

## 2022 Special Appropriation Grant Application Cover Sheet

The Cover Sheet must be completed by all applicants requesting financial assistance.

**Project Name and Address:**

Duluth Lake Superior Zoo 2 Predesign-Design  
Duluth, MN

<b>Applicant: City of Duluth</b>	
Project Contact Person: Jen Carlson	Email address:
Title: Finance Director	
Address: 411 W. 1 <sup>st</sup> St. – Room 55802	
City: Duluth	MN, Zip Code: 55802
Phone: 218-730-5904	

**Developer Information: Duluth Lake Superior Zoo (2) project –Predesign/Design**

Project Contact Person:	Email address:
Title:	
Address:	
City:	MN, Zip Code:
Phone:	

**Engineer Information:**

Project Contact Person:	Email address:
Title:	
Address:	
City:	MN, Zip Code:
Phone:	

**Architect Information:**

Project Contact Person:	Email address:
Title: Project Architect	
Address:	
City:	MN, Zip Code:
Phone:	

**The following describes the grant information and allowable expenditures.**

**Qualified grantee** -.City of Duluth (Duluth Lake Superior Zoo 2 – Predesign/Design)

**Qualified expenditures**- General Obligation Bond eligible expenses directly related to the predesign and design for the renovation or replacement of the Main Building at the Duluth Lake Superior Zoo. The project is subject to Minnesota Statutes, section 16A.695. This appropriation is found in Laws of Minnesota 2020, Fifth Special Session, House File Number 1, Article 1, Section 21, subdivision 17.

**Grant Amounts**- \$ 204,000 – This appropriation is not available until the Commissioner of Minnesota Management and Budget determines that full funding has been committed to the project including funds from non-state sources.

**Predesign and Design Approval:** The Department of Administration/State Architect must review and approve the project predesign and design plans.

**Grant Process**-Upon DEED review of application and approval, an award letter will be sent to the applicant organization. Following this letter, and MMB's approval of project match and the Department of Administration (State Architect's) and Legislative approval of the predesign and design plans, DEED and the applicant will enter into a grant agreement to secure the grant funds. Once a signed grant agreement is in place, a disbursement request form will be emailed to the applicant.

**Submittal:** Please submit one original and one emailed copy of this application to:

Minnesota Department of Employment and Economic Development  
Attention: Gerry Wenner/Community Finance Office  
First National Bank Building  
332 Minnesota Street, Suite E200  
St. Paul, MN 55101  
**Gerald.Wenner@state.mn.us**

## Narrative Section

Please provide your answer to each question in the space provided. Attach any supporting documents to the back of this application.

### General Narrative

1. Please give a general summary of this project.

The existing Main Building at the Lake Superior Zoo (LSZ) has been renovated multiple times on its interior but remains largely in its historic form on the exterior. It is not listed as a historic building, but attention should be given to maintaining its character with any improvements. Multiple deficiencies have been identified in the building envelope performance as well as the functionality of the interiors. The predesign and development project will include a feasibility study that determines the best course of action to either renovate the existing structure to fit current needs, develop a plan for a hybrid of utilizing the current space and adding on to it, or demolish the present main building and build new.

Provide a list of materials, include a Site Location Map and Photographs.

2. Provide Pre-Engineering cost estimate documents.

This predesign study will furnish estimates for engineering and construction costs.

3. Provide evidence of who currently owns the property, who will own the property during construction, and who will own the property at time of completion?

The City of Duluth currently has title to all property at the Lake Superior Zoo and will continue to own the property during construction and upon completion. A declaration will be provided as part of the grant agreement.

4. Work with and receive the official approval from the Commissioner of Minnesota Management and Budget that full funding has been committed to the project from State and non-State sources. Identify any additional funds (and sources) being provided for this project.

No additional funding sources have been identified for this predesign and design project.

5. Provide the current management and operating (M&O) budget. Will this change after the Duluth Lake Superior Zoo (2) project is complete? If yes, provide an estimate of new budget.

Management and Operating budget (FY2023) attached.

6. Does the City of Duluth intend on asking the Legislature for additional funds for this project? If yes, what year will this be requested and at what amount?

The City of Duluth, in cooperation with the Lake Superior Zoo, will likely request additional funding for design and construction services upon consideration of the completed predesign study. That request will likely take place during the 2024 legislative session.

7. Please provide documentation of the source and use of funds that have been invested in the Duluth Lake Superior Zoo (2) project to date. \$1.9 million has recently been invested as part of the Bear Country exhibit renovation.

8. Please **review the STATE OF MINNESOTA CAPITAL GRANTS MANUAL** and attach a completed copy of the **CAPITAL PROJECT CHECKLIST** with this application.

DRAFT

**Duluth Lake Superior Zoo (2) Project – Duluth 2022**  
**Project Sources and Uses Budget (\$204,000 Grant)**

<b>Project Activities</b>	<b>DEED/2022</b>	<b>City</b>	<b>Other</b>	<b>Total</b>
Predesign	\$204,000			\$204,000
Design				
Total Costs				<b>\$204,000</b>

**Duluth Lake Superior Zoo (2) Project - Duluth 2022**  
**Project Timeline**

<b>Activity</b>	<b>Start mm/yy</b>	<b>Finish mm/yy</b>
Predesign		
Design		

## LOCAL GOVERNMENT RESOLUTION

### 2022 Special Appropriation General Obligation Bond Grant – City of Duluth

Applicants must adopt and submit the following resolution. This resolution must be adopted prior to submission of the forms package.

BE IT RESOLVED that \_\_\_\_\_ (Applicant) act as the legal sponsor for project(s) contained in this Application to be submitted on \_\_\_\_\_ and that \_\_\_\_\_ (Title of First Authorized Official) and \_\_\_\_\_ (Title of Second Authorized Official) are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of \_\_\_\_\_ (Applicant).

BE IT FURTHER RESOLVED that \_\_\_\_\_ (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that \_\_\_\_\_ (Applicant) has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, \_\_\_\_\_, (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE BE IT RESOLVED that \_\_\_\_\_ (Title of First Authorized Official) and \_\_\_\_\_ (Second Authorized Official), or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the \_\_\_\_\_ (Board) of \_\_\_\_\_ (Applicant) on \_\_\_\_\_ (Date).

SIGNED:

(First Authorized Official)

WITNESSED:

(Signature)

(Title)

(Date)

(Title)

(Date)

SIGNED:

(First Authorized Official)

WITNESSED:

(Signature)

(Title)

(Date)

(Title)

(Date)

**Instructions:** Please return your completed form as part of the Response submittal.

## **Conflict of Interest Disclosure Form for Grant Applications**

This form gives applicants and grantees an opportunity to disclose any actual or potential conflicts of interest that may exist when receiving a grant. It is the applicant/grantee's obligation to be familiar with the Office of Grants Management (OGM) [Grants Policy 08-01 Conflict of Interest Policy for State Grant-Making effective date 1/1/21](#) and to disclose any conflicts of interest accordingly.

All grant applicants must complete and sign a conflict of interest disclosure form.

- ☐ I or my grant organization do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

- ☐ I or my grant organization have an ACTUAL or POTENTIAL conflict of interest. (*Please describe below*):

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

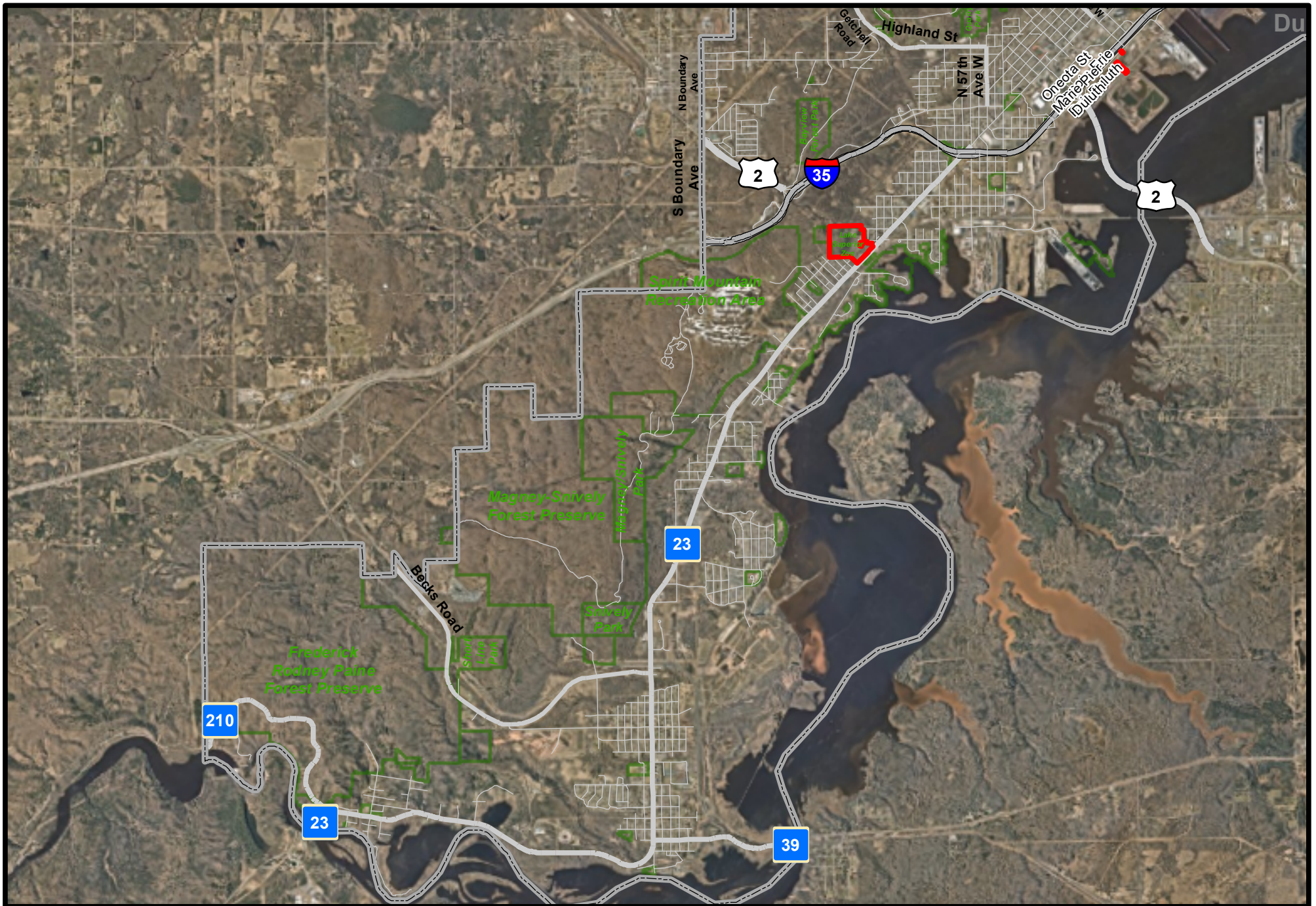
Printed name: \_\_\_\_\_ Jen Carlson, Finance Director

Signature: \_\_\_\_\_

Organization: \_\_\_\_\_ City of Duluth \_\_\_\_\_.

Date: \_\_\_\_\_





Printed Date: 8/11/2022

The City of Duluth has tried to ensure that the information contained in this map or electronic document is accurate. The City of Duluth makes no warranty or guarantee concerning the accuracy or reliability. This drawing/data is neither a legally recorded map nor a survey and is not intended to be used as one. The drawing/data is a compilation of records, information and data located in various City, County and State offices and other sources affecting the area shown and is to be used for reference purposes only. The City of Duluth shall not be liable for errors contained within this data provided or for any damages in connection with the use of this information contained within.

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## Exhibit A



Lake Superior Zoo

1 inch = 1 miles







Printed Date: 8/11/2022

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## Exhibit A



Main Building

0 30 60 120 Feet



## LSZ 2023 Proposed Budget

Revenues	Type	Description	2023 Budget
400000 · Rental Income	Income	Pavilion Rentals	\$ 16,450.00
400060 · Concessions Sales	Income	Safari Café	\$ 80,980.00
400660 · Vending Sales	Income	Vending machine sales	\$ 6,500.00
400760 · Rentals	Income	Stroller Rental	\$ 1,200.00
400070 · Tiger's Paw Sales	Income	Gift Shop Retail	\$ 169,068.00
400081 · Train Ticket Sales	Income	Train Tickets	\$ 28,000.00
400100 · Gate Revenue and Admissions	Income	Admissions Revenue	\$ 833,311.00
4002-95 · City Subsidy Earned	Income	TT Allocation & DNR Grant	\$ 700,000.00
4004-00 · Fundraising Revenue	Income	Fundraising Events	\$ 111,000.00
4004-02 · Sponsorships	Income	Sponsorships for Fundraising Events	\$ 8,000.00
4009-00 · Special Event Sales/Revenue	Income	Birthdays, Easter, Vendor Proceeds	\$ 2,500.00
400905 · Special Event Sponsorships	Income	Sponsorships for Special Events only	\$ 13,500.00
401000 · Donations Income	Income	Donations, Appeals, GTM, Round-ups	\$ 105,100.00
4020-00 · Miscellaneous Income	Income	Miscellaneous Income	\$ 2,400.00
402507 · Education Program Revenue	Income	Zoomobile, Camps, Classes, Programs	\$ 61,450.00
402507 · Preschool Revenue	Income	Registrations & Tuition	\$ 201,655.00
404000 · Membership Dues	Income	Membership Dues	\$ 165,910.00
4060-00 · Grants	Income	Grants, Legacies & Bequests	\$ 47,605.00
2021 Residual Income	Income	2021 Residual Income	\$0.00

**TOTAL Revenue**

**\$2,554,629.00**

Expenses			
5100-00 · Advertising - OP	Expense	Advertising costs	\$ 40,500.00
5155-00 · Printing & Signage	Expense	Copier Printing, Outsourced Printing, Signage	\$ 7,850.00
6000-00 · Payroll Expenses	Expense	Salaries, Wages, Taxes & Benefits	\$ 1,490,789.00
6120-00 · Bank Service Charges	Expense	Bank Service Charges, Merchant Card Services	\$ 31,500.00
6160-00 · Computer/IT	Expense	Computer & IT Equipment	\$ 4,500.00
6180-00 · Dues and Subscriptions	Expense	AZA, Blackbaud, Species 360, Camp Doc, Etc.	\$ 31,360.00
6190-01 · Licenses and Permits	Expense	TAM, USDA, US F&W, X-Ray, Eagle, Etc.	\$ 6,362.00
6200-00 · Equipment Rental	Expense	ATV's, Copier, Postage Meter, Misc Maint	\$ 6,590.00
6210-00 · Small equipment purchases	Expense	Equip < \$5,000 (Less Computer/IT)	\$ 24,610.00
6215-00 · Large Equipment Purch	Expense	Equip >\$5,000 (Less Computer/IT)	\$ 15,012.00
6225-01 · Utilities - MN Power	Expense	Electric	\$ 88,200.00
6225-02 · Utilities - Comfort Systems	Expense	Water, Sever, Gas, Storm	\$ 107,364.00
6230-00 · Insurance - Employee Group	Expense	Employer Portion of Employee Health Insurance	\$ 67,200.00
6240-01 · Liability Insurance	Expense	General Liability and D&O Liability Insurance	\$ 21,565.00
6240-02 · Worker's Comp	Expense	Work Comp Disability insurance	\$ 33,500.00
6270-00 · Legal and Accounting	Expense	Audit, Attorneys Fee	\$ 14,700.00
6280-00 · Miscellaneous	Expense	Miscellaneous	\$ 420.00
6300-00 · Office Supplies	Expense	Office Supplies	\$ 6,505.00
6310-00 · Outside & Contract Services	Expense	Vet, IT, Health Consultant,Waste Removal, Etc.	\$ 110,255.00
6340-00 · Postage and Delivery	Expense	Postage, UPS, FedEx, Etc.	\$ 3,385.00
6380-00 · Repairs & Maintenance	Expense	Repairs and Maintenance	\$ 44,600.00
6440-00 · Operating Supplies	Expense		\$ 80,290.00
6450-00 · Inventory Purchases	Expense	Café & Gift Shop Inventory Costs	\$ 98,350.00
6540-00 · Travel expense	Expense	Reimbursable Mileage, Travel for PD, Etc.	\$ 6,640.00
6545-00 · Meeting Expenses	Expense	Annual Meeting, Board Meetings, Food Etc.	\$ 1,200.00
6610-00 · LSZ - Staff Devlpmt & Training	Expense	Professional Development	\$ 15,040.00
6700-20 · Exhibit Expense	Expense	Animal Exhibit Expense	\$ 2,400.00
6710-00 · Zoo Animal Expense	Expense	Animal Food, Grooming, Training, Enrichment	\$ 150,140.00
6710-01 · Medical Supplies & Services	Expense	Animal Medicine, Medical Supplies, Etc.	\$ 16,200.00
6737-00 · Major Improvements	Expense	Capital Improvements to Property	\$ 6,550.00
7200-00 · Taxes-Other	Expense	Taxes - Other	\$ 1,000.00
7210-00 · Federal Income Tax	Expense	Federal Income tax	\$ 3,300.00
7220-00 · State Income Tax	Expense		\$ 1,800.00
Debt Service	Expense	SBA EIDL	\$ 8,400.00

**TOTAL Expense**

**\$2,548,077.00**

**Income/loss**

**\$6,552.00**



## CAPITAL PROJECT CHECKLIST

This checklist highlights the requirements that grantees must satisfy to receive most state grants. All of the following questions must be answered “Yes” to comply with requirements of the Minnesota Constitution, state statutes, state accounting policies and federal tax regulations. Any “No” answer is problematic and will likely result in the grant not being processed. This checklist does not need to be submitted to the state; rather, it is for grantees’ use to determine whether their projects are eligible for state bonding proceeds.

***\*\*Grantees should NOT incur project costs or expect state reimbursement until the following requirements have been satisfied.***

The following steps are not necessarily sequential. Grantees may wish to complete some or all of the steps simultaneously. The granting agency will advise the grantee accordingly. The grantee should verify that the answers to Questions 1 through 3 are “yes” before requesting a state grant.

1. **Public Purpose** (see pages 9-10 of this manual)

Yes   No

- ☐   ☐   Are the programs and services to be provided by the project consistent with the public purpose expressed in the state appropriation or statutes?

2. **Public Ownership** (see pages 9-11)

Yes   No

- ☐   ☐   If the project is financed by state general obligation bonds or if the project is financed with general fund cash that is appropriated to a specific public entity, will the public entity that will receive the grant possess a qualifying ownership interest in the capital project? A “qualifying ownership interest” means fee ownership or a long-term noncancellable lease or easement covering at least 125% of the useful life of the project.

3. **Qualified Capital Expenditures** (see pages 9-11)

Yes   No

- ☐   ☐   Will expenditures for the portion of the project paid by state funds constitute qualified capital costs (this only applies to general obligation bond appropriations)?

4. **Total Project Funding** (see pages 12-14)

(For projects that will be financed from multiple funding sources, with total project costs in excess of the state appropriation. For projects funded entirely from the state appropriation, proceed to the next question.)

**Yes   No**

- ☐ ☐ Are all non-state funding sources committed or legally binding?
- ☐ ☐ Has documentation of all funding sources been received and approved by both the granting agency and MMB?

5. **Predesign Review by the Department of Administration** (see pages 15-16)

The grantee should read the predesign requirements of Minn. Stat. § 16B.335 to verify whether the requirements contained in that section apply to its project. Predesign review must occur before design can begin. A predesign manual is available from the Department of Administration (see page 24 for a link to the manual).

**Yes   No**

- ☐ ☐ If Minn. Stat. § 16B.335, subd. 3 does not exempt the project from predesign review, has the Department of Administration received and approved the project predesign?

6. **Legislative Design Review** (see pages 15-16)

The grantee should read the design review requirements of Minn. Stat. § 16B.335 to verify whether the requirements apply to its project. Design review must occur before bid documents can be prepared.

**Yes   No**

- ☐ ☐ If Minn. Stat. § 16B.335, subd. 1(b) does not exempt the project from design review, have the chairs of the House Ways and Means Committee and Senate Finance Committee received and approved the project design and have the chairs and ranking minority members of the House Capital Investment Committee and the Senate Capital Investment Committee been notified?
- ☐ ☐ If Minn. Stat. § 16B.335, subd. 1 does not exempt the project from design review and if the project has changed significantly in scope since the project appropriation was made or since the predesign was completed, have the chairs and ranking minority members of the House Ways and Means and Capital Investment Committees and Senate Finance and Capital Investment Committees been notified and advised of the changes?

Questions 7 and 8 apply to projects financed by state general obligation bonds only. For general fund cash projects, proceed to Question 9.

7. **Approval of Use Agreements** (see pages 17-18)

The grantee should read the requirements of Minn. Stat. § 16A.695 and the *Fourth Order Amending Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property* dated July 30, 2012 (the “Commissioner’s Order”), to verify whether the requirements apply to its project (the statute and order are available at the MMB website link on page 24).

**Yes    No**

- ☐    ☐ If the publicly-owned project will be used or operated in whole or in part by a non-profit or other private entity, has the grantee completed a G.O. Bonding Compliance Checklist for Use Contracts (see link on p. 24)?
- ☐    ☐ If the publicly-owned project will be used or operated in whole or in part by a non-profit or other private entity, has the use agreement been approved by MMB?

8. **Program Operational Funding Review** (see page 19)

The grantee should read the requirements of Minn. Stat. § 16A.695 to verify whether the requirements apply to its project.

**Yes    No**

- ☐    ☐ In all cases, will the public grantee have substantial ongoing oversight of the public program contained in the facility or operated on the property?
- ☐    ☐ If the project will be operated by the public agency, has the state granting agency received and approved a budget document or resolution of the local governing board pledging to support and fund the operations of the program?
- ☐    ☐ If the project will be used or operated by a private, non-profit entity, has the state granting agency received and approved the program operating budget, which may include pro-forma financial statements?

9. Agreements (see pages 20-21)

**Yes   No**

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Has the state granting agency prepared a grant agreement for review by the grantee?  |
| <input type="checkbox"/> | <input type="checkbox"/> | Has the grantee signed the grant agreement?  |
| <input type="checkbox"/> | <input type="checkbox"/> | Other than ongoing requirements, have all the conditions contained in the grant agreement been met and all required information supplied to the granting agency?   |
| <input type="checkbox"/> | <input type="checkbox"/> | (For projects financed by state general obligation bonds only) Has a bond-financed property declaration been filed that prohibits the sale of the project property without the consent of the commissioner of MMB? |

10. Project Cancellation (see page 22)

**Yes   No**

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | To avoid automatic cancellation of any appropriation, will all grant funds be encumbered or spent within the time period specified under Minn. Stat. § 16A.642? |
|--------------------------|--------------------------|---|