



BUSINESS PLAN
2011 through 2015



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EXECUTIVE SUMMARY

The Pikes Peak Children's Museum ("PPCM") is a **to-be-built, stand-alone, hands-on experiential facility to be located in downtown Colorado Springs by December 31, 2015**. PPCM will focus exhibits and programming on **children ages birth through ten years**. The research and concept development behind PPCM has been ongoing and extensive since early 2005 when PPCM was founded as a 501(c)(3) non-profit organization.

MISSION STATEMENT: To develop and operate an innovative children's museum to serve the Pikes Peak region.

VISION: A dynamic place for discovery and imagination, sparking a passion for life-long learning.

The **rich history and unique character of our region** will define the thematic concept of PPCM which will be a distinctive building of **40,000 square feet** or more, with at least 25,000 square feet of exhibit space to accommodate at least **250,000 visitors per year**.

PPCM will be a new "**Crown Jewel**" for the community to partake in and of which to be proud, and a major addition to **help revitalize and sustain the local economy**, and a **new tourism destination**. PPCM will "**cross-pollinate**" with existing community jewels such as the **Pikes Peak Library District, Pioneers Museum and Junior League**.

PPCM will help the Pikes Peak area **retain its young, talented work force** and be an **asset for the retirees** in the area as well, as Children's Museums have proved to be a draw for this demographic.

Based on the **Site Analysis** in the 2008 Feasibility Study, as well as on-going research PPCM leadership believes the **ideal location** would be in **Downtown Colorado Springs**, preferably easily visible and accessible from I-25, and immediately adjacent to **America the Beautiful Park**.

Exhibits comprise the main component of any children's museum. Our experiences will be specifically developed for the **whole-child** to foster excitement for **math, science, the arts and literacy**.

PPCM leaders are currently targeting a **development cost of \$20 million**, with an average **cost per square foot of \$500**. If the targeted building size of 40,000 square feet, with **25,000 square feet of exhibit space** is realized, accommodating at least **100,000 visitors annually**, PPCM currently anticipates **Annual Operating Expenses of about \$2.5 million** (or approximately \$25/visitor). The **average Admission Price** of paying visitors is currently targeted at **\$8/person**.

A **Fundraising Feasibility Study** will be commissioned in early 2012. The product of this study will be a **Three-Year Plan** for raising the estimated \$20 million required to fund the development of PPCM with a **planned opening date of December 31, 2015**.

INTRODUCTION

The Pikes Peak Children's Museum ("PPCM") is a to-be-built, stand-alone, hands-on experiential facility to be located in downtown Colorado Springs by December 31, 2015. PPCM will focus exhibits and programming on children ages birth through ten years.

The research and concept development behind PPCM has been ongoing and extensive since early 2005 when PPCM was founded as a 501(c)(3) non-profit organization. Research behind the development of this Business Plan has included:

- Over 700 constituent surveys
- Six (6) Focus Groups
- Nine (9) Community Forums
- Third-party Market Analysis
- Community-wide Seed Money participation
- A comprehensive Feasibility Study completed by an independent consultant
- Strategic and Organizational Development
- Operating Budget Development
- Founding Board of Directors development
- Operation as a "Museum Without Walls"
- Numerous collaborative partnerships with integral community organizations and leaders

MISSION STATEMENT: To develop and operate an innovative children's museum to serve the Pikes Peak region.

VISION: A dynamic place for discovery and imagination, sparking a passion for life-long learning.

The express **objectives** of PPCM are to provide:

- A dynamic hands-on, engaging and fun educational experience focused on the age group 0-10.
- A place for this demographic to encounter boundless opportunities for discovery and imagination, sparking a passion for life-long learning.
- A compelling environment to nurture wonder and creativity, encouraging children's innate desire to explore the world around them.
- An indispensable resource for children, families, the community at large and elementary-level educators as a mutually beneficial connecting point.

CHILDREN'S MUSEUMS

Children's Museums ("CM's") have evolved over the last three decades. They have become a well-known "product" to consumers, are one of the fastest growing cultural institutions in the U.S., and contribute significantly to local economies.

TO-BE BUILT PPCM FACILITY

The **rich history and unique character of our region** will define the thematic concept of PPCM as a whole. Further, PPCM will be:

- A distinctive building of **40,000 square feet** or more, with at least 25,000 square feet of exhibit space to accommodate at least **250,000 visitors per year**, 50% to 60% of whom will be children under the age of 10.
- Welcoming, inclusive and made **accessible to all children and caregivers regardless of finances, transportation, physical or other special needs or limitations**. It is anticipated at least 10% to 25% of total admissions will be free admissions, based on income level. To ensure the entire community is given access, PPCM is also committed to locating well within easy reach of public transportation.

PPCM Value to Children

- An enriching kinesthetic component that significantly supplements the auditory and visual learning that takes place in the school environment.
- One multi-faceted location where children can question and investigate many different disciplines on their own at once: science, art, math, music, history, literacy, technology, the outdoors, and natural resources.
- A space providing the freedom to “intellectually misbehave.”
- While they think they’re just having fun, children are actually learning many important life-long skills and concepts.
- Our museum will be intentional about fostering multi-generational interaction by specifically grandparents for both attendance and membership, and by involving numerous seasoned volunteers from the community to serve as docents, demonstrators and hosts.
- A large gap is filled as a children’s museum is able to better serve a much underserved demographic in our community, children under the age of 10.
- A place where children gain confidence without pressure to perform, helping them learn to trust their instincts, and that there may not always be just one “right way.”
- While all children are different, they all go through childhood. As the conservators of our community, and to pass good stewardship on from one generation to the next, we owe it to the children of our community to contribute as much as we are able to help make their childhoods rich, positive and inspiring.

PPCM Value to Parents

- An affordable, accessible and irreplaceable resource to aid in the development, education and nurturing of their children’s education and intellectual stimulation.
- A “safe haven” for parents to let their children explore, play, and get lost in imagination and wonder.
- A place where parents can be equally engaged and entertained, as opposed to sitting on the sidelines at a mall or fast food play area with nothing to do.

PPCM Value to Community

- A new “Crown Jewel” for the community to partake in and of which to be proud.
- A major addition to help revitalize and sustain the local economy.
- A new tourism draw, adding to the attractions that already draw upwards of 6 million visitors per year.
- Increased tourism visitation and revenue generation to benefit the community coffers.
- A new draw for retirees with young grandchildren.
- Commitment to a “Green Building,” both reducing long-term costs and environmental impact.
- In developing Programming, we will work together with all the local School Districts to help supplement their educational goals and objectives.
- Reaching out to the underserved in our community, advocating for improved and increased programming to meet educational needs.
- “Research proves a link between high quality early care and education and achieving social and economic goals – increased productivity, a competitive workforce, better health, and reduced crime and poverty...” ~*Diane Price, President & CEO - Early Connections Learning Centers*
- For military families, Children’s Museums can be places to interact and engage very quickly with the local community.
- Creation of 60 or more new jobs directly, and even more new jobs indirectly as other redevelopment is triggered by the newly built PPCM.
- In recent years Colorado Springs has been challenged to attract and retain a young adult demographic (25-44 age group). PPCM would be a significant asset for luring and retaining younger workers who have, or will soon have, young families.
- Tiny seeds of entrepreneurship often get planted at very young ages. PPCM can nurture entrepreneurialism even at ages as young as 2 to 10. Exhibits that encourage investigation and exploration of businesses (like a hotel and/or restaurant) can spark a budding entrepreneur. PPCM can host city-wide events like “Lemonade Day” which is coordinated by a national non-profit organization specifically focused on teaching young children, at a level they can comprehend, how to plan, build, own and operate a profitable Lemonade Stand.
- The more we pour into our youth, the more likely they are to pour back into our community later on.

PPCM Value to Donor

- Enables achievement of personal or organizational goals for philanthropic participation within the community.
- Uncovers ripe opportunities to better serve the underserved in our area.
- Provides a chance to benefit not only this generation, but many generations to come.
- It’s just plain rewarding and fun to be a part of something as big as this and forever be remembered in its historical legacy.

MARKET ANALYSIS SUMMARY

CHILDREN'S MUSEUMS

In 1975 there were approximately 38 children's museums in the United States. Today there are more than 340 around the world ranging in size from 3,000 square feet to 400,000 square feet. **Colorado Springs is one of 8 of the top 50 cities** in the United States **that does not have a Children's Museum**. An area the size of the Pikes Peak region, with over 700,000 residents in El Paso County alone, with consistent residential and tourism growth and stability over the prior two decades, combined with the economic dynamics of the area, makes Colorado Springs a prime candidate for a children's museum.

Additional data from the Association of Children's Museums bolsters the case for the overall strength of children's museums across the country, and the likely success of a newly built PPCM:

- According to 2007 data, more than 30 million children and families visited children's museums annually.
- Children's Museums generate more than \$450 million annually in total economic activity.
- Sixty-two Association of Children's Museum members are currently undergoing a capital campaign in order to build a new facility or expand an existing facility.

COMPETITION

No other facility specifically serving the experiential educational needs of families with children ages 0 to 10 is currently planned for the city of Colorado Springs or the surrounding areas all the way up to Denver, down to Pueblo, or over to Woodland Park.

- The specific and underserved niche PPCM is targeted upon minimizes any significant impact from existing competitive forces in the market.
- Free play areas at malls and fast food restaurants in addition to outdoor parks and trails are our primary competition. Given the speed with which our demographic grows weary of malls and fast food, we are not overly concerned with this aspect of competition. Outdoor spaces are competitive only when weather is not extremely hot, cold or wet. Provided PPCM has outdoor play space, this should eliminate any great competition from free outdoor activities.
- Existing museums or facilities like the Fine Arts Center/Bemis Art School and the Pioneers Museum are not primarily concerned with or focused on the same demographic as PPCM. Neither are proposed entities like the Colorado Springs Science Center Project aimed at serving our market. In fact, we see these organizations as prime candidates for collaboration with us, and we look forward to partnering with these groups.
- While the Cheyenne Mountain Zoo is competitive for some of the same market, we view CMZ as a tremendous community asset, enthusiastically support their mission and success, and hope to collaborate with them to benefit both organizations.
- Likewise we look to collaborate with potentially competitive entities a little further from our immediate market, such as the Dinosaur Resource Center.
- We do not consider for-profit businesses like Mr. Biggs and It's competition for PPCM. These concerns are not focused on experiential learning, but rather on escapist-type fun, and are far more expensive on a per-visit basis than PPCM will ever be. We believe families will consider these businesses and the PPCM as animals of completely different genus, appropriate for entirely different kinds of outings.

PIKES PEAK AREA DEMOGRAPHICS

Our area is very well educated and exceeds the national average for residents who have attained higher education. Our residents have consistently demonstrated that education is very important to them.

The 2000 Census indicated that about 15% of the Colorado Springs population is under the age of 10, and the trend seems to hold steady through 2011. This is a significant portion of our population, and yet it remains consistently underserved according to our on-going market research.

This area is home to many young retirees, and continues to draw more, many of whom are grandparents. Grandparents have proved to be an important and significant market for many children's museums, and we anticipate the same will be true for PPCM.

One challenge currently facing the Pikes Peak area is retaining its young, talented work force, professionals between the ages of 25 to 44. We believe having community assets valuable to this demographic, such as a children's museum geared to young families, will help the area retain its valuable youth.

TOURISM

On average, more than six million people* visit the Pikes Peak area every year. Tourism is the third largest industry in Colorado Springs, employing 16,000 people and contributing over \$1 billion to the local economy.

This level of tourism bodes well for sustaining PPCM which will be designed uniquely for our region. Visitors to the area can bring young children to see a children's museum they can't see anywhere else in the country, and learn, from a new vantage point, about many of the fascinating aspects of our history and current community.

*(*Source: ColoradoSpringsChamber.org)*

COLLABORATIVE PARTNERSHIPS

PPCM leadership is committed to ensuring the to-be-built Pikes Peak Children's Museum will become an **indispensable and invaluable community resource** for the stated demographic in the Pikes Peak area and provide resources that either do not currently exist or expand upon what currently exists but to a limited extent.

PPCM will be a **major draw for visitors** to the region and **spur significant economic development** from both visitors and residents. PPCM looks forward to finding ways to assist the Convention and Visitors Bureau/Experience Colorado Springs in collaborating to bring even more visitors to the area annually.

PPCM was recently selected by the **Colorado Springs' Junior League ("JL")** for its "**Signature Project**," and beginning in 2012 will become the League's main project for the next few years until the museum doors open. The JL will bring the energetic manpower of a youthful generation who are influencers at the core of the very demographic to which a Children's Museum is primarily targeted. These accomplished ladies bring to the project a wide range of experience and skills to help bring the project to fruition. The current membership and ongoing sustainers have deep roots and reach into the broader community, enabling PPCM to tap into a broad base for support. The involvement of the JL with the PPCM leadership will infuse crucial enthusiasm and excitement among the community.

As stated earlier in the Competition section, PPCM will continue to leverage and maximize existing community resources by working to **partner and "cross-pollinate" with existing community jewels** such as the Pioneers Museum, Cheyenne Mountain Zoo, Imagination Celebration, and all others willing to work with us to create unique experiences for our demographic. We are currently approaching organizations such as the USOC and The Broadmoor to explore what we think are exciting and creative possibilities, heretofore untapped and never-before-experienced in our area or by our demographic. We see many possibilities in the community for **mutually beneficial collaboration** including: FAC/Bemis School of Art; Bear Creak and Fountain Creek Nature Centers; Colorado Springs Philharmonic; Community Partnership for Child Development; Depot Arts District; Dinosaur Resource Center; Millibo Art Theater; Space Foundation; and, YMCA, just to name a handful.

PPCM has recently secured a **Letter of Intent** from the **Pikes Peak Library District to co-locate a new downtown Children's Library** along with the to-be-built PPCM. More information about this partnership can be found later in this document, under "Location."

PPCM leadership will undertake **collaborative endeavors with other child-centered organizations in the region** such as school districts and early learning centers, and be **responsive to educators' needs**, while combining and enhancing overall efforts to the benefit of the community at large. By doing so, PPCM will tap into **expertise in child development** and help provide access to the same for parents and caregivers.

In short, our ultimate goal is to work alongside our amazing community to **improve the quality of life** for families and young people in our region.

LOCATION

Based on the **Site Analysis** in the 2008 Feasibility Study, as well as on-going research within the community since then, PPCM leadership believes the **ideal location** would be in **Downtown Colorado Springs**, preferably easily visible from I-25, and immediately adjacent to **America the Beautiful Park**. The primary benefits of being located here are:

- Studies show that children's museums thrive sooner and more consistently when located near dynamic outdoor green and play spaces. **America the Beautiful Park** as it currently stands serves perfectly the needs of our children's museum, with the added benefit of being already built. As such, PPCM would not be burdened with having to raise the additional funding needed to build new green or play spaces.
- The City of Colorado Springs has already invested upwards of \$11 million to add this amenity to downtown, but it is currently under-utilized. PPCM can instantly add value and vitality to this resource, making the City's investment even more valuable and treasured.
- By being across from America the Beautiful Park and Playground, PPCM will aid in attracting more people to events downtown, making better use of significant investment by the city.

In addition, **Downtown Colorado Springs** specifically offers the following benefits for PPCM:

- It is within 20 minutes easy driving distance from our primary markets.
- It offers ease of ingress and egress from I-25.
- Visibility from I-25.
- Not as subject to East/West mobility issues as other parts of town.
- Proximity to other family-oriented destinations such as Julie Penrose Fountain, Uncle Wilbur, highest concentration of other arts and cultural institutions.
- Broadest base of support and potential funding for PPCM.
- Better collaboration opportunities with other child-centered organizations.

Further, PPCM leaders are convinced **Downtown Colorado Springs equally will derive the most benefit** as a location if the children's museum is located there. The most salient of the benefits to downtown are:

- Thirty-five percent of children's museums in the U.S. are **flagships in downtown revitalization** projects. Taking a cue from the demonstrated success of other cities, PPCM aims to become a new "Crown Jewel" in the Downtown Colorado Springs landscape. With all of our research and homework behind us, PPCM is ready to start raising money and get underway with building plans. If Downtown Colorado Springs can contribute an appropriately-suited site for PPCM, we believe a much-needed anchor will be secured for Downtown, immediately triggering a domino effect for other urban renewal efforts in the area.

- Securely anchoring Downtown as a **welcoming place for families**, PPCM can advocate for the area and entice development merely by its existence. PPCM will contribute to the fabric of downtown and add significantly to the rich menu of signature events to **engage families year round**.
- PPCM has secured a **Memorandum of Understanding (“MOU”)** from the **Pikes Peak Library District (“PPLD”)**, formalizing their intent to add a new, roughly 15,000 square foot **stand-alone Children’s Library** which will co-locate with PPCM *if* PPCM is located downtown. A new Children’s Library would be a tremendous asset for downtown Colorado Springs, which can only benefit from helping to make this intent by the PPLD a reality by helping PPCM come to fruition downtown.
- Acting as a “good neighbor,” PPCM looks forward to working in concert with the **City of Colorado Springs, City Hall, the Downtown Partnership, the Urban Renewal Authority, Downtown Development Authority**, and all other community leadership entities to complement and promote efforts that benefit the community and beautify the physical and experiential aesthetic of downtown Colorado Springs, expanding the heart of the Pikes Peak region.
- PPCM can help generate significant revenue for the City by way of paid parking in a multi-use parking garage, should one be built to serve this redevelopment area.
- Currently there are no suitable locations in the area able to host large-scale “blockbuster” traveling children’s exhibits. PPCM will be able to bring these destination exhibits to Colorado Springs working together with other local events, thus generating greater traffic and revenue for all involved.
- PPCM can serve as a venue not only for children during the day, but also adults at night by hosting adult-related events, keeping Downtown Colorado Springs **vibrant and alive** well into the evening hours.
- Given the substantial size of PPCM, it can serve as host, starting point and ending point for a broad spectrum of community-wide events throughout the year, regardless of the season or weather.
- By providing “whole-child” experiences for young people, PPCM can contribute to the raising up of new visionaries, community leaders, engaged citizens, and passionate supporters of our community.

OPERATIONS and SERVICES

Exhibits comprise the main component of any children's museum. Our exhibits will be no exception and will be designed and produced by professional exhibit designers who specialize in the field of children's museums and can capitalize on the latest research in **early childhood learning**. Exhibits will foster a carefree learning environment that is interactive, educational and engaging for all visitors, children and caregivers alike, while focused on educating children from ages birth through ten years. Experiences will be specifically developed for the **whole-child** to foster excitement for **math, science, the arts and literacy**.

Although the Master Plan, which will more clearly define exhibits and their educational principles, is still to be completed, we do know the general direction our exhibits are likely to take. **Interactive exhibits** are likely to involve the following:

- **History of the Railroad in our region** (*possibly partnering with the Pioneers Museum*)
- **Energy – yesterday, today, and tomorrow** (*PPCM is committed to a “Green Building” and utilizing every opportunity to teach visitors about renewable resources, conscientious environmental choices, wind power, solar power, bio-fuels and the like*)
- **Pikes Peak and Garden of the Gods climbing structure(s)**
- **A hotel and restaurant** that children can operate (*possibly with direction from The Broadmoor, The Antlers, Chipotle, and/or other Colorado-based companies*)
- **Amateur Athletic Experiences** (*possibly partnering with the USOC and NGB's based locally*)
- **Pioneer-era Mercantile**
- **S.T.E.M.** (science, technology, engineering, math)
- **Musical Play**
- **Sand and Water Play**
- **Indigenous Wildlife and Ecosystems**
- **Outdoor Play**
- **Medical Device Technology** (*related to sports medicine*)
- **Military Operations**
- **Aerospace/ Defense/Homeland Security**
- **Health and Wellness**
- **International Cultural Exchange with Sister Cities**
- **Information Technology**
- **Infant/Toddler Playspace**

Programming is a substantial portion of resources and revenue in any children's museum, and we expect to gross at least **\$200,000 annually** from a wide array of programming activities. PPCM will base programming on the **needs of the community**, including:

- School and day-care group visitations and special programs
- Day-camp programs
- Workshops for parents
- “Lemonade Day” sponsored community-wide
- Vendor expertise showcases
- Special themed-events like health and well-being, “bubble days,” make-a-special-craft days

We will learn from the successes of programs offered in other children's museums around the country, such as:

- Forty-nine percent (up from 34% in 2004) run **after-school programs**
- Sixty percent (up from 41% in 2004) **develop curriculum materials**
- Seventy percent (up from 47% in 2004) **provide school outreach**

Membership Fees will be a focus of sales even before the PPCM opens its doors. These fees can generate upwards of \$150,000 of annual Earned Income. Annual Memberships will be promoted not only to families with young children, but also to retirees with young grandchildren as there is a very significant demographic of young retirees in the area. The percentage of retirees in the area is a boon for PPCM development as other areas with comparable proportions of retirees show very significant and steady purchase of annual children's museum memberships by retirees, even in economic downturns. Retiree memberships are also desirable as studies done by other museums show they represent the lowest cost per visit of all annual visitors, making those memberships the most profitable of all.

Merchandise (Gift Shop) and Food Service Revenue will be another area of key emphasis as these combined revenue generators can account for another \$250,000 or more annually. We will look to the Master Plan to make recommendations on the appropriate size and layout of the gift shop and dining areas, as well as pricing parameters and the benefits of leasing out these spaces to third-party operators as opposed to internally operating these components of the museum.

Educational Programming will be another major area of operations serving School Districts, preschools and annual visitors alike. As we are not educational experts, we are currently engaging leadership from within our educational community to charge with the task of gathering the best people and practices in this arena. The goal for annual revenue generation in this area will be significant, at upwards of \$200,000.

High quality Children's Museums that are large enough prove to be very popular **Rental Spaces** not just for children's events, but highly desirable for after-hours adult events as well. We expect **Rental Income** to be a significant source of activity and revenue, also generating annual income upwards of \$200,000.

IN THE INTERIM

PPCM is operating as a "Museum Without Walls" ("MWOW") until a physical facility is built and operational at the end of 2015. PPCM brings portable, hands-on exhibits to many events such as:

~"What If Festival" conducted annually in downtown Colorado Springs.

~"Kids in the Kitchen" conducted by the Junior League.

~PPCM signature event "Noon Year's Eve" at noon every New Year's Eve in downtown Colorado Springs.

~Expanding to new community-wide events such as "Lemonade Day."

ANNUAL VISITATION

We researched a number of sources on which to base our estimates of likely annual visitation. These sources included both current and historical visitation figures for the most popular “Pay” and “Free” attractions in the Pikes Peak region, as well as those of comparable Children’s Museums around the U.S.

After studying these figures, trends, and populations, our estimates for PPCM Annual Visitation is as follows:

Total Annual Attendance: 150,000

This is conservatively based on 20% of MSA of 750,000. In 2007 the Cheyenne Mountain Zoo welcomed 468,630 visitors at an average entrance cost of more than \$10; Royal Gorge Bridge & Park saw 308,306 visitors at an average cost of \$21; and the Cog Railway had 250,000 visitors at an average of about \$25. With our goal cost of \$8/person on average, this annual attendance figure for Year One and beyond should be very achievable.

Children under age 12: 75,000 (50% of annual attendance)

Visitation trends for other comparable children’s museums consistently show that 50% to 60% of the total annual visitation is children under age 12, which is relevant for determining annual admission revenue.

Free Admissions: 37,500 (25% of annual attendance)

A recent study of children’s museums across the U.S. shows a wide range of free admissions based on total annual visitation, from 4% to 25%, depending upon the market. Given the economic dynamics of the Pikes Peak region, we are assuming the highest end of the range for our projections, which we believe is prudent at this juncture.

Total Annual Membership: 2,000 (less than 1.5% of annual attendance)

We are being conservative again in our estimate of Annual Memberships, basing it on the lower average for comparable children’s museums.

School Group Visitors: 50,000

This figure is based on the mid-range average for comparable children’s museums.

FINANCIAL ESTIMATES

The anticipated total development cost as outlined in the 2008 Feasibility Study is estimated to be between \$15 million to \$24 million. PPCM leaders are currently targeting a **development cost of \$20 million**, with an average **cost per square foot of \$500**.

If the targeted building size of 40,000 square feet, with 25,000 square feet of exhibit space is realized, accommodating at least 100,000 visitors annually, PPCM currently anticipates **Annual Operating Expenses of about \$2.5 million** (or approximately \$25/visitor).

The **average Admission Price** of paying visitors is currently targeted at **\$8*/person**.

*(*This figure does not factor in visitors not paying for entry, consistent with PPCM commitment to not deny access to anyone lacking financial resources.)*

To achieve the required **Annual Income** to meet Operating Expenses, PPCM currently anticipates generating **\$1.8 million in Earned Income** through:

Admissions	\$900,000
Memberships (2000@\$75/yr)	\$150,000
Food and Merchandise Revenue	\$250,000
Programming	\$200,000
Space Rental	\$200,000
Other Income	\$100,000

To **keep entry fees affordable** and ensure **everyone in the community is able to access the resources** of the Children's Museum, annual operating expenses must be supplemented through annual Contributed Income. In the case of PPCM, **Annual Contributed Income of \$700,000** would be comprised of Grants (25%), Philanthropic Gifts (50%) and Endowments (25%). The performance of comparable Children's Museums has shown that non-profit museums cannot be sustained by revenue generation alone. Even the most entrepreneurial museums have not succeeded in generating sufficient revenues from entrance fees to meet operating expenses.

OPERATING BUDGET – YEARS ONE and TWO

So as not to unrealistically inflate the possibilities for the success of PPCM, but rather to lean on the side of under-promising and over-delivering, we have remained on the conservative side in all of our financial estimates. Accordingly, we continue to estimate conservatively in our initial years Operating Budgets.

YEAR ONE AND TWO – ESTIMATED ANNUAL REVENUE

Admissions	\$900,000	
Memberships (2,000 @ \$75/year)	150,000	
Gift Shop Income	100,000	
Educational Programming Fees	200,000	
Rental	200,000	
Food Service Income	150,000	
Interest Income	15,000	
Other Income	85,000	
TOTAL EARNED INCOME		\$1,800,000
Grants	175,000	
Annual Giving	350,000	
Endowments	175,000	
TOTAL CONTRIBUTED INCOME		\$ 700,000
TOTAL INCOME		\$2,500,000

YEARS ONE AND TWO – PAYROLL COSTS

Full Time Personnel	35
Part Time Personnel	25
Board Members (<i>Non-paid</i>)	20
Volunteers (<i>Non-paid</i>)	100
ANNUAL PERSONNEL COST	\$1,400,000

YEARS ONE AND TWO – ESTIMATED ANNUAL OPERATING EXPENSES

Exhibit Maintenance	\$100,000	
Exhibit Rental	75,000	
Visitor Services	40,000	
Gift Shop Operation	70,000	
Personnel	1,400,000	
Development/Fundraising	65,000	
PR/Advertising/Marketing	125,000	
Membership Development	40,000	
Grant-Funded Programs	175,000	
Other Programs	44,000	
Administrative Costs	175,000	
Ancillary Expenditures	45,000	
Facility Operations/Maintenance	90,000	
Education Programs	75,000	
Rent/Mortgage	20,000	
TOTAL OPERATING EXPENSES		\$2,500,000

FUNDING

CAPITAL CAMPAIGN

A **Fundraising Feasibility Study** will be commissioned in early 2012. The product of this study will be a Three-Year Plan for raising the estimated \$20 million required to fund the development of PPCM with a planned opening date of December 31, 2015. The Fundraising Feasibility Study will also provide necessary detail about potential funding sources, including:

- Individual Donors
- Corporate Donations, Special Gifts and Sponsorships
- Foundations
- Government Funding
- Grants
- Subsidies
- Endowments

Initially we foresee the required Prospects, Donor Gifts and Gift Breakdown to occur generally as follows:

	DONOR GIFTS (953)	PROSPECTS (3812)
\$1M-\$2M	3	12
\$100K-\$400K	35	140
\$10K-\$50K	325	1300
Under \$10K	590	2360

A **Capital Campaign Leader** is actively being sought by PPCM and Junior League leadership to be in place and ready to kick off a Capital Campaign in the second half of 2012.

IN THE INTERIM - SHORT-TERM FUNDING

PPCM currently has a nest egg of about \$20,000 to fund on-going interim operations as a “Museum Without Walls.” PPCM continues to raise additional interim funding primarily through small donations of \$25 to \$250, through event admission profits, and other creative fundraising efforts.

MARKETING PLAN

Development of a thorough **Marketing Plan** will be undertaken soon now that the Junior League has agreed in principle to take PPCM on as its Signature Project officially beginning in June 2012. Between now and then, PPCM and Junior League leadership will work together on completing the marketing plan to be implemented prior to and upon the opening of the museum in 2015.

Our **Organizational Chart** in the Exhibits at the back of this Plan indicates we do have a structure in place to address Marketing, Public Relations, Community Involvement, Strategic Collaborations, Advertising, Website, and other Marketing activities. We are working diligently to fill all of these roles and solidify plans now that we have the vast resources and talents of the Junior League at our disposal. Where we cannot fill roles with members of the Junior League, we will involve outstanding volunteers from our community until such time as it becomes appropriate to begin hiring paid staff to fill these jobs.

IN THE INTERIM

For the past five years, PPCM has been bringing portable, hands-on exhibits to strategically chosen events around the area while conducting on-going research to determine what this community values and define more specifically what gaps exist that PPCM can ultimately fill.

A comprehensive near-term Marketing Plan is currently in development now that the Junior League has agreed in principle to take PPCM on as its Signature Project officially beginning in June 2012. Between now and June 2012, PPCM and Junior League leadership will work together to complete both short-term and long-term marketing plans.

HOW WE WILL MEASURE SUCCESS:

- Having a suitable site identified and secured by March 2012
- Finalizing Marketing Plans by June 2012
- Securing Seed Money Donations of \$1M by end of July 2012
- Kicking off a Capital Campaign by January 2013
- Completing a Master Plan by December 2013
- Having Architectural Plans completed by June 2014
- Breaking ground by July 2014
- Beginning Exhibit Installation by June 2015
- Completing Capital Campaign and Raising \$20M by December 2015
- Opening doors by December 31, 2015
- 150,000 patrons by December 31, 2016
- 2,000 annual members by December 31, 2016

STAFFING

Based on 25,000 square feet of exhibit space, PPCM anticipates the following staffing needs once the doors open in late 2015:

Paid Full-Time Staff: 35

Paid Part-time Staff: 15 to 30

Board Members (Unpaid): 20

Volunteers (Unpaid): 75 to 150

Total Annual Personnel Cost: \$1.4 million

IN THE INTERIM

In 2011 the Junior League of Colorado Springs agreed in principal to partner with PPCM leadership while bringing the museum to fruition. Lending a significant pool of manpower, the Junior League will be assisting in the staffing of all events PPCM participates in until the doors are opened in 2015.

As funds are raised and the opening draws nearer, staff will be hired as needed and warranted.

WHO WE ARE

During the Spring of 2005, a group of local volunteers assembled to determine whether a new children's museum was feasible for Colorado Springs. These volunteers consisted of parents of young children with backgrounds in education, non-profit organizations, law, project management, hospitality operations, tourism and finance. Together they pooled their expertise and determined a way to conduct research and build a way forward to make this dream a reality.

CURRENT WORKING BOARD OF DIRECTORS

There are currently two open Board of Director positions to be filled as PPCM grows. Current board members include:

- *Jo Walker, Founder and President*
- *Marnie Wilson, Vice President and Founding Board Member*
- *Susan Gentry, Treasurer*
- *Lisa Ruhnow, Secretary*
- *Kelly Parthen, Member-at-Large*
- *To be Named, Junior League representative*
- *To be Named, Fundraising Chair*

Additional Board Members will be added as warranted going forward.

BACKGROUND OF CURRENT PPCM LEADERSHIP AND FOUNDERS

Jo Walker, Co-Founder and President

Jo Walker was previously a Civil Engineer and Project Manager overseeing multi-million dollar projects for the Army Corps of Engineers, Navy Civil Engineering Corps and Air Force Space Command. Ms. Walker holds a B.S. degree in Civil Engineering from Texas A&M University and a Masters of Engineering Administration from The George Washington University. Ms. Walker formed the Pikes Peak Children's Museum Project and has remained its President since its inception.

Marnie Wilson, Vice President and Founding Board Member

Marnie Wilson was previously the Global Industry Manager for the Hospitality and Leisure Group of PricewaterhouseCoopers. Her other work experience includes Hospitality Industry Financial, Litigation and Operational Consulting; Financial Analysis for a Wall Street firm; and Hotel Operations for a luxury hotel chain. In her broadest capacity she was responsible for marketing the services of 775 audit, tax and consulting professionals around the world. She holds a B.S. in Hotel & Restaurant Management from the University of Houston.

Susan Gentry, Treasurer

Susan Gentry is a licensed C.P.A. (inactive) who performs part-time accounting work while volunteering and raising her family. She has formerly been the Chief Financial Officer of Early Connections Learning Centers as well as held the position of Accounting Officer of a community bank and performed audit and tax services for financial institutions and non-profits organizations.

Lisa Ruhnow, Secretary

Lisa Ruhnow has an advanced degree in Electrical Engineering and was previously a Systems Engineer for a number of defense contractors. She has served on the PTO boards of her community schools and volunteered with multiple non-profit organizations

Kelly Parthen, Member-at-Large

Kelly Parthen founded Bean Sprouts, the nation's leading hip and healthy kids' cafe. Her cookbook, Bean Appetit, has appeared on *Good Morning America*, *Martha Stewart* and *Disney Radio*, and in *FamilyFun*, *Parents*, *Every Day with Rachael Ray* and *Kiwi* magazines. Kelly has two young tasters, Kale and Makena.

APPENDIX

For additional information, please refer to the following:

- A more thorough and detailed analysis of the proposed Pikes Peak Children's Museum is available in the **Market and Feasibility Study** dated December 1, 2008. Copies can be obtained by visiting: www.pikespeakchildrensmuseum.org
- Current Operating Chart
- PPCM Project Timeline
- Endorsement Letter from the Pikes Peak Library District
- More information can be found on our website at: www.pikespeakchildrensmuseum.org
- For more information about the Children's Museum industry, please refer to the Association of Children's Museums website: www.ChildrensMuseums.org

ADDITIONAL DOCUMENTS COMING SOON:

- Master Plan – Phase I:
 - Thematic Concept and Rendering
 - Selected Exhibit Renderings
 - Supporting Educational Research
- 2015 Opening Operating Chart

END OF BUSINESS PLAN