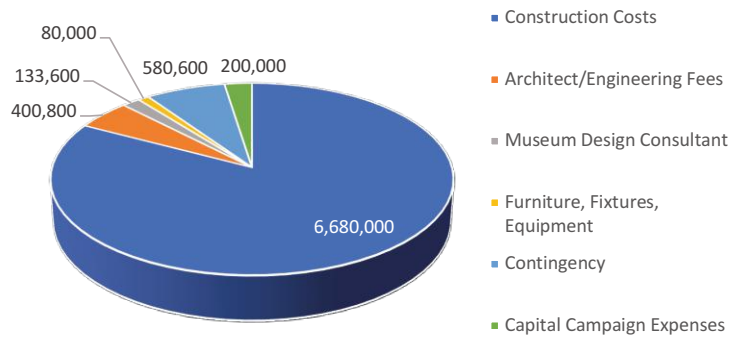




CAPITAL CAMPAIGN BUDGET

In crafting the capital campaign budget, the CMRC's Design and Construction Committee collaborated with various outside sources to determine a realistic construction budget for the children's museum project. This budget dictates the balance of the project's costs and the capital campaign target. Based on this information, we intend to raise \$8 million to construct a phenomenal, new children's museum in downtown Janesville. The details of that \$8 million budget are illustrated below:

Construction Costs	\$6,680,000
Architect/Engineer Fees	400,800
Museum Design Consultant	133,600
Furniture, Fixtures, Equipment	80,000
Subtotal	\$7,294,400
Contingency	580,600
Capital Campaign Expenses	200,000
Capital Campaign Total	\$8,075,000



To reach this budget, the Committee's first task was to establish the total size of the proposed museum. Based on benchmark peer museums, the CMRC's planning consultant recommended a facility in the 18,000 to 22,000 square foot range. Therefore, the Committee set a target of 20,000 square feet, including the usable space in the historic bank building.

The historic bank building offers 8,500 usable square feet, of which 5,800 square feet can be used as exhibit space. The 11,500 square feet addition to the bank will include both exhibit space and non-exhibit spaces like circulation space and meeting rooms. An estimate of exhibit versus non-exhibit space is important because of the cost difference on a per square foot basis. The cost per square foot for constructing exhibits is also calculated separately, since this is an additional cost to building out the space. The details of the construction budget include:

Type of Museum Space	Historic Bank			Building Addition			Total Project	
	Sq.Ft.	\$/Sq.Ft.	Cost	Sq.Ft.	\$/Sq.Ft.	Cost	Sq. Ft.	Cost
Exhibit Space	5,806	300.00	1,741,800	7,885	250.00	1,971,250	13,691	3,713,050
Exhibits	5,806	100.00	580,600	7,885	100.00	788,500		1,369,100
Non-Exhibit Space	2,695	250.00	673,750	3,646	250.00	911,500	6,341	1,585,250
Total	8,501		2,996,150	11,531		3,671,250	20,032	6,667,400

After arriving at these estimates, the \$6,667,400 construction budget and total \$8 million project budget was presented to a group of local advisors for their assessment. The CMRC specifically sought out local civic leaders with a background in nonprofit capital campaign fundraising for their honest scrutiny and feedback on its achievability. While these seasoned fundraisers felt that raising \$8 million locally was at the upper limits of feasibility, they also believed it was attainable since the children's museum project appeals to a broad local demographic and an equally broad philanthropic community.

New Market Tax Credits

In addition to contributions from private donors, the museum is pursuing the use of New Market Tax Credits (NMTCs) to provide a significant level of funding for the project. NMTCs are an initiative offered by the federal government to incentivize investors and developers to make capital investments in underdeveloped areas. The NMTCs provide a modest income tax credit to those investors. The museum project should be attractive to the entities that award these tax credits since it is an adaptive reuse of an empty building that could become blighted, it will spur development in an underdeveloped part of Janesville's downtown, and it is located near the constituency that will use the facility. While the museum is a nonprofit organization exempt from income taxes, if awarded these NMTCs, the museum can sell them to developers to use on other projects. The museum's advisors are confident that if some of the NMTCs are designated to the museum, it could generate funding in the millions of dollars.