesota Foundation will maintain a record of the amount of time spent by individual employees performing work for the State Zoological Board. It charges for staff time on the basis of the employees' hourly rate plus 25 percent for insurance and overhead, including the use of office facilities. A list of the staff members who may be involved in providing services to the State Zoological Board and their present hourly rates is attached and marked Exhibit A. Salary

Mr. Donald Bridgewater
Director, State Zoological Board

-2-

May 31, 1973

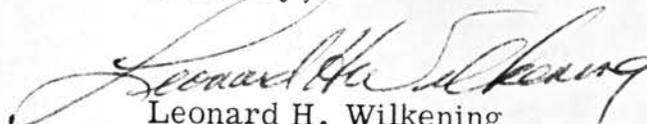
increases are normally made effective on July 1 of each year and charges for staff time are increased accordingly. Materials used consist of miscellaneous office supplies, duplicating service and postage. In the event special projects are undertaken requiring a purchase of other supplies or equipment, after appropriate consultation and authorization, such supplies or equipment would be purchased and the cost billed to the State Zoological Board. With the exception of the Hamm Foundation, clients of Minnesota Foundation use the telephone service of Minnesota Foundation. A separate telephone could be installed for the State Zoological Board and answered accordingly, the cost to be paid by the State Zoological Board. However, our experience is that a separate telephone is not needed unless there is a very substantial volume of work for an individual client.

The Board of Trustees of Minnesota Foundation assumes the responsibility for maintaining a staff adequate and competent to perform the work designated to it by the State Zoological Board. Recognizing that it will be important to the Trustees of the State Zoological Board to have some one person to whom they may refer inquiries and hold responsible for the work of the State Zoological Board, the Board of Trustees of Minnesota Foundation agrees that the State Zoological Board may, if they wish, designate its Associate Executive Director as their Consultant.

This agreement may be cancelled by either party on thirty days' written notice. It is suggested that this agreement become effective as soon as it is signed. This offer may be accepted by having an authorized representative of the State Zoological Board sign the duplicate copy of this letter, which is enclosed herewith, in the space provided.

The Trustees and staff of Minnesota Foundation hope that this offer is acceptable to the State Zoological Board, but will be glad to consider any suggested modifications. We are looking forward to working with the State Zoological Board.

Sincerely,



Leonard H. Wilkening
Executive Director

LHW:jb
cc: John Tilton
Firman Alexander

The proposal set forth above is accepted by the Officers of the State Zoological Board to become effective upon signature subject to the provision that it may be cancelled at any time on thirty days' notice.

STATE ZOOLOGICAL BOARD

By: _____

Date: _____

EXHIBIT A

STAFF MEMBERS - ADMINISTRATION DEPT.

MINNESOTA FOUNDATION

		<u>Hourly Rate*</u>
Leonard Wilkening	Ex. Dir.	\$ 16.16
Norrine Bohman	Secretary	4.28
Jessie Beliveau	Secretary	3.36
Lyle Johnson	Controller	9.07
Judy Blomster	Machine Oper.	3.72
Donald Adams	Account Clerk	4.09
James Meinke	Accountant	5.74
William Showalter	Admin. Asst.	6.82
Elaine Tuhy	Secretary	3.23
Cleo Behan	Bookkeeper	3.10
Paul Verret	Assoc. Exec. Dir.	9.16
John Bussewitz	Accountant	4.58

* Effective July 1, 1972

JOHN E. TILTON

MEMO: FOR FILE: MAY 18, 1973

SUBJECT: Telephone Conversation with Herb Lancaster, Walston & Co., St. Paul, 224.3737, covering annuity funding proposal.

Lancaster advises that many churches and colleges have tried the annuity plan with little real success.

He recommends instead setting up a trust fund for potential donors who now lack such a provision in their wills and using the inheritance tax savings therefrom as an inducement for a gift to the zoo.

He suggests the Massachusetts Trust Co. for this purpose because the grandfather clause in their charter permits them to establish a trust at no cost to the donor (the local representative of Mass. Trust Co., is Richard Asherman 522-5233).

As a second alternative, he would recommend the use of a trust department in a local bank.

His No. 3 recommendation is the use of the annuity plan which I outlined to him providing an agreement can be worked out with the state to guarantee the interest thereon from zoo earnings in the years ahead. The third recommendation is a will including an irrevocable bequest to the zoo which he believes might be used to develop a line of credit that would meet the Ashbach amendment provisions.

Dick Clague: Finally I found the memo I had sought relating to my phone conversation with Herb Lancaster. Maybe we ought try to spend a few minutes with Richard Asherman of Massachusetts Trust...to see if these people have a plan which might be adapted to our purposes.

I'm tied up Tuesday, Oct. 2. Wednesday I talk to a DAR group on the zoo but am free the rest of the day (except for 2 p.m. to 4 p.m.) and Thursday I have a zoo talk to an Exchange club in St. Paul at noon. Otherwise I'm free for any discussions you may arrange. John Tilton.

(My home number is ~~mm958mm~~ 938-1943 if you wish to call.)

A. I. C. T. I.
Mr. and Mrs. John E. Tilton
5320 Malibu Drive
Edina, Minnesota 55436

Excelsior, Minnesota 55331

Saturday---

Dick:

Wish you'd visit with Don re the suggestion for a carefully prepared printed piece listing a bargain group of projects for potential donors. Attached is one idea for a preface for such a book (I have no pride of authorship and you can pitch this in the wastebasket if you can come up with better suggestions.) We are barred from paying for such material with state funds, I know, but I suspect we could persuade the Society to use part of the funds from the Horse Show for this purpose (and I think we could count such a gift as a gift "in kind" to count against our \$2.3 million goal.

I'm not sure what the ultimate decision was on acknowledgement of major gifts but some discussion of our plans in that area properly should be a part of this piece, I would think.

John Tilton.

Suggested preface for "Zoo bargain list" book.

The Minnesota Zoological Garden, unique among all the world's zoos, offers the philanthropist a wide and exciting range of opportunity for public and community service.

That's because the Minnesota Zoo's program is projected into four broad areas:

1. Recreation. A distinctively "family" kind of recreation, the new Zoo will attract ~~in~~ approximately 1,500,000 annually in its early years of operation. There will be four major display areas: a symbolic around-the-world journey through the northern hemisphere; an enclosed, weather-conditioned Oriental rainforest; a Minnesota exhibit adjacent to an aquarium where visitors will walk through a giant ~~aquarium~~ ^{tank} filled with Beluga whales; a children's zoo and animal nursery. New display techniques: (closed circuit television, infra-red lighting, telemetered instrumentation and a different kind of audio system) will add to its attractiveness. Animals will be displayed in zoogeographical areas and in breeding groups, living in naturalistic surroundings.

2. Education. The study of animal life under ~~the~~ unique zoo conditions will offer an unique educational experience to the tens of thousands of school children visiting the zoo to see displays tailored to their biology curricula. Children in class groups will be admitted free and special educational programs (for both children and teachers) will highlight the program.

3. Research. Controlled conditions within a zoo offer ~~a~~ limitless, available nowhere else, opportunity for research into nutrition, behavior, reproduction, defense mechanisms and similar areas. ~~available nowhere else.~~ In the Minnesota zoo, research facilities have been part of the planning since inception.

4. Conservation. Preservation of endangered species is an integral part of the ~~operational~~ program. At least two such species will be given a new opportunity for survival in the Minnesota Zoo, ~~given~~ ^{special} special care in protected areas.

Herewith are three lists of displays and facilities offering unique ~~non~~ philanthropic opportunity in the four areas outlined above.

They are:

I. Displays/~~currently~~ ^{or facilities} scheduled into Phase I of the construction program, now under way. A grant funding any of the facilities in this group makes available funding of other facilities, not now scheduled, elsewhere.

II. Displays or facilities originally scheduled in Phase I construction but eliminated to keep the project within budget.

III. Displays or facilities included ~~in~~ in the original master plan and scheduled for ultimate construction but eliminated to hold the project within the funding perimeters outlined by the legislature for Phase I construction.

Donors of grants financing major displays will be acknowledged

.....

NORTHERN ANIMAL EXHIBIT SELECTION

<u>HABITAT</u>	<u>ANIMALS</u>	<u>SIZE IN ACRES</u>
1. Russian Steppe	Saiga Antelope	5
2. Mongolian Steppe	* Przewalski Horse	10
3. Montane Forest & Taiga	* Siberian Tiger	1- $\frac{1}{2}$
4. Tundra	Reindeer & Wolf	8 -(6+2)
5. Bering Straits	* Polar Bear, Arctic Fox & Seal	3 -(2- $\frac{1}{2}$ + $\frac{1}{2}$)
6. Tundra	Musk Ox	8
7. Montane Forest	Puma & Grizzly Bear	3 -(1+2)
8. Montane Forest <i>Sanff</i>	Rocky Mountain Goat and Big Horn Sheep	3
9. Boreal Forest	Moose & * Wood Bison	13 -(5+8)
TOTAL		54 $\frac{1}{2}$
10. Special Exhibit	** Snow Leopard	

Toller - Terms concern

unanimous

*Potential
Outside funding
exhibit
Conservation & Breeding*

60
DEC 15 1972

E-1342

Minnesota Foundation

State Auditor

The State's total liability under this contract for encumbrance purposes is \$11,000.00.

DEPARTMENT OF PUBLIC WELFARE

By C. G. Chapado
C. G. Chapado, Director
Administrative Services

Date November 21, 1972

Account Codes

50022:65-15-3-40

FOUR FIVE
ANNIVERSARY ONION SKIN
COTTON FIBRE

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE
SERVICES FOR THE BLIND

C O N T R A C T

This agreement made this 1st day of July, 1972, between the STATE OF MINNESOTA, herein called the State, acting through the Department of Public Welfare, herein called the Department, by its Commissioner; and the MINNESOTA FOUNDATION, herein called the Foundation, WITNESSETH:

WHEREAS, the Department maintains a section within its agency structure known as Services for the Blind, which section is assigned the responsibility of providing visually handicapped persons of Minnesota with many services including counseling, training, job placement, educational materials in tape and braille and the Talking Book Program, designed to promote self-support; and

WHEREAS, the Foundation is organized under the laws of this State as a non-profit organization; and

WHEREAS, there has been a continuing operating agreement between the Department and the Foundation providing for support of the Communication Center of Services for the Blind; and

WHEREAS, funds have been made available to the Department, through Title IV B of the Library Services Act, for payment of certain costs involved in the operation of the Communication Center of Services for the Blind, including the Talking Book Program and Transcription Services; and

WHEREAS, other staff members of the Communication Center are employed through the Minnesota Foundation,

NOW, THEREFORE, it is mutually agreed as follows:

I. That the Foundation shall provide payment for salaries and other related expenses, such as Social Security for the following personnel:

- a. A technician to assist in repair of Talking Book Machines and to duplicate taped books for distribution by the Communication Center Library.
- b. A clerical person to assist in the processing of Talking Book applications and other general clerical duties.

- c. Tape Evaluator (part-time) to assist in judging quality of tape transcriptions.

II. That the State shall reimburse the Foundation, from funds made available specifically for this purpose, for the above expenses. Payment shall be made in the usual course of State payments upon certification of the Foundation to the Director of Services for the Blind, Department of Public Welfare, that disbursement has been made.

This contract can be terminated by the Foundation or the Department at the end of any calendar month upon at least thirty days written notice of such termination to the Foundation or the Department.

APPROVED BY:

CONTRACTING PARTIES:

By *William W. ...*
 An Authorized signature for
 DEPARTMENT OF ADMINISTRATION
 PER LAWS 1949-CH 230
 SEC 1 SUBD 8

STATE OF MINNESOTA
 Department of Public Welfare

Available funds have been encumbered this day for the full amount of contract liability.

By *Wm. ...*
 Commissioner of
 Public Welfare

By _____
 An Authorized signature for
 STATE AUDITOR

By *C. Stanley ...*
 Director,
 Services for the Blind

APPROVED AS TO FORM AND EXECUTION
 WARREN SPANNAUS, ATTORNEY GENERAL

MINNESOTA FOUNDATION

W. Galls Dec. 4, 1972

By spec. Assistant
 ATTORNEY GENERAL

By *Edward H. ...*
 Secretary

11,000
 HAS BEEN ENCUMBERED FOR THE ...
 TION HEREOF AGAINST THE ...
 UNENCUMBERED BALANCE OF THE ...
 APPROPRIATION AND ...
 DEC 13 1972
W. B. ...

Fiscal Year 1973

Communication Center Budget (con't.)

	Total Budget	Matching Monies
Library Services Act (100% Federal Funds)		
Salaries	10,000.00	
Medical, Social Security, Workmen's Compensation, etc.	1,000.00	
	<hr/>	
Total	11,000.00	0.00

1972(?)

From Bob Rees
2208 Kenwood Parkway
Minneapolis, Minn. 55405
374-4015

Proposed Public Relations and Fund-Raising Program
for the Minnesota Zoo

When it becomes operative, the Minnesota Zoo is going to need both an effective public relations-promotion program and a productive fund-raising effort. The public relations needs will be obvious. The fund-raising need might not be quite so apparent, and yet I think there will be such a need. It seems to me that discretionary funds will be necessary to finance new program development and to keep the zoo moving ahead.

I have no knowledge about the economics of maintaining a zoo, but I would imagine that admission charges help to defray the day-to-day operating costs and that legislative assistance might be needed to subsidize any deficit which is incurred. On the other hand, the legislature cannot be counted on for full funding. I would think that it would be wise to consider other revenue sources to assure the organization's economic stability. The following outline lists fund-raising and public relations possibilities which might be worth considering at a later date.

Fund-Raising

- A. Conduct an annual fund-raising campaign to provide operating and expansion funds for the Minnesota Zoo. At the outset, such a campaign should probably be limited to the state of Minnesota and contiguous counties in western Wisconsin. Depending on subsequent financial needs and the scope of the zoo's activities, an expanded campaign might be considered in future years, cultivating potential contributors most interested in the program. The initial fund-raising drive should be aimed at:
 - 1. Twin Cities corporations and businessmen who will benefit from the zoo's presence because of its advantages as a tourist and cultural attraction;
 - 2. Twin Cities and out-state foundations, particularly for support of new projects;
 - 3. Members of conservation and ecological organizations as well as civic clubs which will have an important stake in the zoo's success;
 - 4. Residential contributors in key areas -- appropriate prospects if supplementary financial needs become extensive.

- B. Organize a citizens committee of zoo sponsors and patrons. Paying annual sponsorship dues, members could be entitled to certain benefits such as free admission to the zoo and free subscription to a quarterly or bi-monthly magazine published by the zoo. In addition to providing a core group of substantial contributors, such a committee would also be essential as a primary base for future capital fund needs if public support should be needed for expansion purposes.

C. Develop deferred giving, bequest and memorial programs.

1. Some residents of the state will want to make the zoo one of their beneficiaries. A long-range program should be prepared to help these givers find the best way of supporting the zoo through bequests. Donors should be shown how deferred giving can furnish them tax advantages while also serving to benefit the zoo. Substantial giving should be encouraged by providing special recognition of unusually large gifts through such means as commemorative plaques.
2. Interested givers should be encouraged to remember the zoo through memorials, marking events such as birthdays, graduations, confirmations and anniversaries. As the number of contributors to the zoo grows, more and more people will become interested in making seasonal as well as special occasion gifts to the zoo.

D. Key special events into fund-raising. These could be designed both to call attention to new projects and to take advantage of annual events related directly to zoo activities, such as Be Kind to Animals Week. Theater parties, public picnics and bazaars could be employed for this purpose.

E. Organize a permanent system for accepting donations from zoo visitors. Many visitors are going to be extremely impressed with the zoo, and some will want to support the activities they have seen. This certainly should be encouraged, and arrangements should be made to accommodate voluntary contributors.

Public Relations

A. A series of periodic publications should be issued to maintain and create interest in the zoo. The schedule should include:

1. A bi-monthly or quarterly mailing to zoo patrons and sponsors, informing them of new developments, future plans, upcoming events, special provisions for major contributors, etc.;
2. A quarterly newsletter for the general public containing much the same type of information disseminated to sponsors plus other items of general interest. The publication could include special features on various sections of the zoo as well as columns written by members of the staff. Zoo visitors could sign up for subscriptions which, perhaps, could have a nominal cost to cover printing and mailing expenses. In addition, the newsletter should be mailed free to community opinion leaders such as newspaper editors and columnists, radio and television news directors and air personalities, state legislators, city and county officials, business leaders, etc.

B. Close ties should be maintained with the Minneapolis, St. Paul and suburban Chambers of Commerce to develop approaches which will attract tourists and

customers. The emphasis should be on the abundance of high quality cultural activities available in the Twin Cities: the zoo, the Guthrie Theatre, the St. Paul Arts and Science Center, the Minneapolis Art Institute, the Walker Art Center, etc. Through cooperation with the Convention Bureaus of the Chambers, arrangements should be made to assist convention delegates to visit the zoo.

- C. Promote tours of the zoo by school, civic and industrial groups. A state-wide program of group tours should be developed. Special attention should be given to cultivating high schools and elementary schools, familiarizing teachers and administrators with the educational advantages the zoo has to offer. A junior membership program could be set up for juveniles and teen-agers.
- D. Promote television coverage of the zoo. The zoo should be a constant source of news, producing free publicity which, in turn, will encourage patronage. In addition, local television stations and sponsors could probably be interested in running a weekly program on the zoo. With its variety of exhibits, the zoo should be able to provide unlimited subject matter for a TV series.
- E. When the zoo's budget permits, a documentary film should be produced. This could be highly useful as a promotional tool and could help stimulate national interest. Film plans should also include production of color slides and postcards for sale to the public.

ROBERT J. REES
2208 Kenwood Parkway
Minneapolis, Minn. 55405
(612) 374-4015
January 19, 1971

RESUME: Active in creative situations for 22 years, Robert J. (Bob) Rees is best qualified to carry out assignments involving public relations, fund raising, news writing, creative writing and administration. A special interest is the organization of long-term, creative programs. Professional experience, education, personal data and references are as follows:

PUBLIC RELATIONS

* Field Services Director, American Rehabilitation Foundation, Minneapolis, Minn. (Feb. 1967 to Jan. 1971). Was responsible for all phases of the Foundation's public relations program related to fund raising. This included development of publicity for newspapers and radio and television stations in Minnesota, Wisconsin, Iowa and North and South Dakota; development and distribution of annual reports, newsletters, promotion brochures and displays; maintaining and enhancing relations with 750 United Funds; production of all campaign materials, and organization of internal public relations projects. Directed the work of three full-time public relations professionals. (Additional responsibilities included in subsequent sections.) Starting salary: \$14,500. Final: \$19,750.

* Public Relations Director, United Fund of Minneapolis Area, Minneapolis, Minn. (March 1954 to Feb. 1967). Directed public relations programs of the Minneapolis United Fund and Hennepin County Community Chest. Devised campaign publicity schedules in cooperation with Minneapolis and suburban newspapers, radio stations and television stations. Prepared releases for industrial publications and special interest periodicals. Supervised 250-member Speakers Bureau. Produced annual campaign movies and slide films. Coordinated activities of volunteers representing news media, business public relations departments and advertising and PR agencies. Created and carried out special events such as campaign kickoffs and mass projects at athletic events to promote the United Fund. Wrote and produced campaign materials, annual reports and other print materials. Worked with Church Committee to encourage clergymen's support of the United Fund. Starting salary: \$6,000. Final: \$10,800.

* Industrial Editor and Public Relations Representative, Northwest Orient Airlines, Minneapolis, Minn. (April 1950 to March 1954). Edited NWA NEWS, monthly employee magazine. Wrote news and feature stories for newspapers, magazines and financial publications. Initiated and conducted special events including an eclipse flight for scientists and newsmen, inaugural flights and sales conference promotions. Handled special assignments in Anchorage, Detroit and Washington, D.C. Served as the airline's acting public relations director in New York City. Starting salary: \$4,800. Final: \$6,000.

FUND RAISING

* American Rehabilitation Foundation -- Organized and directed all fund-raising programs of the Foundation including door-to-door solicitation, membership campaign, direct mail solicitation and bequest program. Conducted fund raising drives in more than 100 cities and towns in a five-state area. Independent campaigns

2---Robert J. Rees

produced increased contributions each year during four-year period, including a 43.5 percent increase in fiscal 1969-70. Was responsible for budget negotiations with 750 United Funds. Assisted United Funds in areas of promotion, public relations, organization and solicitation. Although the Foundation's United Fund support declined in Minneapolis, its support from out-state and out-of-state United Funds increased each year.

* President, Minnesota Chapter of National Society of Fund Raisers (1970-71). Helped to organize chapter, consisting of professional fund raisers from health and welfare agencies, United Funds, cultural organizations and political bodies, in 1969-70. Served as member of the Board of Directors of the National Society of Fund Raisers (1970-71).

ADMINISTRATION

* American Rehabilitation Foundation -- Headed a division consisting of 14 full-time employees and several hundred part-time employees. In addition, was responsible for developing new service programs and for scheduling services in communities outside the Twin Cities, working with education staff of five members. Prepared and maintained annual budget ranging from \$192,000 to \$230,000.

WRITING AND EDITING

* Minnesota correspondent to VARIETY and DAILY VARIETY, national entertainment trade publications (1960 to present). Cover films, legitimate theatre, radio, television, nightclubs, music and vaudeville. Review movies, plays, nightclub acts, stage shows and radio and television programs. Write weekly radio-TV column.

* Wire editor, OWATONNA DAILY PEOPLE'S PRESS, Owatonna, Minn. (1949-50). Edited wire copy, wrote articles and headlines, made up front page, copyread galley and page proofs. Wrote quasi-humor column three times a week. Starting salary: \$3,120. Final: \$3,900.

* Twin Cities correspondent to NATIONAL RESTAURANT NEWS (1965-66). Wrote news and feature stories on own assignments.

* Editor, FEDERATION CHRONICLE, quarterly newsletter of Minneapolis Federation for Jewish Service (1964-66). Wrote or edited all copy including articles, cutlines and headlines; did page layouts; supervised printing.

* Assistant Sports Editor, MINNESOTA DAILY, University of Minnesota. Covered football, boxing and hockey.

EDUCATION

Attended Douglas School, Jefferson Junior High and West High School in Minneapolis. Edited high school yearbook and served as associate editor of newspaper.

Attended University of Minnesota from 1942 to 1943 and 1946 to 1948, graduating with BA degree. Majored in Journalism. Minors were in History and Psychology.

3---Robert J. Rees

PERSONAL BACKGROUND

Born September 19, 1924, in Minneapolis, Minn.
Married with four children, ages 6 to 17.
Served three years in U.S. Army (1943-46), including two years in Ceylon and India.
General health: excellent.

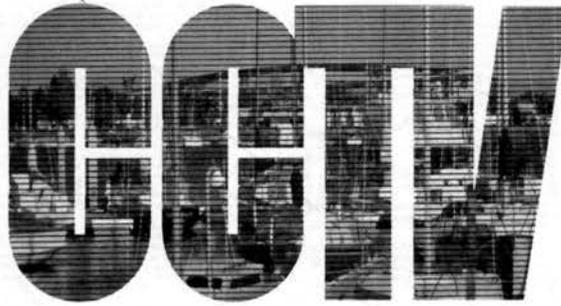
PARTICIPATION IN SOCIAL AND CIVIC ORGANIZATIONS

Served on Education and Legislative Task Forces of Minneapolis Urban Coalition.
Served as chairman of Education Task Force Committee on School Training Centers.
Minnesota Press Club. Served as chairman of special events.
Minnesota Chapter, Public Relations Society of America.
Minnesota Chapter, National Society of Fund Raisers.
Council of Health Agency Executives.

PERSONAL REFERENCES

Dr. Loren Leslie, Kenny Rehabilitation Institute, 1800 Chicago Ave., Minneapolis, Minn.
George Grim, Minneapolis Tribune, 425 Portland Ave., Minneapolis, Minn.
Frank Fiddler, United Fund of Minneapolis Area, 404 S. Eighth St., Minneapolis, Minn.
Abel Green, VARIETY, 154 W. 46th Street, New York, N.Y. 10036
Terrance L. Webster (former Executive Director, United Fund of Minneapolis Area), Crescent Beach, Lake Minnetonka, Minneapolis, Minn.
Roland L. Minda, Minda Public Relations, Midland Bank Building, Minneapolis, Minn. 335-9451
Ray Lemke, Minnesota Republican Finance Committee, 4940 Viking Drive, Minneapolis, Minn.

###



Bill L. Fox, Vice President & General Manager

Coronado Cable Vision, 1500 Orange Avenue, Coronado, California 92118, Phone 435-3161 ext. 576 or 435-5955

MEMO TO ARTHUR RIVKIN

Re: San Diego Zoo - Fund raising and promotion

The San Diego Zoo is supported in three ways:

1. All persons entering the zoo over 16 years of age pays an admission charge of \$1.50.
2. Through the concessions of the zoo, rides, food, gifts, etc.
3. Through membership in the San Diego Zoological Society which entitles the membership holders to free admission to the zoo at any time.

The zoo presently has 20,000 members in the society who pay an annual membership of \$10.00 to \$12.00. In addition to these three items, a very small amount of money is received from the city and the county. The amount is so small, however, that it cannot be considered too important to the zoo's growth and development.

The simplest way to describe the zoo's approach is to compare it to an operating business because that is the approach of the zoo's staff, as well as active members of the committees. The zoo is self-supporting. A major budget is allocated each year for advertising which is supervised by a public relations committee. The committee functions just like an advertising director of a company would function to sell a product, which is the zoo, in San Diego and other places. This is the mainstay of the zoo's support. Naturally the bigger the attendance, the more money spent on concessions, and these two items together, represent the most important activity of the zoo in order to be self-supporting.

New attractions are constantly being designed in order to give the advertising committee something to sell, and the public a reason to go to the zoo again and again. A large portion of the money available each year is put back into the zoo in new exhibits. As a general rule the zoo does not have fund raising campaigns. Our approach is to get the people of San Diego to enjoy the zoo and to use the zoo and thus support the zoo through their paid attendance.

There is one exception to this approach. We are presently attempting to increase our membership in the society, and have a goal of \$50,000

members within the next two to three years. Naturally, this will be quite a chore since we have 20,000 members now. A special committee, however, has been set up to work on this new project. They will be part of the public relations committee, but have no other objective. They plan to create a special plaque or pin as an incentive to get new members. We are presently working on the development of the wild animal park at San Pasqual valley. We expect to open sometime during the spring or summer of 1972. Most of the money for the construction and acquisition of animals for the building of the park have come from proceeds developed from the zoo and some money from bond issues which were recently passed in San Diego. The zoo is responsible for the retirement of the bonds and the public will not be required to assume any responsibility.

From time to time, the zoo receives gifts and bequests from individuals. We are naturally always happy to receive these and they are put to good use. The zoo, however, is not dependent on these to support the zoo on a day to day basis, nor are they actively solicited by the zoo staff or any of its committee members. In short, the success of the San Diego Zoo in the last ten years has been built upon its ability to attract customers to the zoo through attendance, and not to rely on fund raising campaigns etc.

Each year the zoo plans new activities to attract new visitors. Each year the advertising is designed to sell the new attractions and to bring more people into the zoo. Next year's budget is about \$270,000 for paid space and time.

EXHIBIT A

STAFF MEMBERS - ADMINISTRATION DEPT.

MINNESOTA FOUNDATION

		<u>Hourly Rate*</u>
Leonard Wilkening	Ex. Dir.	\$ 16.16
Norrine Bohman	Secretary	4.28
Jessie Beliveau	Secretary	3.36
Lyle Johnson	Controller	9.07
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William Showalter	Admin. Asst.	6.82
Elaine Tuhy	Secretary	3.23
Cleo Behan	Bookkeeper	3.10
Paul Verret	Assoc. Exec. Dir.	9.16
John Bussewitz	Accountant	4.58

* Effective July 1, 1972

ARIZONA-SONORA DESERT MUSEUM



April 17, 1970



Mr. John E. Tilton, Chairman
The Minnesota Zoological Board
112 M.E.A. Building
55 Sherburne Avenue
St. Paul, Minnesota 55103

Dear Mr. Tilton:

With pleasure I recall my short visit with you at the Desert Museum and I hope the following will be of some help, at least preliminarily.

First, let me say that I am not expert in these matters, having had to take an intensive course in fund raising in the hard school of experience. Much of what I know comes from reading the publications of the Fund Raising Institute, in which you might be interested. Its address is: Plymouth Meeting, Pa. 19642, and I am sure they would be delighted to put you on their subscription list. Also very useful as background was the bible of the profession, "Designs for Fund Raising" by Harold J. Seymour. Like most works of its kind, this takes careful study plus some actual experience before its great value emerges, but I think you will find it interesting.

In general, it seems to me your eventual plan will probably involve efforts to cultivate wide interest in the zoo among private citizens, business concerns and foundations which have the ability to give largely to support interests with which they have become concerned. Your principal task is to concern them, involve them and then cultivate their interest intensively before you solicit their contributions. Eventually you may wish to broaden the base of your constituency by establishing a membership organization which large numbers of Minneapolitans can join at a small annual cost with privileges of free attendance. But the main thrust of your plan will doubtless be toward the large givers and a particular problem will be to adjust the interests of such large givers with those of the public authority from which you expect to get a major part of your financial support.

These generalities conceal a number of detailed plans which have to be formed in light of your particular circumstances. Committees of influential and persuasive citizens, organized to extend and amplify the efforts of your governing body toward the raising of money will probably be necessary. They will be essential if you are looking to private sources for substantial capital funds. If your primary need is to enlarge your annual income to help defray the costs of operation, such committees will play quite a different role in personal cultivation and solicitation than would be the case in a campaign for large capital funds. They would also play a part in the development of a

Mr. John E. Tilton

April 17, 1970

continuing bequest program. Efforts by direct mail play a part, also, but for such a special interest as a zoo, I think only after preliminary face-to-face work has been done by many interested and influential people.

The job is a large and long one. It should be planned accordingly without expectation of immediate results and with every intention of broadening the base and intensifying the effort as time goes on. Eventually you may have succeeded in developing an image and identity for the zoo which will tend to snowball the effect of your early efforts, and then many kinds of options will be open to you.

As I read this over, I realize that the scope of such a letter is hardly sufficient to cover the ground but the broad outline of what you will probably decide to do seems to me something like the above. Perhaps the very best thing you could do in this early planning stage is to find someone among the professionals in the fund-raising field who could tell you from many experiences how some of these general principles apply to your particular case. We have been extremely fortunate in our relationship with such an individual and should you care to have me do so, I would be happy to talk to him of your problem to see if he would care to suggest himself or one of his associates for a preliminary consultation. Or you can yourself choose among the good professionals in the field. The Fund Raising Institute is their trade association and any one of the member firms could be of preliminary assistance.

I hope all this is of some help to you. I will be happy to go further if you wish me to do so on the basis of my own limited experience.

Very sincerely yours,

John D. Jameson
John D. Jameson *ml*

(Dictated but not read)



April 6, 1970

Mr. John Jameson
Finance Chairman
Arizona Sonora Desert Museum
P. O. Box 5602
Tucson Mountain Park, Arizona 85703

Dear Mr. Jameson:

To identify myself, I should observe that I am the man from Minnesota who, with Mr. Larson, visited with you and a lady, I believe from Tennessee, in Tucson, a month ago about plans for the new Minnesota State Zoological Garden.

This is a peculiar, and perhaps inappropriate, letter. Though our proposed new zoo is expected to be largely state supported, it is my view that a properly organized program to encourage individual and corporate giving can add substantially to our resources and permit us to turn in a correspondingly better performance. I know of no one, anywhere, who seems to be doing more in this area than you and your people.

There is great wealth here. Honeywell, 3M, General Mills, Pillsbury, Control Data and hundreds of small firms are headquartered in Minnesota. I am sure many Minnesotans would welcome the chance to assist directly in the development of our new zoological gardens.

Were you in my place, how would you establish such a program? What should we avoid? I recognize this is asking a great deal of anyone - but I would be grateful for any suggestions you may have.

Sincerely,

JET vc

John E. Tilton, Chairman



THE MINNESOTA ZOOLOGICAL BOARD
SUITE 112, 55 SHERBURNE AVE.
SAINT PAUL, MINNESOTA

MEMORANDUM

Date 8/16

To:

John Tilton

From:

~~DeLo Clague~~

Subject

Dick: I concur...but let's not delay these letters more than a week.

J ET

I suggest we hold up on mailing these letters until I have had a chance to review & revise the attachment re: History and funding problem. It needs a little work and some updating re: education program and financial guidelines inputs. De

Dick: Something like this might be helpful for Humphrey, Thompson, Bennet et al:

The Minnesota Zoological Garden At A Glance

1. Where: A 480 acre site in Apple Valley, Dakota county, 30 minutes from downtown St. Paul and Minneapolis...in the precise population center of the state.
2. When: Partially open in the summer of 1976, fully opened a year later.
3. Cost: \$27 million in Phase I (funded by \$25 million in state bonds, \$2.3 millions in private grants.) Successive phases to be funded from zoo generated revenues.
4. What: A new kind of zoo ~~whama~~ designed to meet four basic public needs:
(1) Recreation; ~~##~~ (2) Education; (3) Research; and (4) Conservation.
5. Attendance: 1,750,000 the first year of operation, 2,000,000 by the year 2000.
6. Admission fees: ~~##~~ Initially \$2 for adults, 50 cents for children but with children in classroom groups admitted free. Special programs for senior citizens and the indigent.
7. Site: Made available by Dakota county without cost to the state.
8. Como Zoo: This is a Saint Paul facility which presumably will continue in operation, complementing the State Zoological Garden and serving a different purpose.
9. Management: Controlled by the State Zoological Board, an arm of state government, through a professional staff headed by Director Don Bridgwater. Public support from the Minnesota Zoological Society, a state wide, non-governmental organization of zoo enthusiasts. (*)
10. Highlights:
 - a. A "northern trek" in which the viewer is carried through herds of northern hemisphere animals;
 - b. An aquarium exhibit of beluga whales, the fresh water whales of ~~##~~ ~~Ban~~ Hudson's Bay. A "walk-through" display with hydrophones permitting the viewer to hear the great whales as they communicate with each other.
 - c. A children's ~~##~~ touch and feed zoo, with a small animal nursery, ~~and~~ a small auditorium for animal shows and facilities for children's parties.
 - d. A Minnesota exhibit featuring flora and fauna of Minnesota.
 - e. An Oriental exhibit of Central and Southern Asian animals.
 - f. Closed circuit, infra-red television permitting a view inside animal dens; a special infra-red nocturnal exhibit; instrumentation of pulse, respiration etc. of the animals displayed; restaurants; picnic areas; walkways.

(*) Personnel of Zoological Board:

Oct. 1, 73

19 June.

1. Norm McGrew of Minneapolis chamber. He said his new executive vp, Charles Krunsell, will work with us to push zoo financing. McGrew suggests I call him in early July to plan for a talk with the Mpls C of C board, appearances on their radio program and a story in some of their publications.

2. Jim Harris, Executive VP of Mpls NW Natl Bank. He's much interested in ur plans...would like to be consulted before we make final decision. He says three plans are available: a. Annuities; 2 Guaranteed life income; and 3. Some kind of fixed trust. When we're ready to talk, he suggests we call Roger Bailey of his department on our plans (372-8123)

15 June.

1. Fred Cady...with reference to contact with Honeywell. He suggests luncheon with Gerry Morse, VP in charge of corporate-employee relations (see below) plus these other individuals who might be willing to make some sort of contribution to the zoo:

Oct. 1
call Cady
and Reuel

1. Virginia Binger, wife of Honeywell chief and daughter of 3M's McKnight.
2. Dan Gainey of Owatonna.
3. Mr. Ordway, once member of Zoo society board and one of original 3M partners.
4. E.L. "Bud" King of Homer, near Winona, chairman of board of Watkins Co.

Note: Reuel Harmon indicates (see June 15 letter) he might be able to help with Dan Gainey and in Richard Ordway appeals.

14 June:

1. Telephone call with Richard Gray, who headed campaign for fresh water biological research station. He suggests we call Rev. Russell Ewald, Foundation Services Inc., 1020 Chamber of Commerce Bldg., 15 S. 5th St. Minneapolis. Also Fred Lowerman, Carleton finance campaign consultant.

2. Telephone call with Mr. Ewald who expressed interest and thanked us in advance for information on our plans...since many Mpls foundations consult him before making bequests. Letter mailed containing requested information.

18 May

Telephone call with Herb Lancaster (see memo attached.)

23 June.

1. Interview with Malcolm McDonald of 1st Natl bank, St.Paul, who expressed especial interest in annuity program, will contact his knowledgeable people, brief them and be in touch with us. He will also advise us as to the proper approach to 1st Bank people for a grant or gift to the Zoo fund.

2. Brief visit with Amos Martin of St. Paul C of C. who pledged full support, including appearance (by Harmon perhaps) before his board and addressing letters we may wish to mail out to his membership--without cost to us.

Oct. 1

26 June~~24~~

1. Telephone visit with Paul Verret, Minnesota Foundation (222-4633) He is waiting receipt of contract before proceeding with tabulation of list of Minnesota Foundations for our use. He would like to sit down with us in mid-July to discuss procedures for handling and accounting for our funds. We are to call him (suggest Don and new staff man sit in.)

Aug. 1
Check
Verret

~~26 June 24~~

25 June--

1. Telephone call to David Duclos, referred by Mary Ann Scroggins. Duclos is young man, employed full time as fund raiser for Dunwoody Institute. He's a zoo buff, lives at 2208 Irving Ave. So. (Home telephone 377-3670; office telephone 374-5800) and assured me he would like to assist us in our fund raising drive. He would be happy to sit in on our meetings and will send us a list of prospects. I have asked Vi Crawford (June 28) to put him on finance committee mailing list.

28 ~~June~~ June--

1. Telephone call from Chas. Bouchert, PR director at Prudential who is trying to set us up with someone there who can advise whether there is place where their company can fit in. Bouchert called this date to say our man is Larry Sarnoff, who has been hopelessly busy but will call on his return from projected business trip July 18 or 19. *Wear to call when opinion in an minutes*

Oct. 1
Def. 1

2. Call from Bill Sell who advises that John Verstraete, 733-1200, is our contact there for appeal for 3-M grant.

July ~~23~~ -- 3--

1. Interview with Malcolm McDonald of St. Paul 1st National and Thomas T. Dwight, Trust dept. vice president, discussing ramifications of the annuity proposal. Dwight expressed concern that IRS might not approve annuity program in which the principal (less a reserve for interest) were paid immediately to the beneficiary. He said IRS long ago established a principle that such annuity plans were okay but only if the principle amount were retained and invested and the income therefrom paid to the donors. In any event, of course, such interest is taxable to the donors. The issue here is whether such a gift is considered tax free of gift taxes.

Aug. 1
Check Allyn

2. Telephone interview with Richard Allyn who advised that Bill Kuretsky is our new attorney in Attorney General's office but that he will stay with us pending conclusion of the annuity problem. It was agreed Mr. Dwight would forward to Allyn a suggested organization of a non-profit corporation to handle this matter for the state. Allyn then will get back to us.

July 16--

1. Luncheon with Humphrey Doermann, Ex. Dir., Bush Foundation. See adjacent Memo to file. (227-0291)

Aug. 1
Wash on 1/1/68

July 23--

1. Visit with Orrel Thompson, director, Hudson-Dayton Fdn. He suggests we set up meeting with Wayne Thompson and Bruce Dayton for background.

13 August

1. I called T. Richard Anderson of the Bell Family interest at the General Mills building who referred me to Mr. Paul Parker who in turn referred me to William Humphrey Jr., the executive in charge of the General Mills Foundation. Humphrey will see Dick Clague and ~~ME~~ *ME* Thursday morning either before or after our interview with Wayne Thompson of the Dayton Hudson Corporation Foundation.

*Tilton
Oct 1*

2. I later talked with Mr. Bill Bennett (733-1724) the executive director of the Minnesota Mining Foundation who said he had met me at a Republican fund raising meeting a few years ago. Bennett will meet at his office in the tall building at 3M headquarters at 9:30 a.m., Wed. August 15.

3. I called Bower - Hawthorne (372-4141) with reference to an interview this afternoon prior to a grant with the Star and Tribune Foundation. A pleasant interview. Hawthorne definitely on our side and will help where he can. Suggested Rev. Ewald arrange group presentation for us with a dozen or so foundations.

K

14 August

1. Today Dick Clague and I interviewed William Bennett of the Civic Affairs Division of 3 M who requested additional information on the Zoo Project and our plans for its funding. That letter will go out this date.

*Clague
Letter
Soon as
Possible*

15 August

1. Clague and Tilton talked with Bill Bennett (and another official) who indicated an interest: 1. In a detailed outline of our financing plan; 2. Who else might be contributing (the pecking order here?); The amount we might expect from Minnesota Mining. Should have request in in next few weeks.

16 August.

1. Two interviews today.

With William R. Humphrey Jr., director of General Mills Foundation, who made careful notes of our discussion and asked data on our financing plan, ~~anna~~ suggested we request a specific amount from General Mills; asked about future of Como Zoo; and said his foundation is under no express timetable. He also said Bell Family foundation and gifts have no connection with General Mills setup.

With Wayne Thompson, president of Dayton Hudson who stressed importance of our educational setup, asked about Como and promised to enlist Don Dayton in stressing importance of zoo with Bruce Dayton and others of Dayton clan.

K

A REPORT OF MINNESOTA FOUNDATIONS - 1970

FOUNDATION SERVICES, INC.
1020 Chamber of Commerce Building
Minneapolis, Minnesota 55402

Jerry V. Catt, Executive Director
Marion E. Anderson, Program Associate

April, 1973

Introduction

Traditionally, foundations have been dedicated to responding to the broad general needs of individuals, organizations, and institutions in our society. Foundations, with no stockholders or real constituents - other than the general public they serve - have a unique freedom of action to meet these needs.

The Tax Reform Act of 1969 has imposed new operational limits on all foundations but particularly on private foundations. The 4% excise tax on investment income, an eventual 6% annual required distribution of foundation assets at market value, regulations concerning taxable expenditures, excess business holdings, speculative investments and public disclosure are some of the major areas of the 1969 Act affecting private foundations.

These new requirements make the creation of small private foundations - which account for approximately 70% of Minnesota foundations - less advantageous. Our study revealed 79 of these small foundations had been dissolved or become inactive during the last three years. This trend may continue and certainly increases the need for responsible philanthropic programs by those foundations remaining active and involved. Thus, as a result of the new regulations, the future may bring a higher level of giving and stimulate increased public awareness of and participation in the field of philanthropy in Minnesota.

Purpose of the Report

To provide a brief, but detailed picture of foundation philanthropy in Minnesota, we have compiled the following basic information:

- Number and Location of Minnesota Foundations
 - Who and where are they?

- Foundations by Type Category
 - What is the scope of their operations?

- Foundations by Asset Size and Grant Categories
 - What effect can they have in terms of size of assets and grants?
 - On what charitable giving areas do their grant programs focus?

Report Results

Our study identified 699 Minnesota foundations, ranging in size from less than \$1,000 in assets to over \$100 million. Fifty-five (55) of these foundations have applied for exempt status as "not a private foundation" and are currently waiting for a decision.

Information included in this report was obtained from Internal Revenue Service Form 990 for fiscal year 1970 on 589 Minnesota foundations. Of the remaining 110 foundations, 97 could not be included in the results due to

incomplete or unavailable financial data and 13 are funds of the Minneapolis Foundation.

The study discovered 70 Minnesota foundations have been dissolved, nine (9) currently inactive, and seven (7) have obtained exempt status as "not a private foundation".

1970 IRS REPORTS ON MINNESOTA FOUNDATIONS		785
Dissolved - Defunct	70	
Inactive	9	
Status changed - non-private	<u>7</u>	
ACTIVE MINNESOTA FOUNDATIONS IDENTIFIED		699
Adequate reports unavailable	97	
Funds of Minneapolis Foundation	<u>13</u>	
FOUNDATIONS INCLUDED IN REPORT		589

Foundation Services, Inc. has compiled a complete address list of the 699 Minnesota foundations, as well as a listing of the 86 foundations which are dissolved, inactive or "not a private foundation". This listing is available upon request.

TYPES OF FOUNDATIONS

There are five general foundation type categories:

Community Trust

Community foundations are a composite of many individual philanthropies and funds under community control. They are a public charity which not only serves the public but is publicly supported. Assets are received from a broad segment of the community including living donors, bequests, endowments, family foundations and open-end trusts. Funds contributed may be unallocated or designated to a specific purpose or field of interest. However, the trustees have the right to transfer allocated funds to other purposes should the original designation be determined ineffective or no longer valid to serve existing community needs. Through an expanded Board of Trustees comprised of citizens of the community, grant support is provided to charitable activities primarily in the community or area which the foundation serves.

Operating

Operating foundations believe they can best accomplish their specific philanthropic purposes by administering their own program(s) with professional staff rather than by direct grant-making. Some operating foundations may also make grants but their main focus is the maintenance of their own charitable operations.

Corporate

Formed by contributions from corporate pre-tax earnings which may also include gifts from officers and major stockholders, the Corporate foundation is a separate legal entity from the parent corporation, though usually with a Board consisting of corporate officers and directors. Their general purpose is to facilitate the corporate charitable contributions program.

Special Purpose

Special Purpose foundations are often created by will or trust instrument rather than incorporation to concentrate their philanthropic efforts in a particular field of interest or specified program - such as, medical scholarships, a specific college or university, etc. The aims of these foundations usually do not depart significantly from the stipulated activities as originally defined by charter or written agreement.

Private and Family

Private and family foundations are usually established by a living person or group of related individuals, rather than by bequest, to serve as the channel for the current charitable giving of the founder. Their grant program is normally fairly broad with contributions spread over a wide-range of interests.

MINNESOTA FOUNDATIONS BY SIZE CATEGORIES

Categories designated by Foundation Directory:

Large	Assets of \$10 million and over
Intermediate	Assets of \$1 to \$10 million
Small	Assets of \$200,000 to \$1 million
Very Small	Assets of less than \$200,000

<u>Type of Foundation</u>	<u>Large</u>	<u>Intermediate</u>	<u>Small</u>	<u>Very Small</u>	<u>Total</u>
Community Trust	1	1	1	2	5
Operating	2	2	4	1	9
Corporate	0	9	9	27	45
Special Purpose	1	9	18	105	133
Private & Family	<u>5</u>	<u>42</u>	<u>73</u>	<u>277</u>	<u>397</u>
Totals	9	63	105	412	589

TOTAL ASSETS AND GRANTS - 1970

<u>Type of Foundation</u>	<u>Total Assets (Book Value)</u>	<u>Total Grants</u>
Community Trust	\$ 15,158,972 (a)	\$ 531,807
Operating	191,157,181 (b)	26,421,884
Corporate	37,435,222 (c)	7,854,417
Special Purpose	68,722,457 (d)	3,512,431 (e)
Private & Family	<u>278,271,043 (f)</u>	<u>21,788,047 (g)</u>
Totals:	\$590,926,365	\$60,109,586
	586 reporting of 589	543 reporting of 589

- Notes: (a) Assets at market value
 (b) Two foundations with assets at market value, \$165,028,725
 (c) One foundation with assets at market value, \$5,636,675
 (d) Five foundations with assets at market value, \$13,190,482
 (e) 17 foundations made no grants in 1970
 (f) 16 foundations with assets at market value, \$18,665,471
 (g) 27 foundations made no grants in 1970

TOTAL GRANTS BY CHARITABLE GIVING AREAS

(Designated by National Council on Foundations)

	<u>Totals</u>	<u>Community Trust</u>	<u>Operating</u>	<u>Corporate</u>	<u>Special Purpose</u>	<u>Private & Family</u>
Health & Medical Research	\$23,082,868	\$ 30,527	\$18,437,031	\$ 435,473	\$ 580,936	\$3,598,901
Education	12,074,377	70,768	357,908	2,088,085	2,342,165	7,215,451
Social Welfare	16,441,877	302,350	6,764,169	3,476,546	309,520	5,589,262
Religion	1,063,637	12,406	-0-	11,808	85,173	954,250
Visual & Performing Arts	5,403,644	74,460	841,809	1,437,785	115,058	2,934,532
Conservation & Recreation	1,145,932	41,292	20,967	70,203	16,816	996,654
Civic	171,956	-0-	-0-	86,071	57,269	28,616

512 reporting of 589

- 32 foundations, no grant list available
- 44 foundations made no grants in 1970

COMMUNITY TRUST FOUNDATIONS

	<u>Market Value Assets</u>	<u>Grants</u>
Minneapolis Foundation	\$11,248,221	\$407,604
Saint Paul Foundation	3,267,278	89,021
Rochester Foundation	400,000	30,022
Duluth Community Trust	164,317	4,110
Owatonna Foundation	79,156	1,050

OPERATING FOUNDATIONS

	<u>Book Value</u> <u>Assets</u>	<u>Grants</u> <u>(Operations)</u>
Mayo Foundation	\$116,082,716*	\$18,437,031
Amherst H. Wilder Foundation	48,946,009*	6,187,913
T. B. Walker Foundation, Inc.	18,671,986	841,104
James Jerome Hill Reference Library	5,633,623	339,046
Guardian Angels Foundation of Elk River, Inc.	853,920	320,609
Victor M. Watkins Convalescent Home	356,708	255,647
William & Ida Kugler Foundation	229,531	705
Thomas Irvine Dodge Foundation	223,780	20,967
Charles Thompson Memorial Hall	158,908	18,862

* Market Value

CORPORATE FOUNDATIONS

TOP 20 BY ASSETS (Book Value)

1. Bayport Foundation (Andersen Corporation)	\$5,636,675*
✓2. Dayton Hudson Foundation	4,780,842
✓3. Cargill Foundation	4,257,001
✓4. Minnesota Mining & Manufacturing Foundation	3,592,614
✓5. General Mills Foundation	3,355,612
✓6. Minneapolis Star & Tribune Fund <i>(Billings - 372-4141)</i>	3,159,949
7. Hormel Foundation <i>Powers of Attorney</i>	2,381,307
8. Burlington Northern Foundation	1,926,383
9. Northern Pacific Railway Foundation	1,631,831
10. Grain Terminal Foundation	869,331
11. Northwestern Foundation	783,622
12. Deluxe Check Printers Foundation	592,445
13. Central Exchange Foundation	499,241
✓14. Honeywell Fund No. 2	464,555
15. Bend Foundation (Brooks-Scanlon)	398,094
✓16. Honeywell Fund No. 1	361,956
17. Bemis Company Foundation	322,153
18. International Multifoods Foundation	207,579
19. Hoerner Waldorf Corporation Foundation	202,644
20. American Linen Supply Fund	190,612

TOP 20 BY GRANTS

1. Dayton Hudson Foundation	\$1,156,718
2. Burlington Northern Foundation	741,511
3. General Mills Foundation	716,219
4. Minnesota Mining & Manufacturing Foundation	578,507
5. Honeywell Fund No. 1	477,222
6. Hoerner Waldorf Corporation Foundation	415,892
7. Hormel Foundation	396,645
8. Honeywell Fund No. 2	351,666
9. First National Bank of Minneapolis Foundation	347,600
10. Northwestern Foundation	325,155
11. Minneapolis Star & Tribune Fund	283,150
12. St. Paul Companies Foundation	261,992
13. Cargill Foundation	231,850
14. Bayport Foundation	227,008
15. Deluxe Check Printers Foundation	186,450
16. Bemis Company Foundation	150,247
17. American Hoist & Derrick Foundation	123,455
18. Central Exchange Foundation	115,665
19. Advance Machine Foundation	113,218
20. Green Giant Foundation	84,918

* Market Value

SPECIAL PURPOSE FOUNDATIONS

TOP 20 BY ASSETS (Book Value)

1. Charles & Ellora Alliss Educational Foundation	\$23,070,634 ✓
2. Minnesota Medical Foundation	5,648,500* ✓
3. University of Minnesota Foundation	5,543,753*
4. Northstar Research & Development Institute	3,935,477 ✓
5. Kate L. Dunwoody Trust	2,115,597
6. Lawrence S. Donaldson II Trust	1,670,771
7. Hull Educational Foundation	1,122,451
8. Marshall H. & Nellie Alworth Memorial Fund	1,094,652
9. Ethel M. Vanderlip Trust	1,062,405
10. Cushman Albert Rice Trust	1,000,000*
11. Kuhl Scholarship Trust	917,594*
12. American Academy of Ophthalmology & Otolaryngology Educ. Trust	700,842
13. Mary T. Hill Endowment Trust for St. Paul Seminary	689,513
14. C. E. & D.A. Leach Charitable Trust	651,034
15. Mary T. Hill Trust for College of St. Thomas	645,477
16. Elbridge C. Cooke Trust	599,813
17. Hunter Foundation	591,676
18. Francis H. Fitzgerald Trust B	517,902
19. Sister Joseph Trust for St. Mary's Hospital	440,884
20. James F. Bell Testamentary Trust for University of Minnesota	437,129

TOP 20 BY GRANTS

1. University of Minnesota Foundation	\$1,010,969
2. Charles & Ellora Alliss Educational Foundation	565,680
3. Minnesota Medical Foundation	498,770
4. Marshall H. & Nellie Alworth Memorial Fund	146,194
5. Research & Development Foundation of Mankato State College	134,453
6. Kate L. Dunwoody Trust	122,251
7. Lawrence S. Donaldson II Trust	100,000
8. Typographical Union Welfare Fund	91,394
9. Ethel M. Vanderlip Trust	72,780
10. C. E. & D.A. Leach Charitable Trust	68,673
11. Charles D. Gilfillan Memorial, Inc.	66,390
12. Hull Educational Foundation	46,262
13. Viking Land U. S. A.	39,833
14. Kuhl Scholarship Trust	37,889
15. Mary T. Hill Endowment Trust for St. Paul Seminary	30,406
16. Amer. Academy of Ophthalmology & Otolaryngology Educ. Trust	30,225
17. Elbridge C. Cooke Trust	28,544
18. Mary T. Hill Trust for College of St. Thomas	28,505
19. Jacob F. Tourtellotte Trust	23,314
20. Hannah F. O'Brien Trust	20,535

* Market Value

PRIVATE & FAMILY FOUNDATIONS

TOP 20 BY ASSETS (Book Value)

1. The Bush Foundation	\$132,928,260
2. Louis W. & Maud Hill Family Foundation	41,841,422
3. Otto Bremer Foundation	26,126,388
4. Phillips Foundation	20,984,630
5. I.A. O'Shaughnessy Foundation	11,977,530
6. Tozer Foundation	8,480,439*
7. Carolyn Foundation	7,574,143
8. Mary Livingston Griggs & Mary Griggs Burke Foundation	6,614,964
9. Ordean Foundation	6,019,813
10. Ober Charitable Foundation	5,161,088
11. The McKnight Foundation	4,925,506
12. Northern Star Foundation	4,493,151*
13. Margaret Rivers Fund	3,861,347
14. Lewis & Annie F. Paper Foundation	3,688,268
15. Elinore Mapes Pierce Charitable Trust	3,582,608
16. Hamm Foundation	3,194,570
17. AHS Foundation	3,103,989
18. Weyerhauser Foundation, Inc.	2,893,472
19. F.A. Bean Foundation, Inc.	2,889,097
20. Southways Foundation	2,882,199

TOP 20 BY GRANTS

1. Louis W. & Maud Hill Family Foundation	\$3,263,562
2. The Bush Foundation	3,222,756
3. Phillips Foundation	1,485,410
4. Ober Charitable Foundation	677,960
5. Avon Foundation	511,655
6. Andersen Foundation	496,139
7. P.W. Skogmo Foundation	487,176
8. Otto Bremer Foundation	486,582
9. F.A. Bean Foundation	479,961
10. AHS Foundation	410,507
11. I.A. O'Shaughnessy Foundation	336,530
12. Mary Livingston Griggs & Mary Griggs Burke Foundation	301,817
13. F.R. Bigelow Foundation	288,600
14. Ordean Foundation	240,213
15. Minnesota Foundation	239,806
16. Tozer Foundation	237,633
17. Carolyn Foundation	235,000
18. The McKnight Foundation	230,566
19. Charles K. Blandin Foundation	215,338
20. Somerset Foundation	214,920

* Market Value

Frank Rowley
at Westman