

Lake Superior Center Authority
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1996 Annual Report
January 1997

Background

The Lake Superior Center Authority was created by the 1990 session of the Minnesota Legislature to work with Lake Superior Center, a 501(c)(3) non-profit, to construct and operate a public education facility. The 1992 bonding bill included \$2 million for the Authority. Governor Carlson activated the Authority with appointments in June, 1992. The legislation creating the Authority and the language of the 1992 bonding bill both require annual reporting.

Reporting

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

Activities

The Lake Superior Center Authority contracted with a new architect to take the project through design resolution and into construction documents. Every aspect of the building design was reviewed and a cost estimate completed. This estimate resulted in a systematic review identifying specific items to be adjusted, reduced or eliminated to ensure the project remained within budgetary guidelines. The priority guiding cost decisions was ensuring engaging, interesting exhibits in the permanent exhibits. Construction documents were 20% complete at year end.

The legislation creating the Authority outlines the following content for the annual report:

1. Description of programs undertaken during the year.

No programs were initiated during 1994.

2. Identification of funding from all sources

- 1992 bonding bill; \$2 million grant administered by the Department of Administration for capital building activity.
- \$25,000 grant for administrative expenses as part of the budget of the Department of Trade and Economic Development.
- 1994 bonding bill; \$4 million appropriation contingent on \$8M in non-state matches
- 1996 bonding bill; \$10 million appropriation contingent on \$3.5M in non-state matches
- Capital funds raised by Lake Superior Center of \$1.6M at December 31, 1996
- Bond sale by the City of Duluth to fund construction documents \$2,415,000

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3. Description of administrative expenses

Legal counsel, financial audit, letterhead, postage and liability insurance for officers and directors.

4. Listing of assets and liabilities at year end.

The authority reports its financial activity with the state's fiscal year. The 1996 audit, ending on June 30, 1996 reflects assets and liabilities of \$2,208,325.

\$2.5 million for building construction from the Duluth Economic Development Authority is in escrow. The Authority is party to the escrow agreement. The escrow is released upon other sources to construct the building being secured.

Land valued at approximately \$2M is anticipated to be transferred to the Authority during 1997.

5. Descriptions of changes to operational plan.

There have been no changes to the operational plan of the Authority. It continues working with its private non-profit partner to raise the funds, design, build and eventually operate a public education facility. There have been no alterations in the grant agreements between the Department of Administration, or the Department of Trade and Economic Development.

6. Description of adoption or changes in bylaws, policies, rules or program.

There were no changes. Bylaws written and adopted in 1993 are used in current operations.

Other Findings

None

Future Activities

Construction documents are scheduled for completion 5/97, bidding during June of '96, with construction beginning in mid summer. Models and supporting documents will be presented to legislators and staff.