

GRANT CONTRACT ADDENDUM

THIS GRANT CONTRACT ADDENDUM is made and entered into by and between the **COUNTY OF LANCASTER, NEBRASKA**, a political subdivision of the State of Nebraska, hereinafter referred to as "**Sponsor**", and **LINCOLN CHILDREN'S ZOO**, a nonprofit corporation, hereinafter referred to as "**Grantee**".

WHEREAS, the Sponsor and Grantee previously entered into a Grant Contract in the amount of \$2,100,000.00 which was approved by the Lancaster County Board of Commissioners on July 19, 2016 with County Contract No. C-16-0368 (hereinafter referred to as the Grant Contract), to assist the Grantee with the expansion of the Lincoln Children's Zoo; and

WHEREAS, the Grant Contract provides the Grantee will be paid in seven annual payments of \$300,000.00, with the first payment to be made in 2018 and the final payment to be made in 2024; and

WHEREAS, the Grantee has completed the work required under the Grant Contract; and

WHEREAS, the Grantee has received the payments for 2018 and 2019, totaling \$600,000.00, leaving a balance due of \$1,500,000.00; and

WHEREAS, the Grantee is now proposing to expand the scope of the grant project to include the next phase of the Lincoln Children's Zoo expansion, as described in Attachment "B" to this Grant Contract Addendum, and is requesting an additional \$600,000.00 from the Lancaster County Visitors Improvement fund for the expanded grant project; and

WHEREAS, in exchange for the approval of the expanded grant project by the Sponsor, the Grantee is willing to delay the annual \$300,000.00 payments under the Grant Contract for the years 2020 and 2021, totaling \$600,000.00, notwithstanding any inconsistent language on page one of Attachment "B"; and

WHEREAS, the Grantee agrees that the amount owing under the original Grant Contract of \$1,500,000.00 and the \$600,000.00 for the expansion project described in Attachment "B" to this Grant Contract Addendum, totaling \$2,100,000.00, shall be paid by the Sponsor in four equal annual installments of \$525,000.000, with the first payment in the year 2022 and the final payment in the year 2025, notwithstanding any inconsistent language on page one of Attachment "B"; and

WHEREAS, the Grantee expects to complete the work described in Attachment "B" by December 21, 2020.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is hereby agreed by the Sponsor and Grantee as follows:

1. Paragraph 1 of the Grant Contract is hereby amended by replacing Paragraph 1 of the Grant Contract with the following language:

1. **Purpose:** The purpose of this Grant Contract is to provide funding for the Grantee's project, as described in Attachments "A" and "B" attached hereto and incorporated herein by this reference.

2. Paragraph 2 of the Grant Contract is hereby amended by replacing Paragraph 2 of the Grant Contract with the following language:

2. **Scope of Services:** The Grantee agrees to complete the project and perform the duties described in Attachments "A" and "B".

3. The Grant Contract is hereby amended by attaching Attachment "B" to this Grant Contract Addendum to the Grant Contract as Attachment "B" to the Grant Contract.

4. Paragraph 4 of the Grant Contract is hereby amended by replacing Paragraph 4 of the Grant Contract with the following language:

4. **Grant:** In order to assist the Grantee in financing the cost of the project described in Paragraph 1 above, the Sponsor shall make a Grant from the County Visitors Improvement Fund in the amount of \$2,700,000.00.

5. Paragraph 5 of the Grant Contract is hereby amended by replacing Paragraph 5 of the Grant Contract with the following language:

5. **Term:** The term of this Grant Contract shall be from January 1, 2018, through December 31, 2025, and the Grantee's project shall be broken down into three (3) phases:

Phase 1 (2018): Completion of all parking by December 31, 2018;

Phase 2 (2019): Completion of giraffe exhibit and new entry way by December 31, 2019; and

Phase 3 (2020): Completion of entire project by December 31, 2020.

The Sponsor may extend the term of the Grant upon good cause shown by the Grantee. Any extension of the Grant term must be in writing and signed by both parties. Any Grant amount that remains unencumbered by the end of the Grant term, or any reasonable extension thereof, shall be retained by Sponsor and placed in the Lancaster County Visitors Improvement Fund.

6. Paragraph 7 of the Grant Contract is hereby amended by replacing Paragraph 7 of the Grant Contract with the following language:

7. **Payment of Grant:** Notwithstanding any inconsistent language on page one of Attachment "B", the Grant shall be paid as follows:

- a. In calendar year 2018, upon completion of Phase 1, one payment shall be made in the amount of \$300,000.00.
- b. In calendar year 2019, upon completion of Phase 2, one payment shall be made in the amount of \$300,000.00.
- c. No payment shall be made in calendar year 2020.
- d. No payment shall be made in calendar year 2021.
- e. In calendar year 2022, one payment shall be made in the amount of \$525,000.00.
- f. In calendar year 2023, one payment shall be made in the amount of \$525,000.00.
- g. In calendar year 2024, one payment shall be made in the amount of \$525,000.00.
- h. In calendar year 2025, one payment shall be made in the amount of \$525,000.00.

Payments shall become due and payable only after the submission of an invoice to the Sponsor by the Grantee and receipt of the invoice by Sponsor. Upon completion of a project phase, Grantee shall submit a claim or claims to the Sponsor and (a) a detailed listing of all expenditures and a professional external audit of Grantee that covers the period of the expenditures; or (b) a detailed listing of all expenditures and copies of all receipts, cancelled checks, contracts and/or other documents that substantiate those expenditures. Payment of each claim will only be made upon completion of the project phase and only after Grantee assures the

Sponsor in writing that the Grantee's project phase has been completed in accordance with the Grant Contract and completed in a timely manner. Payment shall be made by Sponsor to Grantee no later than 30 days after Sponsor's receipt of the materials required by this Paragraph.

PROVIDED: The Grantee understands and agrees that the Lancaster County Visitors Improvement Fund (Improvement Fund) is the sole source of funding for the Grantee's project. Funding for the Grantee's project will not be provided from the Lancaster County General Fund, or from any other Lancaster County Fund. If for any reason the amount of proceeds in the Improvement Fund shall be insufficient to meet all obligations of the Improvement Fund, then the Sponsor, in its sole discretion, will determine how much can be paid to the Grantee based on the amount of the funds available, until sufficient funds in the Improvement Fund become available to pay the obligation to the Grantee in full.

5. All other terms and conditions of the Grant Contract which are not inconsistent with the language of this Grant Contract Addendum shall remain in full force and effect.

EXECUTED by Grantee this _____ day of _____, 2019.

LINCOLN CHILDREN'S ZOO, A Nonprofit Corporation, Grantee

By:  _____

Title: Pres. + CEO


Witness

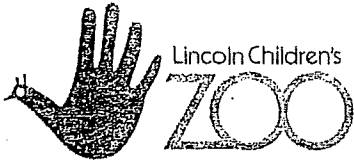
EXECUTED by Sponsor this _____ day of _____, 2019.

APPROVED AS TO FORM THIS
____ day of _____, 2019.

LANCASTER COUNTY, NEBRASKA
A Political Subdivision, Sponsor

By: _____
for Patrick Condon
Lancaster County Attorney

By: _____
Roma Amundson, Chair
Lancaster County Board of
Commissioners



1222 South 27 Street
Lincoln, NE 68502
P: 402.475.6741 • F: 402.475.6742
LincolnZoo.org

ATTACHMENT B

Dear Visitor Promotions Committee,

First and foremost, thank you ever so much for your previous investments in the Lincoln Children's Zoo with grant funding from the Visitor's Improvement Fund. Your generous support has stimulated other giving to greatly move the Lincoln Children's Zoo forward and making significant capital improvements. As a matter of fact, for every \$1 from the VIF the Zoo has raised \$9, a considerable return on your leadership support. The VPC has always been a great partner to the Lincoln Children's Zoo and we want to continue that partnership.

The Lincoln Children's Zoo has initiated Phase 2 to our Love Your Zoo Campaign thanks to the unrepresented financial support from our community. Hence, the Zoo's request to the VPC for a \$600,000 grant for Phase 2 of our campaign. This is a new project from the original request and funding in the summer of 2016. At that time the VPC approved a grant of \$2,100,000 to be paid over 7 years with an annual payment of \$300,000 beginning with the first payment in 2017. To date the Lincoln Children's Zoo has received 2 payments totaling \$600,000.

The Zoo is more than willing to assist the VIF by delaying the fiscal year 2019-2020 payment.

If the Zoo delays our payment for fiscal year 2019-20, and if the VPC would grant our new request of \$600,000 for Phase 2, the Zoo would graciously request VIF investments as follows:

Fiscal 2020-2021 - \$525,000

Fiscal 2021-2022 - \$525,000

Fiscal 2022 - 2023 - \$525,000

Fiscal 2023-2024 - \$525,000.

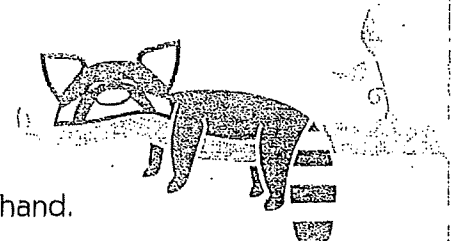
This payment schedule would fulfill the VPC current VIF grant balance of \$1,500,000 plus the second request of \$600,000.

This solution would assist the VPC with short-term cash flow needs and benefit the Zoo for the completion of this series of expansion projects. Additionally, it would not tie down the Zoo or the VPC for an inordinate amount of time.

Thank you ever so much for considering the request of the Lincoln Children's Zoo.

Sincerely,

John Chapo
President & CEO
Lincoln Children's Zoo



Learn firsthand.

Lancaster County Visitors Improvement Fund Grant Guidelines
(Effective June 13, 2017)

1. Any visitor attraction in Lancaster County, owned by the public or non-profit organization, whose primary purpose is to operate a visitor attraction, is eligible for fund allocation. **Funding for new or existing event related operational costs and expenses are not eligible for grant funding.**
 - a. For minor grant applications under \$10,000 annually, only one request per facility, per year.
 - b. For major grant applications that exceed \$10,000 annually and that are part of a multi-year contract, further requests for the same project or facility may be submitted after the multi-year payout has been complete.

2. **Major grants that exceed \$10,000 and may include new construction and improvement of an existing attraction, will need initial review* by the Lancaster County Board of Commissioners. Applicants must also fill out the attached Lancaster County Visitor Improvement Fund Grant Request.**

Please contact: Kerry Eagan, Keagan@lancaster.ne.gov, (402) 441-7447

*Initial review by the County Board will include a referral to the Visitors Promotion Committee for a recommendation after the VPC reviews applicants presentation and completed grant request. This recommendation will then be presented back to the County Board for final approval.

3. All grant applications are reviewed for the economic impact the fund allocation will have on Lincoln and Lancaster County lodging tax collections. Grant applicants must assume the responsibility for providing inclusive and comprehensive information in this application so that the review committee has all pertinent and relevant details in order to arrive at a decision.
4. Allocation of *Visitor Improvement Fund* money will be prioritized as follows:
 - a. Expanding and improving any existing visitor attraction or construction of a new attraction.
 - b. Planning or developing such expansion improvements, exhibits or additions.
 - c. Acquiring or expanding exhibits for existing visitor attractions.
 - d. Promotion and advertising costs associated with such exhibits, provided the Visitors Promotion Committee has determined that the visitor attractions in Lancaster County are adequate and do not require improvement.
5. Grant funds may not be used for the following:
 - a. general operating expenses
 - b. additional or current personnel salaries
 - c. supplies and equipment
 - d. items not included in the approved grant application.
 - e. event related operational costs and expenses
 - f. general maintenance or replacement of an existing structural component of an existing facility.
 - Per the IRS, a structural component is defined as: the term "structural components" includes "such parts of a building as walls, partitions, floors, and ceilings, as well as any permanent coverings therefor such as paneling or tiling; windows and doors; all components (whether in, on, or adjacent to the building) of a central air conditioning or heating system, including motors, compressors, pipes and ducts; plumbing and plumbing fixtures, such as sinks and bathtubs; electric wiring and lighting fixtures; chimneys; stairs, escalators, and elevators, including all components thereof; sprinkler systems; fire escapes; and other components relating to the operation or maintenance of a building.

6. Fund applicants must complete the enclosed *Visitor Improvement Fund* application outlining use and benefits of requested funds. Failure to complete the entire application may result in the rejection of your fund request.
7. Grant funds may also not be used in any manner that would violate the Nebraska Development Act, Neb. Rev. Stat. §81-3117, et seq. (as amended from time to time). All grants are discretionary, based upon available fund balance, other anticipated uses, and anticipated effectiveness of proposed use.
8. Funding requests must be accurately submitted in the appropriate funding categories as defined in the grant application. Requests which do not conform to the proper funding categories may result in the rejection of your fund request.

9. Grant program schedule

Minor Grant Review (\$10,000 or less): **May** (April 30th due) **November** (October 31st due)

Major Grant Review (\$10,000 or more): **February** (January 31st due) **August** (July 31st due)

Grants are due to the Lincoln Convention and Visitors Bureau and will be presented to the VPC at its quarterly meeting in the months in BOLD as indicated above. A recommendation for acceptance or denial will then be passed on to the Lancaster County Board of Commissioners.

Applicants will have a chance to present to the Visitors Promotion Committee, as well as the Lancaster County Board of Commissioners.

10. Minor and Major grant awards will each be made twice yearly unless determined otherwise by the Visitors Promotion Committee and/or the Lancaster County Board of Commissioners.
11. Approved applicants will be notified by the Lancaster County Board of Commissioners and applicants will be required to enter into a grant contract with Lancaster County in order to receive funding.
12. **All applicants are required to submit preliminary facility and project budgets with this application. Please see that the following support paperwork accompanies your application. Incomplete applications will not be reviewed by the Visitors Promotion Committee.**
 - a. Completed application with project description & budget
 - b. Operating budget
 - c. Marketing budget
 - d. Contractors bid(s)
 - e. Support letters and or entity board approval
 - f. Proof of 501 (c) 3 or 6 status
 - g. Any contributions budgeted or raised for the project

13. ***Visitor Improvement Funds* will be paid to you only upon completion of your project, unless otherwise agreed to in the grant contract with Lancaster County.** To request the reimbursement award fund, your organization must either supply a detailed listing of all expenditures and a professional external audit of your organization that covers the period of those expenditures or your organization must supply a detailed listing of those expenditures and copies of all receipts, cancelled checks, contracts and/or other documents that substantiate those expenditures. Current payment of funds will not take place until this audit is supplied.

14. At the conclusion of approved projects, support given through the grant must be acknowledged through appropriate use of a plaque, sign or appropriate visual notification will be placed on websites, materials or within the facility at the cost of the grantee. Lancaster County will furnish the appropriate specifications for acknowledgement.

15. Larger grant awards of more than \$10,000 may require updates at the request of the VPC and County Board. These updates will be regarding new construction or renovations that happen over an extended period of time.

LANCASTER COUNTY VISITORS IMPROVEMENT FUND
GRANT REQUEST

Name of Organization Lincoln Children's Zoo

Contact Person John Chapo, President and CEO

Address/City/State/Zip 1222 N. 27th St. Lincoln, NE 68502

Telephone 402-475-6741 ext. 125 Fax 402-475-6742 Email jchapo@lincolnzoo.org

Organization Status: Non-Profit Association Civic Group Other
(If other, please attach explanation)

Applicant Government/organization Federal ID number 47-0482255

If tax exempt organization, designate IRS classification: 501(c)3 501(c)6

Provide a detailed description of your exhibit/attraction:

Opened in 1965, Lincoln Children's Zoo has given more than 8 million visitors an opportunity to engage in firsthand interactions with living things. According to the most recent Nebraska Tourism Commission data, Lincoln Children's Zoo is Nebraska's third most visited arts and cultural attraction, and the top visited in the city of Lincoln. With a conservative projection of 250,000 guests for 2019, Lincoln Children's Zoo attendance exceeds that of Lauritzen Gardens, The Joslyn Art Institute, Durham Museum, and the Air and Space Museum.

Lincoln Children's Zoo is home to more than 110 animal species, including endangered species like Sumatran tigers, giraffes, Spider monkeys, red pandas, snow leopards, and Humboldt penguins. A visit to the Zoo is different than the typical zoo experience, its park-like setting, numerous play areas and habitats give children the opportunity to be up close with animals. Where else can someone have a 14-inch giraffe tongue reach out and take lettuce from their hands or climb 20 feet up and be nose-to-nose with long armed and curious spider monkeys.

Lincoln Children's Zoo funds annual operations through earned revenue and philanthropic support; it does not receive tax dollars for operating expenses. According to data from the Association of Zoos and Aquariums, the Zoo is one of the top 20 fastest-growing zoos in the nation in attendance among zoos with annual attendance of 150,000 or more. When the new data comes out in early 2020, the Lincoln Children's Zoo anticipates being in the top 10 fastest growing Zoos in the country.

Number of attendees estimated: Out of town est 2019 76,850 Local 188,150

Check all that apply:

- Expanding and improving any existing visitor attraction.
- Planning or developing such expansion improvements, exhibits or additions.
- Acquiring or expanding exhibits for existing visitor attractions.
- Promotion and advertising costs associated with such exhibits.
- New Construction

Please describe project as indicated above.

Phase 2 of the Lincoln Children's Zoo Love Your Zoo campaign includes new and never before seen animals in Lincoln and exceptional experiences. Imagine climbing 24 feet up inside the "belly" of a big blue elephant and being taller than a giraffe peeking in on you. Be prepared to slide down the elephant's trunk, which is a giant spiral slide imported from Europe. And hurry

over and watch the world's fastest land animal run as a Cheetah zooms by at 70 MPH. The phase 2 expansion for the Lincoln Children's Zoo includes exceptional new facilities:

1. Cheetah Chase
2. Cheetah habitat
3. Giant anteater habitat
4. Children's active outdoor playground
5. Zoo Café
6. Event green with stage

All of these experiences will greatly enhance the Zoo as a year-round attraction, expanding on the past as only a warm weather destination. Additionally, with these expanded facilities, new events and programs such as ZooLights powered by LES greatly increases the Zoo as a regional destination for visitors.

Project Start Date February 2019 Completion Date May 2020

Is this project part of a larger renovation project? Yes

If yes, please describe the entire project:

In 2012 Lincoln Children's Zoo began the lengthy and detailed process of determining the extent of a possible capital campaign. After study, analysis and community engagement the Zoo Board of Directors elected to conduct an \$18MM capital campaign. Upon the architectural and construction analysis, several items were scaled back to fit into the approved budget. With the campaign well underway, it was obvious that the goal would be exceeded. Further analysis and discussion lead the Zoo Board of Directors to return originally planned items to the budget and Phase 2 of the Love Your Zoo Capital Campaign was launched. This request is for Phase 2 of the Capital Campaign. The overall project will double the size of the Zoo.

As it pertains to the grant related project, provide breakdowns of radio and television advertising, showing individual costs, call letters and cities of origin. Also give breakdowns of magazine advertising by individual publications and costs. Similarly, separate the costs for brochures, travel shows by location, billboard advertising, etc. Include target market demographics

Do you anticipate submitting future applications for projects relating to this project? No

Total projected budget (attach detailed budget)

Total Revenue \$5.8MM for Continuation Phase (\$24.2MM total project)

Total Expense \$5.8MM for Continuation Phase (\$24.2MM total project)

Expenses	
\$ 3,600,000	Construction
\$ 839,300	Soft Costs
\$ 161,000	FF and E
\$ 775,000	Exhibits
\$ 450,000	Train
\$ 5,825,300	Total

How will your project impact new visitor recruitment and lodging tax revenues?

Lincoln Children's Zoo experienced a 44% growth rated the 5 years leading to the Zoo's 2019 ribbon cutting on phase one of the new exhibits. Upon that May 10, 2019 ribbon cutting, to date we are 58%

ahead of 2018 attendance. With ZooLights powered by LES and the anticipated ribbon cutting for phase two in May of 2020, Zoo attendance is expected to grow even further. All of these increased numbers are caused not only by local guests but also substantially by out of town and out of state guests as well.

Estimated annual visitors: Local 188,150 Outside of Lincoln 76,850 est 2019

Estimated Annual economic impact of your facility and/or project based on lodging tax use
(Use multipliers listed below)

It is difficult to accurately quantify exactly how many room nights are a result of the Lincoln Children's Zoo visitors. We do know the following:

- *Between July 2016 and July 2019 – 167,000 zoo visitors came from outside of Lancaster County
- *31.5% of Google searches have originated from outside of Lincoln
- *53% of the traffic on our website comes from outside of Lincoln
- *23% of Google traffic came from outside of the state
- *In the last two years, Lincoln Children's Zoo attracted \$50,000,000+ of new spending to Lancaster County
- *Nebraska Passport participants have come from all corners of the state
- *While the Zoo is not usually the sole destination for travelers, our Guest Services Staff frequently direct out of town visitors to local hotels and motels as travelers want to spend more time in Lincoln enjoying attractions, shopping and dining
- *Per the CVB, the recently announced ZooLights Powered by LES has already convinced tour buses to make Lincoln a destination for the holiday season

Is this based on annual use of the facility or for a specific event/exhibition? _____

of hotel overnights utilized _____ x _____ (* Multiplier – see below *)

- * National/Regional event Multiplier - \$375 per night
- * State event - \$350 per night
- * Local event (no overnight stays expected) - \$245 per night

TOTAL ECONOMIC IMPACT BASED ON FORMULA _____

Is this grant request in addition to other project related grant requests?

Yes

If yes, then list other grant requests This is Phase 2 of the Love Your Zoo Expansion. But, these are all new projects not previously included in funding requests submitted to the Visitors Improvement Fund.

Grant amount requested from Visitors Promotion Committee

\$600,000

Signature of Applicant _____ 

Date 7/30/2019

Return your completed Application to:

Lincoln Convention and Visitors Bureau
Attn: Jeff Maul, Executive Director

1128 Lincoln Mall, Suite 100
Lincoln, NE 68508

For more information:
(402) 434-5343
jmaul@lincoln.org

Internal Revenue Service**Date:** January 12, 2007**LINCOLN CHILDRENS ZOO
1222 S 27TH ST
LINCOLN NE 68502-1832 221****Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201****Person to Contact:
Ms. Julius 3108345
Customer Service Representative
Toll Free Telephone Number:
877-829-5500
Federal Identification Number:
47-0482255****Dear Sir or Madam:**

This is in response to your request of January 12, 2007, regarding the amendment to your organization's Articles of Incorporation file with your state. We have updated our records to reflect the name change as indicated above.

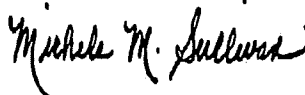
In January 1994 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations 1

Lincoln Children's Zoo
Profit & Loss Budget Overview
January through December 2018

	Projected 2019 Budget	
	Jan - Dec	
Ordinary Income/Expense		
Income		
40000 - MEMBERSHIP DUES	925,000.00	
40100 - Admission Fees	918,000.00	
40200 - Gift Shop Sales	319,700.00	
40300 - Cafe	402,600.00	
40400 - Rides	431,400.00	
40450 - Giraffe Feed	110,000.00	
40500 - Education	523,200.00	
40600 - Rentals	75,000.00	
40700 - Events/	326,000.00	
41000 - Development	540,000.00	
41800 - Conservation and Research	-	
42000 - Other Operating Revenue	15,000.00	
Total Income	4,585,900.00	
Gross Profit	4,585,900.00	
Expense		
60000 - Employee Wages & Benefits	2,571,700.00	
61100 - Cafe/	176,300.00	
61200 - Gift Shop/	162,700.00	
61300 - Guest Relations	29,000.00	
61400 - Ponies	20,900.00	
61500 - Communications Department	198,100.00	
61600 - Animal	122,100.00	
61700 - Education/	153,700.00	
61800 - Rental Expenses	6,000.00	
62000 - Administrative Expenses	352,700.00	
63000 - Facilities Operation	304,100.00	
64000 - Horticulture	35,400.00	
65000 - Development Department	96,600.00	
67000 - Conservation	89,600.00	
Total Expense	4,318,900.00	
Net Ordinary Income	267,000.00	
Net Income	267,000.00	
Other Expenses		
78500 - Depreciation	432,400.00	
Total Net Operating Profit	-165,400.00	