MEMORANDUM

DATE:

August 14, 2007

TO:

City Council Members

FROM:

Jennifer Bruno and Karen Halladay, Policy Analysts

RE:

Leonardo funding shortfall implications

The Leonardo has indicated that there is a construction funding shortfall in the amount of \$14.1 million. The Administration has outlined various options for filling this funding shortfall, including usage of the City's surplus land account as well as issuance of a sales tax bond, to be paid out of the City's general fund.

This memo was prepared in advance of detailed paperwork from the Administration. Complete information from the Administration will be available in Council packets. The intent of this memo is to provide basic background information and information on policy implications for the Council so there is as much information available as possible for consideration of this issue, given the short timeframe.

Council Staff would like to specify that there has not been sufficient time for a complete financial review of this project. Such a financial review is typically multiple weeks and generally takes place before an investment of taxpayer funds. Council Members may be familiar with Salt Lake County Debt Review Committee process. It should be noted that Salt Lake City does not have a formalized process for review of such requests.

CURRENT LEONARDO STATUS

- A. Staff has attached the Leonardo's responses to questions that staff gathered from Council Members over the last few weeks.
- B. The Leonardo has indicated that their funding shortfall is the result of the following (this chart was provided to Council staff by Leonardo staff independent of the Administration's transmittal):

Total Increase Since Original Bond	\$ 14,100,000
Total Design Intent Changes	\$ 4,500,000
LEED Silver Certification (not contemplated/required in 2001)	\$ 1,200,000
Third Floor Community & Culture Center (revenue generating facility)	\$ 1,400,000
Asbestos Removal (not included in 2001 estimate)	\$ 400,000
Seismic Retrofit (original solution was not feasible)	\$ 1,500,000
Design Intent Changes	
Total Economic Changes	\$ 9,600,000
'Higher contingencies (15% yearly)	\$ 2,000,000
Inflation (76% since 2001)	\$ 7,600,000
Economic Changes	

Approximately \$1 million of this will be offset with a grant from FEMA (pending review). It should be noted that the grant is not yet secured.

C. The following chart shows The Leonardo's existing and possible funding sources:

Total	\$	24,840,328
Total Needed Funding	\$	13,065,000
Sales Tax Bond	\$	8,000,000
Surplus Land Account	\$	4,900,000
Leonardo Restricted Donation	\$	40,000
Blue Sky Grant	\$	125,000
Possible Funding Sources		
Total Existing Funding	\$	11,775,328
RDA Grant	\$	750,000
FEMA Grant	\$	1,025,328
Existing GO Bond	\$	10,000,000
Existing Funding	Ü	•

ADMINISTRATION RECOMMENDATION

A. The Administration is proposing that the City make a contribution in addition to the voter-approved bond to address this shortfall in the following way:

Sales Tax Bond	\$8,200,000
Surplus Land Account:	\$4,900,000
Hansen Planetarium - \$1,200,000	
Warehouse at the International Center* - \$3,700,000	
Total Proposed City Contribution	\$13,100,000
*Council Staff is confirming	

- B. The Administration is recommending the City issues Sales Tax bonds, which will be payable out of the general fund's CIP budget. This would result in an additional \$610,000 per year in debt service (see next section for further information on CIP budget implications). The Administration is proposing to amend the 10 year plan in the ways listed below:
 - 1. Add debt service for the Leonardo to the 10 Year Plan (approximately \$610,000 per year)
 - 2. Reduce the transportation CIP plan by \$550,000 annually (\$300,000 from Traffic Signal replacement, \$250,000 from Residential Streetlighting note: the Council has not approved any residential streetlighting projects in recent years due to the pending street lighting policy proposal from the Administration)
 - 3. Delay the \$3.4 million replacement of Fire Station #3 (scheduled for 2017) Note: this may not be applicable as Fire Station #3 is proposed to be replaced as a part of the Public Safety Facilities bond election. This would be a savings to the general fund portion of the 10 year plan if this project is paid for out of a General Obligation bond, which allow the City to "catch up" on other deferred projects that have been scheduled in the CIP Plan but not funded due to budget constraints.
 - 4. Add \$3.62 million for Airport Light Rail improvements along North Temple in FY 2010 (this is likely necessary, but is an example of the further demand on the CIP rather than a savings to offset new proposed debt service for the Leonardo).

C. Staff has not had an opportunity to thoroughly review this proposal and assess the impacts on the overall balancing of the plan.

BACKGROUND INFORMATION

- A. CIP related background information -
 - 1. For many years the City had a policy goal of dedicating 9% of general fund revenues to the CIP budget. This was based on a full assessment of the City's deferred infrastructure needs.
 - 2. After a lengthy study involving prioritization and budget constraints in every department, the City's consultants recommended a 10 Year Inventory of Capital Needs, that would be fully funded over the life of the plan, if the City dedicated a total of 7.95% of total general fund revenue to capital projects every year of the plan (some years would be shortfall and other years would be a surplus, but over the life of the plan, funding needs and funding sources would balance).
 - 3. The amount recommended in the 10 Year Plan is short of ideal, in that it attempts to balance the needs for maintenance and replacement of the City's assets with the reality of sometimes limited available resources.
 - 4. Since the plan was adopted, the Administration has not recommended budgets that meet the 7.95% goal of the plan.
 - 5. While the Council has supplemented the Administration's recommended budgets with additional funds, the Council has also fallen short of the 7.95% goal since the plan was adopted, meaning projects scheduled to be completed have had to be delayed.
 - a. In FY 2007, after additional money was added by the Council, a total of 7.1% of general fund revenue was dedicated to CIP.
 - b. In FY 2008, a total of 7% of ongoing general fund revenue is dedicated to Capital Improvement Projects (this does not include \$1.4 million in one-time money that was added by the Council, which is still \$500,000 short of the *amount* of money that 7.95% would generate).
 - 6. Note: The 7.95% "balancing" figure assumes that all of that money will be spent on projects on the list. Any CIP money spent on projects not on the list, therefore delays projects that were on the list.
 - a) In FY 2008, there are 18 project requests that are not on the CIP 10 Year Plan. Of the \$5.3 million worth of projects, approximately \$1.2 million is recommended for funding.
 - b) There are also 12 projects (for a total of \$7.3 million) that are scheduled for FY 2008 in the 10 Year Plan but are not recommended for funding.
 - 2. The CIP 10 Year Plan does include debt service, and the retirement of both the City and County building, and the Motor Fuel Excise Tax (MFET) debt service. When this debt responsibility expires (in FY 2012 & FY 2010 respectively), the plan considers that money as an "addition" to the overall general fund, of which the 7.95% is calculated. Therefore, the retirement of the debt services is interrelated with the amount of money needed to make the 7.95% figure balance over the life of the plan.

3. The following chart shows the date and amount of the various bonds and their maturity dates:

Bond	Debt Service Source	Expiration Date	Bond Amount	Debt Service	ce
Street improvement projects (Motor Fuel Excise Tax - MFET)	General Fund	February 1, 2009	\$2,580,000	\$733,0)
City & County Building	Property Tax/General Fund (GO tax not seperated)	June 15, 2011	\$14,975,000	\$2,956,0	000
Baseball Stadium, Fire Stations, Cemetery, Wasatch Hollow Park, Forest Dale, 400 West	General Fund (RDA offset approx. \$500,000/year)	October 1, 2015	\$14,767,000	\$2,290,0)
Library	GO - property tax levy	June 15, 2019	\$65,965,000	\$6,912,0	000
Zoo/Aviary	GO - property tax levy	June 15, 2024	\$10,930,000	\$881,0	000
Grant Tower/Trax Extension	General Fund (RDA offset approx. \$275,000/year)	2026	\$8,530,000	\$663,0	000
Fleet Facility (not in the FY 2008 budget)	General Fund (\$1.5m is general fund portion, Fleet and Refuse Fuds will also contribute)	2028	\$25,000,000	\$1,500,0)00

Note: the Leonardo bonds have not yet been released. As such they do not appear on this chart.

- 7. Currently, the Leonardo project is not in the 10 Year Plan, so in order to hold the plan (and the capital projects in it) harmless, any money spent on this project would have to be above and beyond the 7.95%.
- 8. The debt service on the Administration's proposed \$8 million sales tax bond is \$610,000.
- 9. An \$8 million general obligation bond would mean a \$7.24 property tax increase on a \$300,000 home, or a \$43.80 property tax increase on a \$1 million commercial business.
- 10. Examples of other projects the Council has funded for around \$600,000:
 - a. 9th & 9th Streetscape project (\$750,000)
 - b. Liberty Park Tennis Courts (\$630,000)
 - c. Liberty Park Concessions (\$500,000)
 - d. Multiple ADA Park Playground projects (average \$300,000 each)
 - e. Portions of the Jordan River trail (\$300-400,000)
 - f. California Avenue street reconstruction (\$770,000)
- 11. Due to the construction market, the Council has recently needed to allocate additional funds after projects have been bid. The Pioneer Park project is in need of an additional \$300,000 (funds above and beyond the \$300,000 would be needed to include components such as a dog off leash area).
- B. Surplus Land Account information
 - 1. The Administration has indicated that the Surplus Land Account could be a possible source of funds to offset the funding shortfall for the construction of the Leonardo.
 - 2. There is currently \$132,858 available in the account. Of this amount, approximately \$50,000 will be needed (in a forthcoming budget amendment)

- to offset property managements recent activities including appraisals and other due diligence for potential property acquisitions.
- 3. The City recently sold the Hansen Planetarium for \$1.2 million. It is likely that this money will be available in the surplus land account after the property closes, which will likely be sometime in September.
- 4. The other possible property which could supplement the surplus land account is the warehouse at the International Center. The Administration indicates in their paperwork that this would generate \$3.7 million.

OPTIONS

- A. Administration's recommendation Sales Tax bond and draw from surplus land account.
- B. Appropriate \$1.6 million from general fund (to be reimbursed by \$1 million from FEMA grant) to conduct seismic work and asbestos removal. Assess construction and possible phasing of Leonardo project at a later date.
- C. Appropriate \$1.6 million from general fund (to be reimbursed by \$1 million from FEMA grant) to conduct seismic work and asbestos removal. Issue GO Bonds (\$10 million) and construct a "first phase" of the Leonardo project.
- D. Agree to place \$14 million on the November ballot. The annual impact for property owners would be as follows:
 - a. \$300,000 residential property \$12.47/year
 - b. \$1 million commercial property \$75.60/year

MATTERS AT ISSUE/POLICY IMPLICATIONS

- A. Members of the City Council have indicated concern about a number of long-term costs (both capital and non-capital related) that have been identified over the last few years examples: street lighting program, concrete program, police officers and fire fighters, historic districts and related staffing, energy-efficiency projects, technology enhancements, other issues identified in Council audits. Any significant amount of money that is drawn from the general fund would affect the City's ability to consider and/or fund these projects.
- B. The Council may wish to consider the further shift of the CIP budget from on-going project and capital asset maintenance/management to debt service. In FY 2008, the total amount recommended for the CIP budget was \$13.24 million. Of this amount, just over half, or \$6.8 million, is dedicated to debt service (independent of GO debt service). Another \$600,000 would bring this share up to 56%, leaving \$6.44 million in on-going funds for other CIP projects (this does not include the Fleet Facility bond, which will take another \$1.5 million away from "pay as you go" projects to debt service).
- C. The Council may wish to consider the policy of management and maintenance of existing city assets vs. development of new ones or consider future necessary ongoing support when assessing the development of new projects.
- D. The Council may wish to ask the Administration to clarify that the \$25 million construction cost estimate is realistic, given the recent dramatic construction cost increases experienced.

- E. The Council may also wish to clarify with the Administration if the money that has been raised thus far is certain, as it is not immediately clear that there are legally binding documents. The City has now obtained a letter of credit for the \$7.5 million that Real Salt Lake will be donating to the Regional Sports Complex.
- F. The Council may wish to ask the Administration to provide it's assessment of the Leonardo's business plan. Council staff has identified the following questions that may be worthy of future study:
 - 1. The Leonardo has indicated in conversations with staff that they have raised \$10 million for operations/exhibits since the bond was passed in November of 2003. According to the Administration's paperwork the Leonardo has collected \$5.2 million of the total "Pre-Opening Capital Campaign," which is \$20.7 million (just under 25% of the goal).
 - 2. The Leonardo has indicated to Council Staff that they have raised approximately \$10 million for operations and exhibits. According to the Administration's paperwork, approximately \$3.5 million of that has been spent on ramp up costs, and approximately \$3.4 million is accounted for in pledges (not cash in hand).
 - 3. The total amount of fundraising in the first 3 years of operations is \$3-5 million (depending on average or conservative revenue/attendance projects) to have a balanced budget. This is beyond the fundraising describes in numbers 1 and 2 above.
 - 4. There is a line item in the revenue section of the budget noted as "Public Funding". This amount ranges from \$200,000 to \$500,000 over the first 3 years of operations. The Council may wish to clarify the source of this public funding, as there are separate line items for "State Funding" and "Federal Funding."

5. The attendance is anticipated to be the following:

	"Normal" Assumption	"Conservative" Assumption
Year 1	300,000	225,000
Year 2	180,000	135,000
Year 3	190,000	190,000

- 6. The report notes that attendance at the Children's Museum of Utah/Project Gateway is 96,000. Council Staff has been informed that this attendance figure was prior to the museum's location at the Gateway.
- 7. The business plan anticipates revenue from students. The Council may wish to clarify whether there will be a charge for school "field trip" visits, or whether this revenue relates to individual students.



ROSS C. "ROCKY" ANDERSON
MAYOR

SAUT' LAKE; GHIY CORPORATION

OFFICE OF THE MAYOR

Council Transmittal

9 August 2007

From: Ross C. Anderson RCA

Mayor

To: City Council

Subj: The Leonardo

Additional funding is being sought to complete the construction of The Leonardo on Library Square. We urge the Council to approve funding of \$13.23 million, \$5.23 million from the City's Surplus Property Account and \$8 million from a new sales tax bond. Although a sales tax bond would be preferable, another alternative the Council might consider is a general obligation bond. The City Administration and The Leonardo request an opportunity to address this urgent and vital funding need with the City Council.

Background

In November 2003, Salt Lake City voters supported a \$10 million bond for The Leonardo – with the condition that an additional \$10 million be raised. The matching funds – to be used for exhibits - have been raised. City voters, citizens, and corporate sponsors have enthusiastically supported The Leonardo. However, Utah's strong economy has sparked construction cost increases, derailing the ability to begin construction without additional resources. Also, it appears that initial cost estimates were too low. In light of past and continued community support for The Leonardo – and due to The Leonardo's significant value to the City – we urge the City Council to approve the necessary additional funding.

The Leonardo is a first-of-its kind art, science, technology, and culture center that will be a key educational resource supporting broad learning and entertainment experiences. The Leonardo is strategically located on Library Square, which draws in 3 million visitors annually – second only to Temple Square in yearly visitor traffic. With the opening of The Leonardo, the entire block will become a major draw for residents and tourists.

Funding Shortfall

The projected cost to complete the design and construction of The Leonardo is \$25 million – which includes inflation and contingency funding. The cost assumes a contract bid in May 2008, after the completion of on-going design work. Such design work can be completed to allow a May 2008 contract bid, if funding is approved in August 2007. (Information regarding the \$25 million design and construction cost requirement is attached.)

The Leonardo currently has the following funds secured or reasonably expected.

- November 2003 \$10 million voter-approved bond
- FEMA grant funding for seismic upgrade of \$1.02 million
- RDA funding of \$750,000

This leaves a shortfall of \$13.23 million to complete the required design and construction of The Leonardo. The City Council can fund this shortfall through the following means.

- \$5.23 million from the City's Surplus Property Account
- An \$8 million sales tax bond or, with voter approval, an \$8 million general obligation bond.

Funding Information

November 2003 Bond. This bond may be issued at any time and will take 60 to 75 days for proceeds to be available.

FEMA grant. The City has filed the required State Historic Preservation Office (SHPO) documents with FEMA. The City will continue to provide necessary information to FEMA. FEMA obligation of funds is expected by mid-September.

RDA funding. The RDA has approved \$750,000 for The Leonardo. This approval will have to be extended by the RDA after 12 August.

Surplus Property Account. The City's Surplus Property Account currently contains \$132,000. On 30 July, the City signed an agreement to sell the Hansen Planetarium to OC Tanner for \$1.2 million. The proceeds from that sale are expected within the next 30 days. After November of this year, the proceeds from the sale of the City's warehouse at the International Center - \$3.7 million - will be available. (Currently, the warehouse proceeds are designated for use in support of land acquisition associated with the public safety facility complex. After the public safety facilities bond election in November, those warehouse proceeds will be available for distribution to The Leonardo.) In addition, the City has begun the process of surplusing the Garfield School. It is anticipated that some time early next year, proceeds from the sale of that property will be available in the Surplus Property Account. In order to complete design and construction,

the City Council could approve \$5.23 million from the City's Surplus Property Account – as funds become available in that account.

Sales Tax Bond. An attached information sheet prepared under the direction of the City Treasurer shows the issuance costs and the debt service for an \$8 million sales tax bond. It is estimated that the annual debt service for a sales would be \$610,000 annually. The annual debt service on this bond will be covered by general fund revenues made available from the close-out of debt obligations over the next few years. (See attached chart labeled "General Fund Commitment to Future Debt Service.) Notably, the City will cease paying annual debt service of \$725,000 on the motor fuel bonds in 2009.

General Obligation Bond. An alternative to a sales tax bond could be a general obligation bond that would provide The Leonardo \$8 million for construction. An attached information sheet shows the issuance costs and debt service for a general obligation bond.

We ask the Council to consider a sales tax bond rather than a general obligation bond. A sales tax bond is certain and allows The Leonardo to proceed with final design and construction – thus avoiding future increased construction and inflation costs, and increased interest rates. If you approve a general obligation bond, The Leonardo may have insufficient time to educate the voters. A community education campaign in support of a general obligation bond will require the expenditure of funds that could be used for programs and expenses. Also, a general obligation bond might compromise the success of the City's public safety facility bond.

10-year CIP Plan Adjustments

This project – and likely funding relating to the Airport Light Rail Line – are not in the current 10-year CIP Plan. We propose 10-year Plan revisions as follows.

- A reduction of \$550,000 in the City's transportation CIP plan. Transportation reductions include: reducing the Citywide Traffic Signal Replacement Project from \$600,000 annually to \$300,000 per year beginning in fiscal year 2009; reducing the Residential Street Lighting Project from \$500,000 per year to \$250,000 per year beginning in year 2008.
- A delay of the \$3.415 million replacement of Fire Station #3, with a plan date of fiscal year 2016/2017.
- The Leonardo project would be added to the 10-year CIP Plan effective this year, if approved by the Council.
- An estimated \$3.62 million for Airport Light Rail North Temple improvements are expected in fiscal year 2009/2010.

Business Plan

Attached is the current business plan (Five Year Strategic Plan) for The Leonardo. Also attached are responses to Council business plan questions. City Administration and staff of The Leonardo are available to address Council questions regarding the business plan.

Value of The Leonardo in relation to other City-funded projects

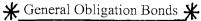
The Leonardo is an extraordinary project, particularly in light of its educational and civic features. Attached is a listing of past projects funded by the City Council and the RDA. For perspective on funding priorities we offer the comparison. We look forward to working with the Council in developing solutions to the challenges presented by this remarkable opportunity.

Attachments

\$8 million general obligation bond

\$8,120,000

Salt Lake City, Utah



Series 2008

Sources & Uses

Dated 02/01/2008 | Delivered 02/01/2008

Sources Of Funds	
* Par Amount of Bonds *	* \$8,120,000.00 *
Total Sources	\$8,120,000.00
Uses Of Funds	
Total Underwriter's Discount (0.600%)	48,720.00
Costs of Issuance	68,068.00
* Deposit to Project Construction Fund *	* 8,000,000.00
Deposit to Project Fund	3,212.00
Total Uses	\$8,120,000.00

FOR DISCUSSION PURPOSES ONLY
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\$8,120,000

Salt Lake City, Utah General Obligation Bonds Series 2008

approximate
annual debt service

Net Debt Service Schedule

Net New D/S	Total P+I	Interest	Coupon **	Principal	Date
597,580.00	597,580.00	112,580.00	3.740%	485,000.00	06/30/2008
594,601.00	594,601.00	319,601.00	3.790%	275,000.00	06/30/2009
594,178.50	594,178.50	309,178.50	3.830%	285,000.00	06/30/2010
593,263.00	593,263.00	298,263.00	3.860%	295,000.00	06/30/2011
596,876.00	596,876.00	286,876.00	3.890%	310,000.00	06/30/2012
594,817.00	594,817.00	274,817.00	3.930%	320,000.00	06/30/2013
597,241.00	597,241.00	262,241.00	3.960%	335,000.00	06/30/2014
593,975.00	593,975.00	248,975.00	4.000%	345,000.00	06/30/2015
595,175.00	595,175.00	235,175.00	4.040%	360,000.00	06/30/2016
595,631.00	595,631.00	220,631.00	4.090%	375,000.00	06/30/2017
595,293.50	595,293.50	205,293.50	4.150%	390,000.00	06/30/2018
594,108.50	594,108.50	189,108.50	4.190%	405,000.00	06/30/2019
597,139.00	597,139.00	172,139.00	4.230%	425,000.00	06/30/2020
594,161.50	594,161.50	154,161.50	4.270%	440,000.00	06/30/2021
595,373.50	595,373.50	135,373.50	4.300%	460,000.00	06/30/2022
595,593.50	595,593.50	115,593.50	4.360%	480,000.00	06/30/2023
594,665.50	594,665.50	94,665.50	4.390%	500,000.00	06/30/2024
592,715.50	592,715.50	72,715.50	4.420%	520,000.00	06/30/2025
594,731.50	594,731.50	49,731.50	4.450%	545,000.00	06/30/2026
595,479.00	595,479.00	25,479.00	4.470%	570,000.00	06/30/2027
\$11,902,598.50	\$11,902,598.50	3,782,598.50	• ;	\$8,120,000.00	Total

* Approximate average annual debt service = \$595,000. * * Based on current interest rate environment. Subject to Change.

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OFFICIAL BALLOT FOR SALT LAKE CITY, SALT LAKE COUNTY, UTAH

		SPECIAL BOND ELECTION
		November 6, 2007
		(Facsimile Signature) Acting City Recorder, Salt Lake City
		CITY PROPOSITION NUMBER 2
		The Leonardo at Library Square
#	8,000,000	Shall Salt Lake City, Utah, be authorized to issue and sell general obligation bonds of the City in an amount not to exceed Fourteen Million Dollars (\$14,000,000) and to be due and payable in not to exceed
		Notice of Property Tax Increase Due to Bond Issuance
		Passage of the proposition means that the tax on a \$297,000 residence in the City would increase \$_7.17 per year (\$297,000 being the estimated average value of a residence in the City).
		The tax on a \$297,000 business in the City would increase \$
		The foregoing information is only an estimate of tax increases and is not a limit on the amount of taxes that the City may be required to levy in order to pay debt service on the bonds. The City will be obligated to levy taxes without limitation as to rate or amount in order to pay the bonds, as provided by law. The amounts are based on various assumptions and estimates, including estimated debt service on the bonds and taxable values of property in the City.
		To vote in favor of the above bond issue, select the box to the left of the words "FOR THE ISSUANCE OF BONDS." To vote against the bond issue, select the box to the left of the words "AGAINST THE ISSUANCE OF BONDS."
		FOR THE ISSUANCE OF BONDS
		AGAINST THE ISSUANCE OF BONDS

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Residential Property Supact

Salt Lake City, Utah Estimated Impact of Annual Debt Service for \$8 Million Project - 20-year Amortization

	_ ,		Taxable Value (b)		Taxable Value (b)		Taxable Value (b)		Taxable Value (b)	
	Annual D/S	Estimated	for Home of	Estimated	for Home of	Estimated	for Home of	Estimated	for Home of	Estimated
Date	Payment_	Tax Levy (a)	\$200,000	Annual Tax	\$300,000	Annual Tax	\$400,000	Annual Tax	\$500,000	Annual Tax
2007	0	0.0000000	110,000	0.00	165,000	0.00	220,000	0.00	275,000	0.00
2008	597,580	0.0000440	110,000	4.84	165,000	7.26	220,000	9.68	275,000	12.10
2009	594,601	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2010	594,179	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2011	593,263	0.0000437	110,000	4.81	165,000	7.21	220,000	9.61	275,000	12.02
2012	596,876	0.0000440	110,000	4.84	165,000	7.26	220,000	9.68	275,000	12.10
2013	594,817	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2014	597,241	0.0000440	110,000	4.84	165,000	7.26	220,000	9.68	275,000	12.10
2015	593,975	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2016	595,175	0.0000439	110,000	4.83	165,000	7.24	220,000	9.66	275,000	12.07
2017	595,631	0.0000439	110,000	4.83	165,000	7.24	220,000	9.66	275,000	12.07
2018	595,294	0.0000439	110,000	4.83	165,000	7.24	220,000	9.66	275,000	12.07
2019	594,109	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2020	597,139	0.0000440	110,000	4.84	165,000	7.26	220,000	9.68	275,000	12.10
2021	594,162	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2022	595,374	0.0000439	110,000	4.83	165,000	7.24	220,000	9.66	275,000	12.07
2023	595,594	0.0000439	110,000	4.83	165,000	7.24	220,000	9.66	275,000	12.07
2024	594,666	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2025	592,716	0.0000437	110,000	4.81	165,000	7.21	220.000	9.61	275,000	12.02
2026	594,732	0.0000438	110,000	4.82	165,000	7.23	220,000	9.64	275,000	12.05
2027	595,479	0.0000439	110,000	4.83	165,000	7.24	220,000	9.66	275,000	12.07

⁽a) Taxable Value provided by Salt Lake City. This amount is net of Redevelopment Agency Value.

Estimated Base Tax amount for 2007 equals \$13,568,105,280 (Includes 2% growth over the 2006 figure of \$13,302.064,000)

(b) All residential homes receive a 45% exemption

FOR DISCUSSION PURPOSES ONLY

Wells Fargo Brokerage Services, LLC Public Finance

File = Impact \$14 Million 20 yrs 8/6/2007 16:17

Commercial Property Impact

for \$8 Million Project - 20-year Amortization Salt Lake City, Utah Estimated Impact of Annual Debt Service

		Taxable Value		Taxable Value		Taxable Value	-
Annual D/S	Estimated	or confinencial Property	Estimated	Property	Estimated	Froperty	Estimated
Payment	Tax Levy (a)	\$500,000	Annual Tax	\$1,000,000	Annual Tax	\$2,000,000	Annual Tax
	0.0000000	500,000	00.0	1,000,000	00.00	2,000,000	00.00
597,580		200,000	22.00	1,000,000	44.00	2,000,000	88.00
594,601		200,000	21.90	1,000,000	43.80	2,000,000	87.60
594,179		200,000	21.90	1,000,000	43.80	2,000,000	87.60
593,263		500,000	21.85	1,000,000	43.70	2,000,000	87.40
596,876		200,000	22.00	1,000,000	44.00	2,000,000	88.00
594,817		200,000	21.90	1,000,000	43.80	2,000,000	87.60
597,241		200,000	22.00	1,000,000	44.00	2,000,000	88.00
593,975	5 0.0000438	200,000	21.90	1,000,000	43.80	2,000,000	87.60
595,175		200,000	21.95	1,000,000	43.90	2,000,000	87.80
595,631		200,000	21.95	1,000,000	43.90	2,000,000	87.80
595,29		200,000	21.95	1,000,000	43.90	2,000,000	87.80
594,109		200,000	21.90	1,000,000	43.80	2,000,000	87.60
597,139		200,000	22.00	1,000,000	44.00	2,000,000	88.00
594,162		200,000	21.90	1,000,000	43.80	2,000,000	87.60
595,374		200,000	21.95	1,000,000	43.90	2,000,000	87.80
595,594	4 0.0000439	200,000	21.95	1,000,000	43.90	2,000,000	87.80
594,666		200'009	21.90	1,000,000	43.80	2,000,000	87.60
592,71	U	200,000	21.85	1,000,000	43.70	2,000,000	87.40
594,732	2 0.0000438	200,000	21.90	1,000,000	43.80	2,000,000	87.60
595,479	9 0.0000439	200,000	21.95	1,000,000	43.90	2,000,000	87.80

(a) Taxable Value provided by Salt Lake City. This amount is net of Redevelopment Agency Value.

Estimated Base Tax amount for 2007 equals \$13,568,10

\$13,568,105,280 (Includes 2% growth over the 2006 figure of \$13,302,064,000)

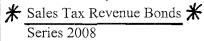
(b) All residential homes receive a 45% exemption

FOR DISCUSSION PURPOSES ONLY

\$8 million sales tax bond

\$8,125,000

Salt Lake City, Utah



Total Uses

Sources & Uses

Dated 02/01/2008 | Delivered 02/01/2008

Sources Of Funds	
* Par Amount of Bonds *	* \$8,125,000.00 *
Total Sources	\$8,125,000.00
Uses Of Funds	
Total Underwriter's Discount (0.600%)	48,750.00
Costs of Issuance	73,575.00
* Deposit to Project Construction Fund *	* 8,000,000.00 *
Rounding Amount	2,675.00

\$8,125,000.00

FOR DISCUSSION PURPOSES ONLY File | Leonardo_Project.SF | SLC Sales Tax \$8M project | 8/6/2007 | 3:35 PM



\$8,125,000

Salt Lake City, Utah
Sales Tax Revenue Bonds
Series 2008

approximate
annual debt service

Net Debt Service Schedule

Date	Principal	Coupon 🗱 🛠	Interest	Total P+I	Net New D/S
06/30/2008	-	-	-		-
06/30/2009	215,000.00	3.740%	394,962.58	609,962.58	609,962.58
06/30/2010	280,000.00	3.790%	328,638.50	608,638.50	608,638.50
06/30/2011	295,000.00	3.830%	317,683.25	612,683.25	612,683.25
06/30/2012	305,000.00	3.860%	306,147.50	611,147.50	611,147.50
06/30/2013	315,000.00	3.890%	294,134.25	609,134.25	609,134.25
06/30/2014	330,000.00	3.950%	281,490.00	611.490.00	611,490.00
06/30/2015	340,000.00	3.980%	268,206.50	608,206.50	608,206.50
06/30/2016	355,000.00	4.020%	254,305.00	609,305.00	609,305.00
06/30/2017	370,000.00	4.060%	239,658.50	609,658.50	609,658.50
06/30/2018	385,000.00	4.110%	224,235.75	609,235.75	609,235.75
06/30/2019	405,000.00	4.170%	207,879.75	612,879.75	612,879.75
06/30/2020	420,000.00	4.240%	190,531.50	610,531.50	610,531.50
06/30/2021	440,000.00	4.280%	172,211.50	612,211.50	612,211.50
06/30/2022	460,000.00	4.320%	152,859.50	612,859.50	612,859.50
06/30/2023	480,000.00	4.350%	132,483.50	612,483.50	612,483.50
06/30/2024	500,000.00	4.410%	111,018.50	611,018.50	611,018.50
06/30/2025	520,000.00	4.440%	88,449.50	608,449.50	608,449.50
06/30/2026	545,000.00	4.470%	64,724.75	609,724.75	609,724.75
06/30/2027	570,000.00	4.500%	39,719.00	609,719.00	609,719.00
06/30/2028	595,000.00	4.520%	13,447.00	608,447.00	608,447.00
Total	\$8,125,000.00	-	\$4,082,786.33	\$12,207,786.33	\$12,207,786.33

* approximate average annual debt service = \$610,000.

** Based on current interest rate enriconment. Subject to change.

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Comparison of City & RDA funded projects

MUNICIPAL BUILDING AUTHORITY (LEASE REVENUE BONDS)

Series 1990A Steiner Aquatic Center	\$ 1,825,000
Baseball Stadium (RDA pays \$17.96 million P&I) Third Circuit Court Parking Fire Station #13 Fire Station #6 Fire Station #1 Cemetery Irrigation Wasatch Hollow Park Forest Dale Clubhouse 400 West Street California Avenue	\$12,928,000 366,000 850,000 310,000 2,670,000 1,008,000 239,000 1,200,000 500,000 800,000
Series 1999A Plaza 349	\$ 6,767,000
Series 1999B Ice Arena (RDA pays all debt service to 10/1/2015) Fire Training Parks Block Project (RDA pays all debt service)	\$15,000,000 900,000 4,000,000
Series 2001 Justice Court Pioneer Precinct	\$ 5,825,000 4,371,000
MOTOR FUEL EXCISE TAX BONDS (MFET)	
Series 1993 Class C Road Projects	\$ 6,831,000
Series 1999 Class C Road Projects Final maturity 2/1/2009)	\$ 4,566,000

GENERAL OBLIGATION BONDS

Series 1986 City/County Building Restoration			
(No property tax levy. Final maturity 6/15/2011)	\$34,500,000		
Series 1999 Library	\$81,000,000		
Series 2002 Library	\$ 3,000,000		
Series 2004 (Nov. 2003 voter approved) Hogle Zoo Tracy Aviary	\$10,200,000 1,100,000		
Series Not Yet Issued (Nov. 2003 voter ap Sports Complex The Leonardo Open Space	\$15,300,000 \$15,300,000 10,200,000 5,400,000		
SALES TAX REVENUE BONDS			
Series 2007 Grant Tower (RDA pays debt service on \$3.1 mill. TRAX Extension	ion) \$ 5,600,000 2,810,000		
Redevelopment Projects			
1993			
Block 57 (Main to State & 200 S. to 300 S.) Parking Structure	\$24,215,052		
Block 56 (State to 200 E. & 200 S. to 300 S.))		
Parking Structure	\$ 4,701,053		
Block 57 (Main to State & 200 S. to 300 S.) Gallivan Plaza Rose Wagner Phase 1 &2	\$11,929,353 \$ 1,150,000		
2001 500 W. Park Blocks	\$18,700,000		

2006			
	Sugar House Monument	\$	375,000
	300 S. Medians	\$	1,500,000
2008			
	100 Public Parking Spa	ces \$	6,000,000

\$25 million design and construction costs

THE LEONARDO Job # 652301

FUNDING, SCOPE OF WORK AND SCHEDULE,

See attached PRIORITIZED WORK spreadsheet

BUDGET: \$25 MM

SCOPE OF WORK: includes asbestos removal, seismic upgrade, LEED Silver certification, development of floors 1, 2 and 3 and minimal works for storage areas and offices in basement level 1 and no work in sub basement. This is the BOD (Basis of Design) Program developed 4-9-07 that includes additive alternates for the third floor catering kitchen and classrooms, auditorium renovation, café seating area finishes, and blue sky solar panel allowance. The work renovates the building with new HVAC equipment, New Electrical components including lighting, new interior finishes, code required upgrades for ADA, fire, electrical and occupancy, and meets the intent of the 2002 bond resolution

<u>Schedule</u>: Upon budget finalization the scope of work the schedule will proceed as follows:

- Program (scope of work) redefinition based upon realized funding: 2 weeks
- Design contract and team remobilization, schematic, design development, construction documents: 8 months +/-
- Bid package #1 asbestos & seismic construction design and construction accomplished during design period.
- Advertise, bid, negotiate and award: 2 to 3 months
- Bid package #2 general construction work: 7 12 months +/- based on funding
- Close out: 1 month
- Approximate total of 23 months design and construction
- Leonardo exhibit installation: 3-4 months

PROJECT ESTIMATE CONSTRUCTION CONTROL CORPORATION		8/8/2007
PROJECT NAMETHE LEONARDO		
LOCATIONSALT LAKE CITY. UT ARCHITECTEWING COLE		
STAGE OF DESIGNPROGRAMMING		
CSI# DESCRIPTION	- A. 20-20 - The Constant	PROGRAM -07 CHANGES
TOTAL PROJECT COSTS		
INTERIOR REMODEL	\$	12,110,992
ENTRY ADDITION	\$	360,461
LEED	\$	301,900
SHPO ALLOWANCE	\$	150,000
TOTAL CONSTRUCTION COST	\$	12,923,352
INFLATION TO FALL 07' 8%	\$	1,033,868
INFLATION FALL 07' TO MAY 08' 9.5% TOTAL CONSTRUCTION COST	\$	1,227,718
	\$	15,184,939
PROJECT PROGRAMMING EXPENSES 7/2005 THRU 7/2007 Demolition Permit	•	350,000
Plan Check Fees	\$	2,165
	\$	44,759
Building Permit 1% State Permit Fee	·	68,861
	\$	689
Impact Fees	\$	100,000
Geotechnical/ Soils Study Environmental Studies/Remediation	\$	30,000
	\$	10,000
City Engineering Mngmt Fee 1.5%	\$	227,774
Project Delivery System	\$	340,000
Architectural Reimburgette	\$	1,366,645
Architectural Reimbursables	\$	75,000
Enhanced Commissioning	\$	100,000
Accelerate Hazmat & Demo	\$	7,000
Owner's Construction Contingency 15%	\$	1,518,494
Special Inspections & Testing .75%	\$	113,887
Art- NIC 1%	\$	151,849
TOTAL PROJECT COST- 3-05-07	\$	19,692,062
ALTERNATE #1 CATERING OPTION AT THIRD FLOOR (Changes Building Occupancy	\$	1,534,778
ALTERNATE #2 THIRDFLOOR CLASSROOMS	\$	2,500,314
ALTERNATE #3 AUDITORIUM RENOVATION	\$	737,354
ALTERNATE #4 CAFÉ SEATING AREA FIT OU	\$	347,986
ALTERNATE #5 BLUE SKY SOLAR PANELS W/ PARTIAL RMP GRANT	\$	200,000
** ASBESTOS ABATEMENT NUMBER IS SUPPLIED BY CITY & SUPPLIED HERE FOR INFORMATION SESTIMATED UNTIL MAY OF 08' ESCALATION BEYOND MAY OF 08' NEEDS TO AT A RATE OF 1.5% PER MONTH*		,

Project Status & Value

THE PROJECT

"We cannot expect Utah to be a frontrumer in science and technology if we do not adequately invest in an infrastructure that cultivates its importance at the fundamental level. With the launch of The Leonardo, Salt Lake will be setting the standard for science centers worldwide."

-- Dr. Dinesh Patel, Managing Director, & pring Capital

"The Leonardo is a project whose time has come. For all the beauty and attraction of other downtown sites, I believe that Salt Lake has always lacked a really 'public' square, a 'commons' if you like. The Leonardo offers just the kind of institution and programs that will draw our diverse population together."

--Bishop Carolyn Tanner Irish, Episcopal Diocese of Utah

- The Leonardo is a first-of-its kind art, culture and science center that will add immeasurably to the cultural life of downtown, engaging visitors from across the city, state— and beyond.
- The Leonardo will be a key educational resource that will support broad learning experiences and a healthy job pipeline.

• This new world-class facility will help drive economic growth downtown.

• The Leonardo has proven itself a supportive partner with the city, spearheading the bond campaign, completing the match, and developing compelling programming to enliven an historic public building.

THE SQUARE

"The City Library already draws over three million visitors a year. With the opening of The Leonardo, the entire block will become a major draw for residents and tourists alike. The Leonardo's commitment to creating a world-class facility will build both economic and cultural strength in the area, and serve as an asset to downtown Salt Lake for many years to come."

-Lane Beattie, Salt Lake Chamber of Commerce

- Library Square draws in 3 million visitors annually and is second only to Temple Square in yearly visitor traffic. With the opening of The Leonardo and the completion of the square, the entire block will become a major draw for residents and tourists.
- Library Square is positioned to become a new civic center. The Leonardo will be an ideal anchor by encouraging respectful dialog, personal engagement and shared knowledge.

THE PROMISE

"In order for the vision of Library Square to be fully realized, the right tenant must inhabit the old library building.

With its innovative, multidisciplinary mission, The Leonardo is the ideal companion, and will help the square reach world-dass status."

--Nancy Tessman, Former Director, Salt Lake City Public Library System

- The Leonardo is the best use of the old public library:
 - O Salt Lake City voters have declared their preference for reuse of the old library building by choosing to invest to transform the structure into a home for The Leonardo.
 - o The Leonardo enhances the educational and civic mission of the new library.
 - Tremendous investments have already been made in the building and programming by both the private and public sectors:
 - \$10 million voter-endorsed bond
 - \$10 million match, dedicated to supporting exhibits and programs
 - \$1 million FEMA grant for seismic upgrades
 - \$750,000 pledged by the RDA
 - Architectural and exhibit programming near completion.

WHY NOW?

- Timeline: Last spring, architects presented several options for the seismic upgrades. The City, the Council and The Leonardo selected a "north seismic solution" that carried an additional price tag. The Leonardo took the initiative to conduct a short-term campaign to test community interest in funding the project. No funder came forward within the timeframe, so the architects were charged with coming up with a less expensive seismic solution, as well as the remaining architectural program. This process, which involved several revisions and continued fundraising efforts, continued until earlier this month. At one point, The Leonardo had secured a firm commitment for a donation that would cover additional building costs. Unfortunately, the donor backed out at the very last minute.
- FEMA: The Leonardo and the City worked together to secure a \$1 million grant from FEMA to cover most of the seismic retrofitting. FEMA obligation of funding is expected in mid-September.
- Momentum: Without a solution to the building, The Leonardo cannot move forward with fundraising. Private donors, and corporate donors especially, need resolution on this subject before they are willing to commit additional funds.
- Inflation: Construction costs will only continue to rise, leaving the city with a building that needs seismic, life-safety, and system upgrades with no funding mechanism to address the costs.

City Council Business Plan Questions & Responses

Cash Flow: What is The Leonardo's present financial condition? Does the Leonardo have the capacity to cover its present and future operational expenses? The building furniture/fixtures, exhibit design/fabrication?

The Leonardo has the capacity to continue operations at an adjusted rate provided \$500 K is raised in FY 0708.

What is the Leonardo's business plan? What revenue does it project? # of visitors? How much will admittance be?

We have put forth scenarios based on both average and conservative industry standards. See strategic/business plan document for details.

Is the plan sound? Has it been reviewed by third parties? Is the business plan part of its strategic plan? Past, present and future?

The plan is the second iteration developed with the help of a special outside group of business advisors. (See names attached). The plan includes an above-average earned income component that leverages the uniqueness of both the space and location. The Leonardo included these components to reduce our reliance on ongoing fundraising, and support the long-term viability of the project

Didn't the Leonardo commit to raising the remaining Building/Exhibits AND Operating funds when the public voted FOR the original \$10 million bond?

The commitment made in connection with the bond was that if voters committed \$10 million toward building renovations, The Leonardo would raise \$10 million toward its exhibits and programs. Release of the bond monies was contingent on The Leonardo delivering on its promise—which it did over a year and a half ago

The Leonardo made additional efforts to help "close the gap" between the \$10 million bond and the rising costs of renovating the building—which grew to include additional seismic, asbestos, LEED certification, etc.

In spring 2006, the city, The Leonardo, the council, and community leaders overwhelmingly supported moving forward with a seismic solution (the" north seismic solution") that carried with it additional costs.

The Leonardo took the lead on a short-term campaign to identify a possible naming opportunity and related funding for the solution. In addition, The Leonardo worked

closely with the city to secure about \$2 million in additional funds toward the building (RDA funds, FEMA, Blue Sky). We also came close to securing a substantial private donation that would have completely addressed the issue.

After many months of attempting to fill the building budget gap with grants and private donations, The Leonardo and the administration have determined that it is time to explore other options. The urgency lies in the dramatic cost escalations, the need to regain fundraising momentum, and a pending deadline from FEMA, which requires we make a decision regarding building scope by mid-September.

How much of the \$10 million match has not been spent?

Following is a breakout of the funds that have NOT been spent:

The Leonardo's Current Assets (includes \$261 K receivable from the City, checking, investments and account receivables)	\$2.1 M
Guarantees	\$3.4 M
Portion of USC current assets	\$0.4 M
Balance to be received from DOE	\$0.2 M
TOTAL FUNDS NOT SPENT	\$6.1 M

As of June 30th 2007, The Leonardo has spent \$3.5 million on ramp up costs, and exhibits and programs. CDA and USC have spent \$400,000 on exhibit development and pilots.

How solid are The Leonardo funding commitments?

The funding commitments made to The Leonardo, including those that are part of the match, have proven to be very solid. The pledge collection rate to date is near 100 percent.

Of course, every nonprofit faces a certain percentage of risk when it comes to funding commitments. Our track record of collecting pledges is good. We also build high contingencies into all cost estimates to account for the risk.

ATTACHMENT

Business Plan Advisory Group

Gyroscope
Jim Gist, Control4
Michael Keene, Westminster College
Peter Klinge, OneAccord
Bob Springmeyer, Bonneville Ventures
Jeff Unruh, Alerion

Business Plan

efileonardo.

Five-Year Strategic Plan

August 8, 2007

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Dear Leonardo Board Members

The Leonardo is approaching a new and exciting phase in its development.

Since Salt Lake City issued the RFP for reuse of the old main library building, The Leonardo team has accomplished so much—from the public bond, to achieving broad-based support from both the private and public sectors.

The Leonardo is now in the final design stage of the exhibit planning process. We have assembled an amazing staff, are refining relationships with our founding organizations, and forging new bonds with other content providers. The Founding partners are evolving in their ramp-up capacity and working steadily toward exhibit design and content deadlines.

Following is a Five-Year Strategic Plan that outlines the process of how The Leonardo can move from where we are now to opening, and beyond. The plan frames our vision, and provides a roadmap to the successful implementation of The Leonardo.

A vital part of continuing to successfully develop and execute this vision is our identity—our shared commitment to who we are, what we do, and how we are different. This strong, consistent identity will inform every aspect of The Leonardo, from our business and personnel policies, to the content partners and corporate sponsors we choose, to what and how we communicate with our audiences.

As we discussed at the last Board meeting, our project is not without significant challenges. We need to accomplish the following in a very timely manner to show momentum and succeed in our goals.

- O Get the basic building program and budget in line and communicate to the community that the building is underway.
- O Achieve considerable fundraising success in both the short and long term as we complete the capital campaign, including support for continued ramp-up. As soon as possible we need to find financial support for the significant building add-in alternatives like the auditorium and third floor which influence our ability to achieve earned income goals.
- Finalize founding partner relationships through various avenues including merge, affiliation agreements, and the lease. Announce significant affiliate partner relationships to the community in September.

This Strategic Plan captures the story of a project that has evolved into a truly unique endeavor, which now has the opportunity to change our community, and transform visitors with our "New Ways of Seeing" approach.

I look forward to strategically working together to move The Leonardo from an internal vision to a public one that increases community awareness, buy-in, and involvement.

Thank you for your diligent efforts and support.

Best,

Mary Tull

THE LEONARDO PROJECT

The impetus for The Leonardo Project was the construction of the new Salt Lake City Library on Library Square. Having identified the need for a modern new facility, the City was left with the question of what to do with the existing main library building situated on the south west corner of Library Square, 209 East 500 South, (the "Building"). Consequently, in 2001 Salt Lake City began soliciting from the community at large, via RFP, proposals for reuse of the Building. The RFP, following on extensive City Council and committee meeting discussions and numerous Council decisions, stipulated continued public use "for the majority of the building" for displays, classes, exhibitions, performances, and related activities. Preference was to be given to organizations with a "strong public purpose," and monetary incentives by way of nominal Building lease-back costs were to be extended to not-for-profit organizations. Beside the public-use mandate, the City also required that the re-use of the building should clearly provide an enhancement to Library Square and become a complement to the new Public Library.

Many organizations responded to the City's request, but it was determined by City officials that bringing together the Utah Science Center ("USC"), the Center for Documentary Arts ("CDA"), and Youth City Artways ("YCA") could best meet the broad public-use mandate that had been envisioned for the Building. In January, 2002, the Articles of Incorporation were executed and the Library Square Foundation for Art, Culture and Science ("The Leonardo") was legally incorporated as a 501(c.)(3), not-for-profit, foundation. Its By-Laws were adopted and ratified in July of 2002. The Articles of Incorporation were structured to include the three "founding Partners," USC, CDA and YCA, but also require representation from the Salt Lake City Library, and the Salt Lake City community at large.

On October 7, 2003, the Salt Lake City Council adopted a resolution calling for a special bond election in November of 2003 for the sale of General Obligation Bonds, \$10.2 million of which was to be allocated for the refurbishment of the Building for use by The Leonardo. The Bond issue for The Leonardo, *Proposition Number 2*, was approved by the voters "for the purpose of renovating, improving and preserving the old main library building. . . [and] to establish a science, culture and art education center currently know as The Leonardo…"

MISSION OF THE LEONARDO

The Leonardo at Library Square celebrates the spirit of wonder and humanity that guided Renaissance master Leonardo da Vinci and inspires our own exploration of the world. The Leonardo is committed to exploring and connecting Art, Culture, and Science in imaginative ways to enrich our lives, expand our consciousness, provide high quality learning opportunities, and enhance our community.

As a "next-generation museum," The Leonardo's core objectives are to expand creativity and enrich the intellectual life of our community in the broadest sense of that term. It is a gathering/connecting place for the diverse components of this community to meet, to discuss, and to understand one another. The Leonardo provides a public forum for exploring, learning and creating activities in the areas of science, technology, culture and the arts. Its namesake, Leonardo da Vinci, personified the ideals of creative thinking, innovative perceptions, and the inter-relationship of the arts and sciences that permeate all facets of the operation.

The Leonardo is committed to a "triple bottom line," i.e., its operation must be financially sustainable, socially responsible, and environmentally sound. In all its operations and affairs The Leonardo stands for socially responsible, ethically sensitive behavior towards others; concern and active support of the environment; as well as business operations and practices which ensure the long-term viability of the institution.

The multidisciplinary mission of The Leonardo requires it to promote and support relevant activities of its partners, affiliates, sponsors and community organizations insofar as they too contribute to The Leonardo's core objectives in serving the public. The Leonardo also seeks to complement the programs and activities of the Salt Lake City Public Library, and to enhance Library Square and Downtown Salt Lake City.

OUR FIVE-YEAR STRATEGIC OBJECTIVES

Over the course of the past few years we have identified several key principles that are necessary to "birthing" The Leonardo, supporting the institution's mission, and to making it a wholly unique experience for our visitors. These principles are incorporated in and drive the Strategic Plan. They are:

Financial and Operational Sustainability

The Leonardo is keenly aware of its responsibility to fulfill the mandate given it by the City and voters. We are accountable to the community for efficient use of the resources that have been entrusted to us. Inherent in that stewardship is the onus of making The Leonardo, independent, financially viable and long-lived.

Given the scope of our mission and in view of the many and unpredictable factors affecting community support of the Project, a critical objective of our business planning has been to build into the operation as many facets of financial sustainability and independence as possible. Also informing our planning has been the relatively high degree of uncertainty which attaches to market demand for The Leonardo's product. We recognize that The Leonardo will of necessity compete in the consumer's mind with an almost infinite number of alternative "entertainment" options. Consequently, besides aggressively developing an exciting Leonardo product, we have taken steps to reduce our reliance on base admissions,

that is, to diversify the risk components of the Project by emphasizing the potential of earned revenues.

Establish The Leonardo Brand

The Leonardo is a new model, something that has not been created before. It is crucial to create the brand, and begin to communicate it to stakeholders and the general public. Over time, The Leonardo's objective is to become a trusted brand, which people associate with high quality, in-depth programming that you cannot get anywhere else, as well as with "a great place to hang out."

Open The Leonardo on Time with Operations and Programs in Place

Exhibit planning and design is well under way for opening; and it is a crucial strategic objective for us to open on or about da Vinci's birthday in April 2009, with a full program and staffing in place.

Achieve Attendance Projections

The Leonardo will only be as successful as its visitors make it. It is our objective to make The Leonardo a community gathering place, where patrons feel welcome to come together, to discuss issues, to exchange ideas and view-points, to understand differences, perhaps to resolve conflict, and, in a more general sense, it will be an exciting and stimulating place just to be. Our objective is to serve the needs of visitors from all the diverse sub-sectors of this community. Areas of the Building and programming have been designed to further the objective of The Leonardo as a community gathering place. Attendance projections are based on local community touchstones, i.e., similar "museum-like" products in our area, national comparables, and industry provided statistical norms.

Establish a Partnership Model

The multidisciplinary nature of The Leonardo and its role in the community imply that programming contributions will necessarily come from a wide array of partners and affiliates. Thus, the operating / organizational format of The Leonardo, as well as the design of the Building have been generated with a view to flexibility. This adaptability of both our organization and our physical facilities will enable us to funnel in a variety of programming and exhibits from founding partners, partners who in the future may join The Leonardo and have Board representation, programming partners, affiliates, sponsor institutions and contributors of many differing hues.

Offer a Variety of Experience

Our audience research to date clearly indicates that in order to drive market demand, to keep our visitors coming back, it will be critical to provide frequent changes in programming and exhibits. This necessarily increases operating expenses. The obvious management objective will be to balance the need for freshness, timeliness and change in The Leonardo experience with the demands of economic sustainability.

Achieve Patron Participation

A key objective of The Leonardo is to involve its visitors in as many aspects of the experience as possible. This has led to the creation of Workshop and Studio spaces configured and staffed to enable visitors to participate in learning, creating and sharing activities. This will be very different from a more traditional, static museum experience in which visitors essentially walk-through and view a standing collection. The Leonardo will draw on the backgrounds and creativity of its visitors to make contributions to the intuition's milieu.

PROJECT IMPERATIVES

PROJECT IMPERATIVE 1: THE BUILDING

Renovate and modify the Building to meet the long-term needs of the Project.

RENOVATION PLAN. On September 15, 2005 EwingCole was engaged to plan the renovation of the Building.

Besides developing iterations of Project-specific renovations, EwingCole has focused on the core scope of the renovation. As of May 4, 2007 The Leonardo Board is committed to limiting the core scope of the building project to bringing it into compliance with seismic requirements, abating asbestos in the facility, and to addressing critical HVAC, plumbing and electrical deficiencies. Seismic modifications will entail the placement of an exterior concrete shear wall on each of the Building's four elevations. These shear walls are to be placed inside the granite faced panels that hang from the cantilevered Second and Third floors. This approach has been taken so as to minimize the effect on the Building's appearance and to minimize the disruption to operations. HVAC, electrical and plumbing upgrades will be kept to a minimum so as to meet budget constraints, while still qualifying for Silver LEED certification and meeting City stipulations that the Building be fully functional for the duration of the lease term—50 years.

Renovation plans, depending on funding, include:

- Replacing the Building's prominent escalators with a staircase to facilitate larger crowds, to provide greater safety for younger visitors, and to reduce maintenance costs.
- Modifying the north east corner of the First (Piazza) Level to accommodate build-out of a Café and Café Kitchen, including providing outside door access to the Plaza.
- Electrical, mechanical and plumbing alterations to the Basement to facilitate construction of the 1,450 square foot Catering Kitchen by the Catering/Convention operator.

- Upgrading of the Center for Community and Culture on Level Three for the Catering/Convention facility.
- The Center for Community and Culture auditorium on the Third Level will be renovated and enlarged to enable The Leonardo to provide top level movie screenings, speakers, symposia, and performing arts productions.

The core renovations and the Project-specific changes detailed above will be built for a cost of approximately \$14 million which will be funded by the City Bond proceeds, approximately \$1 million proceeds of a FEMA Grant to the Project, Salt Lake City Redevelopment Agency ("RDA") monies of \$750,000, and other City funds. As additional development funding is secured, the remainder of the Center for Community and Culture including the auditorium, catering and convention area, the classrooms on the east side, a new restroom, the motion studio; as well as the First floor cafe and kitchentotal cost of about \$5.1 million, will be added to the Building Project. Additional upgrades and enhancements of the Building and its galleries will be budgeted as funding allows.

The core renovation of the Building and the development of key project-components installation are shown on the Building Master Time Line below:

Activity Name	Duration (Work Days)	Start Date	Finish Date	olet:		008	-			_	20	07			-		1				2	008						201	09	٦
	Traus Days;	Date	Date		4	DC# ND	/ GES	Tyle 6	те из	r son	MAS J	3k .40	L AUG	228	227 B8	aw saco	Jan	788	WAR	A/K #	AV JE	114	AUG	ser :	ogr ng	w 660	Third	768	WAX.	ppe,
Building	551	May 23 '06	Oct 1 '08		1/2	Ù,						arm or					1													
Scheme "C" Definition	54	Aug 23 198	Nov 6 '86	9																										
Sustainability	44	Oct 2 '06	Nov 30 106														1													
Final Program Reconciliation	36	May 30 '07	Jul 10 '07								1																			
EC / Gyroscope Workshops	2	May 30 '07	May 31 '07								'																			
Scope Plan	1	May 30 '07	May 30 '07			l	1 1		1	1 '				۱ ۱			1			1	١		11		1			\ \)
Cost Estimation	3	May 31 '07	Jun 4 '07			ł																								-
EC / Gyroscope Review	1	Jul 2 '07	Jul 2 '07							1		ا																		-
Board & City Approvals	1	Jul 10 '07	Jul 10 '07						-												1								ıl	
Documentation Design Developmen	44	Jul 11 *07	Set 10 '07	י ו			1 1																						ιÌ	
Construction Documents	63	Sep 11 '07	Dec F '87																										ı	
Building / Construction Contract	65	Dec 7 *07	Mai 7 '08													ě			8										ı	
Construction	148	Mai 16 '68	Oct 1 '08	1		Ì		1			1 1	Ì	Ì	ו	Ì	Ì		Ì								ì				-
Certificate of Occupancy	†	Oct 1 108	Oct 1 '88					1			l l														,				Н	
Exhibit Development	761	Jun 1 '06	May 30 '09	V-80													h													
Exhibit Preliminary Design	152	Jun 1 '08	Dec 28 '08	.78		B	92																						Н	
Space Approval by Decision Team	1	Oct 25 '06	Oct 25 '06			*																			-		l l		H	
Exhibit Final Design	176	Jan 1 '07	Aug 31 '97																					, ا			l		Н	
Exhibit Bidding	43	Sep 3 '07	Oct 31 '07								U				12		l												H	
Exhibit Fabrication	217	Nov 1 '07	Aug 29 '08	ı																									Н	
Exhibit Installation	65	Oct 2 '68	Dec 31 '08													.														
Exhibit Shakedown	42	Jan 1 '09	Feb 27 '09													-														
Soft Opening	0	Feb 27 '09	Feb 27 '09														:												•	
Grand Opening	1	Apr 15 '09	Apr 15 '09																											۲
Exhibit Remediation	44	Mai 2 '09	Apr 30 '09	AUG.	\$£7	DC* NO	w ess	151	กะเ	in at i	MAY	iak J	DIL AUG	ser	oct s	KOY DE	c] 144	*148	級為衛	apr 1	ias a	31- 3121	L AUG	23 27*	oc* n	ON (04)	c JA	1 122	44.0	Pr

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PROJECT IMPERATIVE 2: EXHIBITS AND PROGRAMS

MISSION AND VISION, EXHIBITS AND PROGRAMS

As outlined in the mission statement, The Leonardo's aim is to bridge art. culture and science; allowing participants to encounter phenomena, new ideas and perspectives, and learn new skills while trying out new tools.

It is the core imperative for The Leonardo to deliver on our promise to offer our visitors' opportunities to experience New Ways of Seeing.

How can this be achieved?

The Leonardo's programming vision is complex, combining content from many sources: founding partners, program affiliates, local and national groups, performers and institutions, down to participants who conduct a one-time demonstration event in a workshop. The content will be organized around a number of core programming threads that will be woven together into a meaningful whole.

Hence, The Leonardo's role consists of the blending of diverse content providers and the public to create an exciting new programming mix. In this coming together of people and programs, The Leonardo will be a catalyst, enabling all players—visitors, staff and program providers—to both impact and be changed by their collaboration.

The outcome of this process is our "product"—The Leonardo Experience—which can best be described as a transformation of how we see and explore our world.

Imperatives

- A Platform: The Leonardo will offer original content, created in-house, and combine this with a variety of other elements be they films, a guest lecture, performances, traveling exhibits etc. In that sense, The Leonardo will become a platform for the display of work by The Leonardo's founding partners, as well as for many other groups, artists, and the community at large.
- Art, Culture, Science and Credibility: In delivering our mission, and creating an inspiring and cohesive experience for our visitors, disciplinary boundaries will begin to soften.

However, The Leonardo is also committed to uncompromising quality in each discipline and within each subject area. Culture, science and art will be guided by a vision statement, ensuring all three core disciplines are represented, and satisfy core stakeholders.

- Advisors: In keeping with the imperative for disciplinary credibility, The Leonardo will work closely with advisors for each of the themes, or "big ideas." Each major area—such as Story, Human Rights, Sustainability, Music or Digital Anatomy—will be guided by someone who is working in the field, who can help point The Leonardo and partner staff to important topics and/or people in their respective areas of expertise. In addition, several advisory boards will guide the bigger programming picture.
- <u>Layers of Learning</u>: It is part of The Leonardo's new model to allow visitors to choose in what way, and how deeply to engage with the facility, or any given subject.

Meeting each visitor where s/he is and giving him/her the option to explore either more broadly, or more deeply, is achieved in two ways: First, floor staff will engage with each visitor and function as guides on the path chosen by the visitor; and second, The Leonardo's new model of "layered learning."

Programming will be organized in layers – Exhibits, Workshops and Classes: Exhibits will provide a variety of interactive and contemplative experiences for first-time or occasional users. The Workshops will offer a range of activities and resources that connect to The Leonardo's exhibits and philosophical principles. Workshops will host drop-in activities, facilitated learning experiences and classes.

• <u>Big Ideas</u>: The Leonardo's programming will be guided by a number of core themes, or 'big ideas'. These represent a commitment to those areas, which will be represented to some degree at all times.

Big Ideas include Sustainability/Environment, Memory, Community, Human Rights, Sound, Story, Nutrition/Food, Performance, Innovation and Creativity.

These themes, or ideas, will map onto the physical gallery and workshop spaces; with changing emphasis on each one.

- Rate of Change: Focus group participants have expressed great interest in a facility that is frequently changing. This change will be accomplished to an extent through traditional rotating exhibits, which will be changed within the constraints of operating budgets. But change and variety will be facilitated also via an active, fluid layer of programming which incorporates a changing offering of performances, lectures, demos, workshops, forums etc. In addition, The Leonardo's commitment to community and its visitors has resulted in a large number of 'user-made' contributions that will combine to both a visual layer of art and objects, and a form of building community and dialogue around The Leonardo Experience.
- <u>Timeliness and Relevance</u>: All of The Leonardo's exhibits and programs are designed flexibly to allow us to react to current issues, news stories, or debates more nimbly. The Leonardo both onsite and online will become a resource from which the community

can find information about current issues in art, science and culture, with continued emphasis on and tie-in to "big idea" themes

• Floor Staff: It is crucial to hire, train and foster a certain kind of personality to facilitate visitor experiences on the floor. Whether it is ticketing, café, or workshop staff, their attitudes, ability to connect and meet visitors in a manner that is comfortable for them, and their own sense of curiosity and exploration is probably the most important element to ensure a successful delivery of a programming vision that centers around the visitor.

Goals

Exhibits

- Exhibit Design: Create, design and deliver successful opening exhibits that fulfill The Leonardo's mission and visitor expectations
- Exhibit Planning: Develop strong and cohesive 3-Year Exhibits and Programs Strategic Plan
- Facilitators: Hire and train floor staff

Programs

- Plan and schedule Year 1 Events (lectures, performances, symposia, etc)
- Educational Plan developed and communicated to schools

Pre-Opening Exhibits and Programs

- Develop and run programs representative of "The Leonardo Experience"
- Conduct audience research to support Exhibit Design

Partners

- Major Program Affiliates defined and agreements in place before opening
- Other content providers Have relationships with community partners and other shortterm program providers

PROJECT IMPERATIVES 3: FINANCIAL SUSTAINABILITY

The Leonardo plans to undertake the following financial initiatives to ensure adequate funding throughout both pre- and post-opening operations:

- During Ramp-up, fully fund the \$20.7mm Capital Campaign
- Post-opening, ensure that all <u>Earned Revenues</u> models are effective in garnering the budgeted income.
- Post-opening, pursue a successful <u>Development</u> campaign to cover operating short-falls, build operating reserves and to fund the future of The Leonardo.

PRE-OPENING FINANCIAL SUSTAINABILITY: CAPITAL CAMPAIGN

The Capital Campaign needs of The Leonardo updated as of July 1, 2007 are summarized below. These costs are wholly independent of the funding for the basic Building renovations, which are the City's responsibility. The exceptions (as detailed below) are the three Additions to the core Building renovations. Additional upgrades and enhancements of the Building and its galleries will be budgeted as funding allows.

	Balance to be Raised	Total Capital Campaign
Exhibits and Programs	\$7,500,000	\$8,360,000
Ramp-up Operations	\$2,600,000	\$6,936,000
Furniture, Fixtures and Equipment	\$2,000,000	\$2,000,000
Reserves:		
Operations	\$2,500,000	\$2,500,000
Building / Exhibits	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Sub-total Ramp-up Budget	\$15,600,000	\$20,796,000
Additions to Building Budget		
Auditorium	\$700,000	\$700,000
Restaurant	\$700,000	\$700,000
Catering/Convention	\$3,700,000	\$3,700,000
TOTAL	\$20,700,000	\$25,896,000

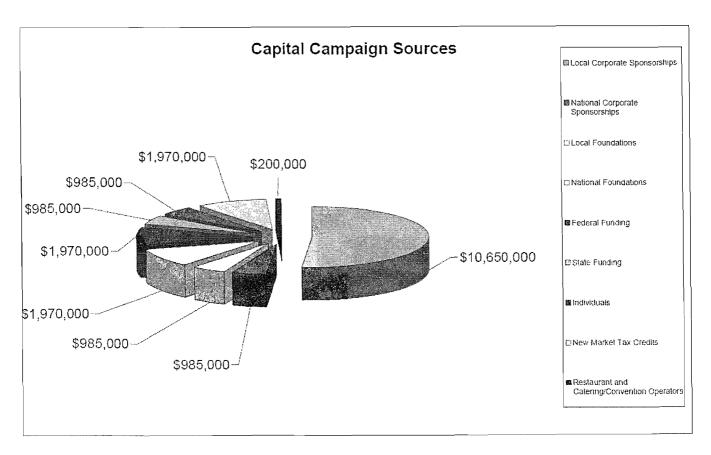
Achieving the objectives of the Capital Campaign will require the concerted efforts of The Leonardo personnel, partners and consultants. The Capital Campaign Team consists of the following:

- Executive Director
- Management
- Partner Representatives
- Consultants—Exoro, etc.
- Renaissance Advisory Board

Sources of Capital Campaign Funding: Management anticipates the remaining capital campaign funds coming from the following sources:

- Local Corporate Sponsorships
- National Corporate Sponsorships
- Local Foundations
- National Foundations
- Restaurant and Catering/Convention Operators

- Federal Funding
- State Funding
- Individuals
- New Market Tax Credits



Capital Campaign Focus: Capital Campaign efforts will include a variety of strategies for specific audiences.

Corporate Sponsors	Foundations	Fee	deral	State	Tax Credits	Individuals
Zones	Programming and Exhibits	Bui	lding	Science Exhibits Programs	Exhibits	Naming
"Big Ideas"	Kresge Campaign		nibits grams			Programming
Features		_				Exhibits

Capital Campaign Strategies: The Leonardo will leverage the following strategies to achieve Capital Campaign financial objectives.

- Renaissance Board members will aggressively pursue funding utilizing their network of contacts.
- Consultants with specific access to sponsors, foundations and donors will be retained by The Leonardo.
- Lobbyists will be engaged to secure state funding.
- Funding from Federal agencies will be cultivated by the Management Team and the Exoro.
- Marketing and Public Relations efforts will focus on expanding public awareness
 of accomplishments, and unique nature and offerings of The Leonardo, increasing
 positive momentum for the Project that is critical to fund raising.
- The Leonardo special events and the Pilot programs will also aim at building community awareness and excitement during Ramp-up.
- Strategic partnerships will be created to build support for The Leonardo.
- Specific Targets, Deadlines, and an expanded and active Donor Database will be established to help keep the Capital Campaign focused.

POST-OPENING FINANCIAL SUSTAINABILITY

Management's responsibility to fulfill The Leonardo's mission as discussed above, particularly as regards the critical goal of achieving financial and operational sustainability,

encompasses a number of strategic objectives. Our strategic plan is to:

- Ensure total funding of the Project's capital campaign (building, FF&E, Ramp-up) including, also, funds for initial temporary exhibits, operating contingency reserves and which anticipate an extended Project time-line.
- Exclude recourse to borrowing, which increases risk and can compromise financial viability.
- Outsource those Earned Revenue operations where possible, provided doing so is economically and operationally advantageous to the Project.
- Create a \$10M endowment that will fund the vibrancy of constantly changing exhibits (\$500 K/year). The **endowment** needed to generate \$400K per year would be \$10M assuming a free investment revenue of 4% per year.
- Open with a comfortable level of staffing to guarantee the best visitor experience
 possible, AND be ready to cut down staffing in Year Two should we encounter the usual
 attendance downturn. It is critical to open The Leonardo with our best foot forward,
 knowing that we will have only one chance to make a positive first impression on the
 public.
- Prepare in advance to increase operating expenses up to \$5M in Year One to cover adverse contingencies. The Leonardo is an entirely new concept and business model. Consequently, we must be ready to increase operating expenses up to \$5M in Year One as a "worst case" fall-back position.
- At the time of opening, have in place 6 months of operating expenses (\$2.5M) as an Operating Contingency Reserve to guarantee the survival of the Project at this "worst case" level of cost.
- Include in affiliation agreements the provision that 50% of all operating surpluses be allocated to the Operating Contingency Reserve, and 50% go to fund other Project priorities as determined by the Board.
- Cap the Operating Contingency Reserve at \$5M (approximately one year of operating expenses). Once this Reserve has been fully funded, all operating surpluses will go to fund other Project priorities as determined by the Board.
- Mitigate business risk as to the extent possible with a diversified business model centered on efficient admission policies, workshop and studio up-charges, a reasonable contribution from retail sales, appealing and profitable Restaurant operations, and the Center for Community and Culture's catering / convention business.

- Consider a special business plan for a major blockbuster in Year Two when UMNH opens utilizing funds from the Operating Contingency Reserve.
- Have a consistent and **strong** Development plan to provide additional funds to off-set any operating revenue shortfalls.

Two particularly critical areas of interest for The Leonardo's long-term financial sustainability are Earned Revenues and Development:

Earned Revenue: Post Opening

A basic strategic premise of The Leonardo is to mitigate operating business risk to the extent possible. Because the admissions risk, or market demand risk, for The Leonardo product is unknown and, indeed, unknowable until after opening, we must limit our business risk with a diversified business model centered on efficient admission policies, workshop and studio up-charges, a reasonable contribution from retail sales, appealing and profitable Restaurant operations, and the Center for Community and Culture's catering / convention business. The catering / convention model is of particular importance in this context because it is the only component of the business model which operates almost entirely independent of attendance assumptions. Therefore, it provides the best means of mitigating our operating risk.

The Leonardo business model includes both traditional and non-traditional ideas in terms of its relationship to the visitor and the ways in which it generates earned revenues Our business model concepts, traditional and no-traditional, have involved a great deal of innovative thinking and reference to similar operations in the industry. These models are outlined below:

Main Earned Revenues Models	Traditional Business Models	Non-traditional Business Models
General admission	\$8 adults, \$6 youth/senior/student	Family fare: \$22 for 2 adults and unlimited children One free return 7 days after first full fare visit
Group admission	 School groups \$3.25/child Promotional groups \$6/person 	
Special exhibit admissions	Depending on show \$12/adult and \$8/youth/student/senior	
Loyalty / "Aficionado"	No classic membership model	3 visit pass \$15 adults - \$11 youth/senior/student 5 visit pass \$22.50- \$17 youth/senior/student 10 visit pass \$37.50- \$29 youth/senior/student
Food and Beverage revenues	Restaurant benefiting from repeat visitation	Optimized use of 3d floor Center for Community and Culture for 500 diners catered events and rental of space for conventions
Studios & Workshops	Free drop-in Paid master classes Paid courses	Up-charges for enhanced products or supplies
Retail & Other	1,200 SF retail shop Auditorium events/shows Retail merchandising throughout	
Educational Programs	School trips and programs in Leonardo Field trips away from Leonardo Teacher "Memberships"	

Earned Revenue Models Utilized in The Leonardo Strategic Plan

Management's major goals in the Earned Revenue models are:

- Creation of a competitive general admission model
- Provision of incentives for multiple visits and Patron loyalty
- Optimization of the event/catering opportunity afforded by the Center for Community and Culture on the Third Floor.
- Maximization of up-charges from multiple visits and ancillary retail revenue opportunities

Summarized below are projected contributions from Earned Revenues and Admissions during the first three years post-opening in "normal" and "conservative" attendance assumptions, which, as noted above, derive from local and industry-wide touchstones or comparable operations:

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	Normal	Attendance Assi	umptions	Conservativ	ssumptions	
Attendance Assumptions	Year One Scenario	Year Two Scenario	Year Three Scenario	Year One Scenario	Year Two Scenario	Year Three Scenari
Base Attendance	300.000	100.000	100.000	227 000	125 000	142 *00
Ancillary Attendance	300,000	180,000	190,000	225,000	135,000	142,500
Total Attendance	138,283 438,283	83,174	87,406	131,783	61,370	66,281
Total Satellandee	420,200	263,174	277,406	356,783	196,370	208,781
Earned Revenue Source						
Admissions	\$2,165,002	\$1,269,000	\$1,371,032	\$1,687,976	\$974.199	31,029,621
per Patron (Total Attendance)	\$4.94	54.82	\$4.94	\$4.73	\$4.96	\$4.93
Food and Beverage						
Catering/Convention	\$869,450	\$521,670	\$547,754	\$869,450	\$391,253	\$417,336
Net to Leonardo per Attendee	\$8.50	\$8.50	\$8.50	\$8.50	\$8.50	\$8.30
Restaurant	\$157,896	\$113,314	\$120,744	<u>\$117,648</u>	\$64,265	\$68,550
Net to Leonardo per Diner	\$1.33	\$1.22	\$1.75	\$1.26	S1.30	\$1.30
Total F and B	\$1,027,346	\$634,984	\$668,498	\$987,098	\$455,518	\$485,886
Workshops and Studios	\$847,300	\$648,900	\$681,380	\$723,300	\$574,500	\$586,980
per Patron (Total Attendance)	<i>\$1.93</i>	\$2,47	\$2.46	\$2.03	\$2.93	\$2.81
Retail and Other	3150,931	\$73,409	\$93,618	\$128,263	\$65,067	\$73,723
per Patron (Total Attendance)	\$0.34	50.28	50.34	\$0.36	\$0.33	30.35
Total Earned Revenues	\$4,190,579	\$2,626,292	\$2,814,528	53,526,636	\$2,069,283	\$2,176,210
per Patron (Total Attendance)	<i>\$9.56</i>	\$9.98	\$10.15	\$9.8 S	\$10.54	\$10,42
Operating Expenses	24 202 055	44.254.425			- 4 0 4 2 0 2 2	*******
per Patron (Total Attendance)	84,303,055 <i>89.82</i>	\$4,351,428 \$16.53	\$4,470,445 <i>\$16.12</i>	\$4,291,000 \$12.03	\$4,042,000 <i>\$20.58</i>	\$4,061,000 <i>\$19,45</i>
Revenues / Expenses	97.39%	60.35%	62.96%	82.19%	51.19%	53.59%

Management believes that the only means of fulfilling the mission of The Leonardo is to reduce business risk by adequately capitalizing the operation before opening; to pursue an effective Development program; to initiate all means possible of generating Earned Revenues, including the catering / convention model, which can ameliorate our admissions risk; to undertake an effective, creative marketing campaign; and, most important, to deliver a compelling product, (programming, exhibits, workshops/studios, service and atmosphere) that will drive admissions.

Development: Post Opening

When the capital campaign and Ramp-up phase of the project ends, a more traditional (but still creative) on-going development program begins to support basic operations. A Development Director will be hired one year prior to opening to put in place the following elements of the on-going of the fundraising strategic plan.

1) Fundraising Targets for Basic Operations

Year One: \$1.7M
 Year Two: \$1.8M
 Year Three: \$2.34M

2) Assumptions

- In Year One, operational fundraising revenues will be lower due to the aggressive efforts to complete the capital campaign.
- Fundraising goals increase in Year Two to counteract the expected dip in attendance.
- Fundraising goals in Year Three are affected by the cycle of renewals and procurement of new corporate sponsorships that have up-coming expiration dates.
- A fully operational vibrant and successful facility will generate new opportunities for both community and national funding of exhibits and programs.

3) Sources of Funding

<u>Public Partnerships</u> It is increasingly important that cultural institutions build a foundation of on-going funding from government sources. Short of a very large endowment, the majority of museums rely on public funding to some level with lineitem status. It is the strategic goal of The Leonardo to achieve the following:

- O Line item funding from the State of Utah
- Increased public funding for outreach through ZAP and POPS programs

- O Line item funding from Salt Lake County
- O Alliances with federal agencies that result in ongoing funding opportunities

Corporate Sponsorships: The Corporate Sponsorship program is a cornerstone of the last phase of the capital campaign. The sponsorships achieved will be the foundation of the corporate program moving forward. The assumption is that the major zones and features are fully sponsored at opening. These sponsors will have the right of first refusal to renew their sponsorship at the end of their three or five year cycle. Beginning in Year One the focus will be on bringing in new sponsors for specific exhibits and programs. Corporate Sponsorships of special audiences, events, and community free days will be pursued via a yearly fundraising plan

<u>Foundations</u>: Fund: from foundations will become a significant source of revenue once The Leonardo is operational. Local Foundations, as yet untapped as well as those who already gave to the Capital Campaign, will be approached in a regular cycle to fund specific exhibits and programs. The goal is to get all significant local foundations engaged on some level and part of The Leonardo community.

By 2009, many of the major national foundations will have progressed in a multi-year cultivation process. It is anticipated that several planning grants will have been secured during the capital campaign. The Leonardo's opening will further move these cultivations from exploratory and planning to the actual funding of exhibit and program initiatives on a larger scale. These national foundations, including government foundations like The National Endowment for the Humanities and The National Science Foundation, will provide significant funding for new exhibits and programs.

Individuals and Annual Giving: Creative donor stewardship programs will further develop relationships with The Leonardo's donor base and set in motion a yearly giving program. In addition, individuals who have not yet joined our donor ranks will be identified and approached. These will range from a small giving program on the web site to cultivation and requests to individuals of high-level capacity. There will be many different ways to give and multiple opportunities.

<u>Fundraising Events</u>: The Leonardo will host two major fundraising events each year. One will be The Leonardo Birthday Gala in April. Another event of smaller scope will occur in the fall.

Overhead Ask: Every funding or donation proposal will include a 30% "overhead ask," which means that the donor will be asked to agree to contribute 30% of his/her donation towards general operating overheads, wholly independent of the restrictions placed on the bulk of the donation or contribution.

4) Non-Operations Fundraising

Endowment: The goal at opening is to have in place a strategic plan to build The Leonardo's endowment. The economic sustainability of the project eventually is based on 500K of endowment revenue to operations each year... a \$10M endowment. The Executive Director working with a Board committee will develop the plan, possibly with consultant assistance.

New Project Development: The Leonardo's goal is to support the on-going development of original work including publications, exhibits, traveling programs, and educational initiatives. Post opening, a position will be added that focuses on funding new initiatives that are beyond operational fundraising goals.

<u>Staffing and Consultants</u>: Post opening, The Leonardo will rely on an in-house development team. This will include the following positions. In addition, management, the Board of Directors, and The Renaissance Advisory Board will have critical roles in actualizing the fundraising plan.

- Development Director
- Corporate Sponsorship Assistant
- Grant Writers
- o Lead Gift Assistant
- New Project Development

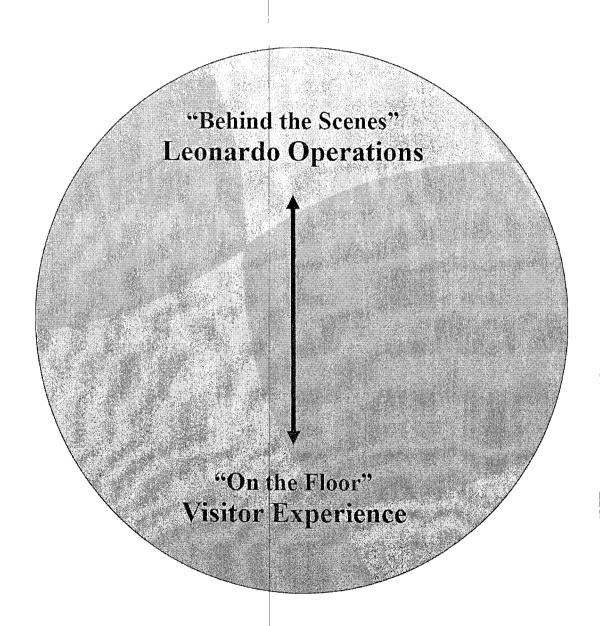
Communication consultants (Exoro) and lobbyists will be hired to assist in the public partnership programs.

OPERATING IMPERATIVE

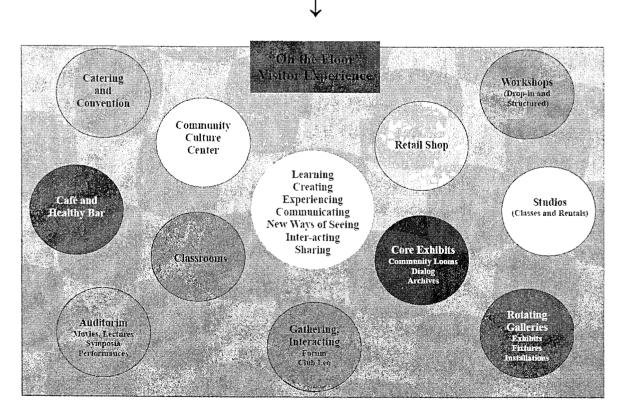
During the Ramp-up period it is imperative that organizational protocols and organizational structure be developed which can facilitate the opening of The Leonardo. Operations must also serve as the platform to develop and to deliver the unique Leonardo Visitor Experience after opening. This will require the definition of the roles, responsibilities and relationships of The Leonardo corporate organization, Board of Directors, and program providers—regardless of where they fall on the collaboration merger continuum, be they tenants of the Building, whether or not they have Board representation, or whether they are temporary affiliates of The Leonardo.

The following graphics depict in broad, conceptual form how operations behind the scenes support our delivery of the "on the floor" visitor experience, and how Exhibits and Program strategic plans are developed, ratified and implemented.

of Leonardo



"Behind the Scenes" Leonardo Operations Finance Development Earned Revenues IT Systems Administration Human Community Resources Statif Relationships Volunteers Accountability Facility Marketing Exhibits And Programs



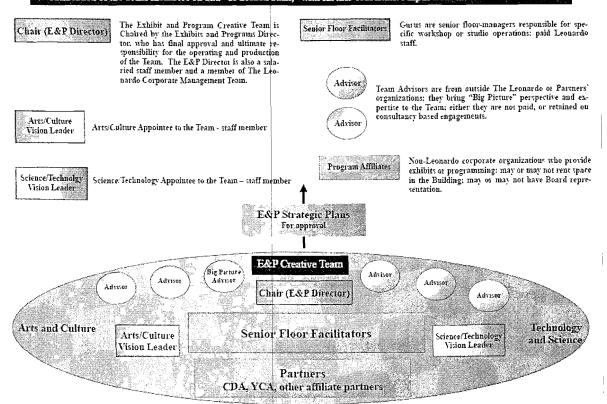
Exhibits and Programming ("E&P") Strategic Planning Process (assumes USC merger)

Exhibits and Programs ("E&P") Creative Team (Replaces Decision Team Post-Opening)

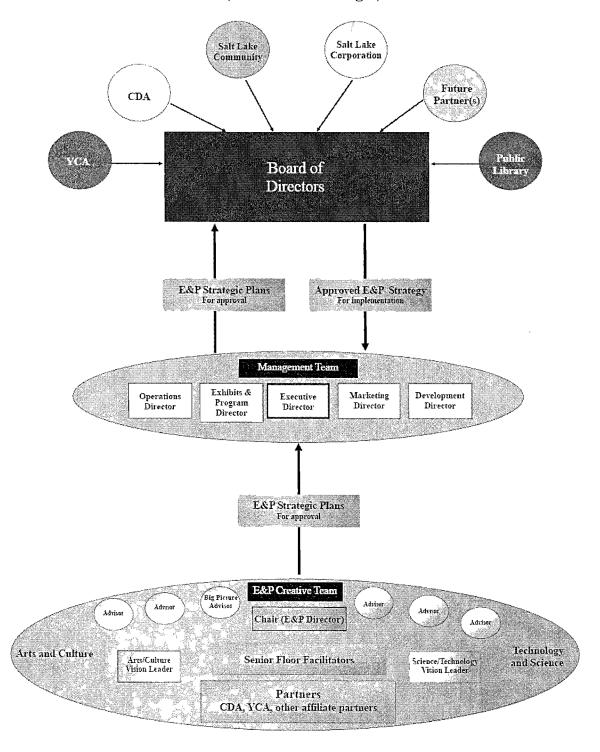
Exhibits and Programs Creative Team Objectives:

- Develop on-going strategic plans for Exhibits and Programs for Management approval, Board ratification and then implementation.
- Ensure integrity of The Leonardo's Exhibits and Programs vis à vis core disciplines of art and science.
- Ensure community relevance and timeliness of Exhibits and Programs.
- Develop strategic plans that meet financial sustainability criteria.
- Oversee inter-play of disciplines in portraying Program "Big Ideas" and themes that achieve The Leonardo's multi-disciplinary goals.
- Constantly monitor and evaluate efficacy and impact of E&P strategic Plans.

E&P Creative Team membership, particularly appointments of outside Advisors, is determined by the Team Chair with ratification of the Team Members on and "as needed basis," with further consultative input from the Board of Directors.



Exhibits and Programs ("E&P") Strategic Plan Development and Approval Process (assumes USC merger)



"FOUNDING PARTNERS" IMPERATIVE

The relationships between The Leonardo and its "founding Partners," Youth City Artways, the Utah Science Center ("USC") and the Center for Documentary Arts ("CDA") continue to evolve and be refined. The Building lease with Salt Lake City requires that the relationships with and between the founding partners and The Leonardo be defined in a Memorandum of Understanding and follow-on Affiliation Agreements. The Memorandum of Understanding was executed in 2007 and Affiliation Agreements are nearing completion. It is anticipated that Utah Science Center will merge with and become part of The Leonardo in late 2007, and USC selected Board members will serve a three year term on the Board. The Center for Documentary Arts and Youth City Artways will continue to have their respective representatives on the Board of Directors of The Leonardo. Both will have representatives on the Exhibits and Program Creative Team, and USC Executive Director will represent the "Science Vision" on the Creative Team. Thus, while USC becomes part of The Leonardo, its is anticipated that both through their Board representatives and their roles on the Exhibits and Programs Creative Team, the objectives, specialties and interests of all three "founding Partners" will continue to influence all aspects of The Leonardo's operation throughout the five-year duration of this \$trategic Plan.

MARKETING IMPERATIVE

The marketing objectives of The Leonardo are to enhance the programming, financial and operating goals of the organization so that The Leonardo becomes a major destination for enjoyment and learning. Following is an overview of our opportunities, as well as marketing initiatives designed to leverage those opportunities.

KEY MARKET INSIGHTS

- 1. Utah is experiencing significant physical rebirth of its capital city.
- 2. Library Square has become a gathering place for cultural events that attract thousands of people annually. The new library, with its groundbreaking patron model and striking architecture, draws visitors from across the state and country.
- 3. Almost 90 percent of Utahns lives within 50 miles of The Leonardo building, which will become increasingly accessible thanks to expanding light and commuter rail lines.
- 4. Utah's residents are young, family oriented, and conservative. While these factors can be attributed in part to the influence of the LDS Church, many "non-Mormon" residents share similar values and priorities.
- 5. Utahns are active, healthy, enjoy adventure, and attending downtown festivals, musical events, performances and films.
- 6. Utahns are not as prone to attend traditional cultural events or attractions as one might find in citizens of larger metropolitan areas.

- 7. Utahns are tech friendly and entrepreneurial. They are not afraid to be the first to adopt new gadgets and technologies. Public policies support both home-grown and imported science, and high-tech industries. Government and business entities have identified The Leonardo's potential as a powerful tool in preparing young people to become science and technology innovators.
- 8. Utahns value learning. Students perform well on national tests, graduate from high school at high than average rates, and go on to colleges and universities more often than their peers. In focus groups held by The Leonardo, parents value the facility first and foremost as a place where they and their families can share interesting and fun new experiences that help expand their experience, and tap into personal capabilities and interests.
- 9. The Leonardo's admission prices are competitive with museum-like facilities and general leisure options.
- 10. Finally, demand for rentable space/venues is incredibly high. Out-of-town conventions and local businesses are hungry for new and unique spaces in which to hold events

AUDIENCE

The bulk of The Leonardo's ticket revenue must come from sustained engagement with local residents who pay admissions and up-charges. The success of The Leonardo depends on strong world-of-mouth advocacy by satisfied users, leaders, facilitators, and volunteers. Marketing efforts need 1) to support continually this group, and 2) to reach out to capture effectively first-time and one-time, non-local residents and visitors.

MARKET OPPORTUNITIES

The Leonardo possesses competitive advantages arising from the foregoing market conditions, target audience and its unique programming.

- Adventurer Appeal: The Leonardo programs appeal to the "innovator" and "adventurer" spirit deeply embedded in the Utah culture.
- Filling the Gaps: Due to the state's demographic, The Leonardo will attract families. Few facilities support curriculum, academic contests, and creative learning experiences for junior high and high school students. Focus groups indicated that parent, young adult and teen audiences consistently mentioned the lack of and high demand for interesting socializing or "hang out" spaces for young people.
- The Power of Partners: Partnerships with groups housed on Library Square, as well as those situated along the light rail line, provide potential access to millions of users. In

addition, The Leonardo's visitor experience model depends on drawing content from founders, businesses, experts, groups, individuals—even visitors themselves. This extended network provides opportunities to keep existing users engaged, and to reach new ones.

• More Than a Venue: A portion of adult visitors will come for conventions and special events in the building's branded convention center or other rentable space. The Leonardo will have the chance to convert these "secondary visitors," who will be comprised mostly of local business people and convention-goers from out of state, to repeat visitors, who bring their families, and tell their friends.

ACTION ITEMS

Our marketing objectives are to enhance the programming, financial and operating goals of the organization. The information outlined above points toward strategies and tactics that will leverage the marketing conditions and our strengths to achieve these goals.

- Embrace and Extend Categories: The Leonardo must emphasize its "first-of-its-kindness." Our emphasis will be on illustrating what users can experience there. Our goal is to evolve expectations by *being* different, not simply saying it. If The Leonardo delivers on its programming vision, it will be an organic and lasting process that visitors own.
- Business As Usual...With a Twist: The Leonardo will engage in a level of "traditional" marketing practices, but the style, content and messaging should prepare audiences for the differences they will encounter.
- The Twist: To rise and then stay at a place that matches our programming objectives, The Leonardo must reach above and beyond the expected. Fortunately, The Leonardo engenders itself to just these types of efforts. Examples of "new ways of marketing" include:
 - O Audience Involvement, NOW! The Leonardo will cultivate a culture of "patron participation" immediately. In June 2007, The Leonardo launched a pilot program titled "Workshopping The Leonardo." This initiative will be utilized to initiate an ongoing conversation with our audiences. Special advisory groups made up of target audiences such as young adults, teens, early adopters, and active seniors may be formed. By listening and responding to these opportunities—and even leveraging these efforts in earned and paid media—The Leonardo can further focus its programming and marketing to achieve maximum impact.

- O Social Media: Utilizing The Leonardo's website, and other communication channels such as bloggers, "mavens" and existing social networking sites, The Leonardo will engage in low-cost, high-impact outreach that can emphasize our innovative nature. At the same time we will be building a network of connected advocates, and even forging new kinds of bonds with hard-to-reach audiences, like teens, lawmakers and the media. Social media can also be a cost effective way of reaching niche groups such as home school families, photography buffs, diabetes patients and local musicians patrons who may have a special need or affinity for The Leonardo's programming.
- Onsite, Online Communication: Most cultural institutions stop marketing to visitors once they walk in the door. Our audience research indicates a strong need for constant communication during visits. This will ensure visitors understand both the breadth and nature of opportunities at The Leonardo, and fully understand the New Ways of Seeing and sense of "connections" inspired by the mind of Leonardo da Vinci himself. Staff, signage, electronic media, and other channels will be utilized to keep the lines of communication open and operational before, and during users visits. Patrons who plan on visiting The Leonardo in person can go online and begin engaging with The Leonardo even before they come to the building. This technology will also give visitors ways to extend, build upon, further personalize, or share what they experienced while at The Leonardo. It will also encourage repeat visits.
- O Building "the Choir": The Leonardo's business model assumes a certain number of users will be converted to "aficionado" or advocate status. Our frequent visitor and bounce-back tickets will signal this possibility on the first, and subsequent visits. In addition to preferred pricing, visitors who reach certain frequency rates will receive special benefits, such as personal interaction with Cool People, sneak previews of exhibits, special programs and other perks. In addition, The Leonardo will use databases to track and target user preferences. With that information we can allow users to self-select the type of information they receive prior to and after visits. By enabling them to customize the relationship, The Leonardo will create new kinds of bonds with both frequent visitors, and those who may only attend once or twice a year. This effort will support the brand and our business plan.
- Extend Audience Through Partnerships: The Leonardo will leverage its extended network of partners—both program and others—to reach primary audiences, and to extend its scope. Co-marketing efforts such as a "TRAX Line Ticket," "A Night on the Town," or "Hang Out" packages can be offered to help build existing categories, and to reinforce particular audiences. The Leonardo can offer business or group packages through companies that want to show community participation and innovation. The Leonardo can also work with groups that serve special ethnic, economic or social groups to both create programming and communicate opportunities. While these groups may

not make up a significant portion of paying visitors, their continued involvement in the project is key to The Leonardo achieving programming and strategic goals. Establishing strong partnerships with groups like the Salt Lake Chamber of Commerce, Governor's Office of Economic Development, the Salt Lake Convention and Visitors Bureau, and the Utah Office of Tourism, whose missions are to bring people and business to the area, can result in low- or no-cost ways to expand The Leonardo's visibility and reach beyond the state.

- Statewide Outreach: The nature of The Leonardo's mission, with its emphasis on innovation and frequent attendance, makes it easy to focus on Salt Lake City residents as our primary target audience. However, our business and development objectives require that we serve people across the state. By leveraging its website, The Leonardo on Wheels educational outreach program, and focused earned and paid media opportunities, The Leonardo can stay connected with other population centers and even rural areas.
- Not a School: The Leonardo will be a natural resource for learning. However, our focus group sessions showed that teens are particularly turned off if they believe The Leonardo is "like school." The Leonardo must communicate the broader opportunities designed specifically to students' interests. For example, students who participate in The Leonardo on Wheels Science at their own middle school may receive a voucher for one free recording session in The Leonardo's Recording Studio. High school students who visit The Leonardo on a field trip may receive a "bring a parent or friend" coupon that includes one free admission on a next visit, or a Friday night Club Leo schedule attached to a "free drink" voucher.
- More Than a Venue: A portion of adults who walk through the doors of The Leonardo for the first time will come not for the exhibits or programs, but for conventions and special events in the building's convention center and other rentable spaces. The Leonardo will have the chance to convert these "secondary visitors," who will be comprised mostly of local business people and convention-goers from out of state, to repeat visitors, who bring their families, and tell their friends simply through exposure, and with incentives like the bounce-back pass.

The Leonardo has multiple ways to engage users and become a very special destination. By delivering a compelling visitor experience and tapping market opportunities, we can foster deep bonds with users that support ongoing financial sustainability, and achieve our vision of enriching lives and enhancing our community.

PEOPLE IMPERATIVE

While much of the Strategic Plan and our concerted day-to-day efforts focus on operational needs, exhibits and programs creation, and certainly on financial imperatives, it is critical that we not overlook the fact that the most important asset of The Leonardo is and will continue to be its people. Our personnel drive the entire operation. They provide the creativity and vision that are the essence of the Project. They organize and bring to life all aspects of The Leonardo Vision. And it is they who will ensure that our Visitors are engaged at all levels, that they are empowered to understand, learn and to create for themselves meaningful experiences from their visits to The Leonardo. Nowhere will the importance of our personnel be greater than in the context of workshops and studios. In these venues facilitators or "Gurus" will be critical to engaging and then channeling visitors towards a meaningful experience.

Consequently, much effort during Ramp-up and post-opening must be on bringing to the organization the kinds of people needed to ensure the success of our mission. Much emphasis will need to be put both on the attributes our personnel bring with them, and on developing, expanding and training them to be as productive as possible once they have joined us. This implies that our staff and collaborators in the Project must be personally committed to the principles of multi-disciplined creativity, innovation, service, and sustainability that inform The Leonardo. They must be possessed of a high work ethic and must be or become sincerely invested in the success of The Leonardo.

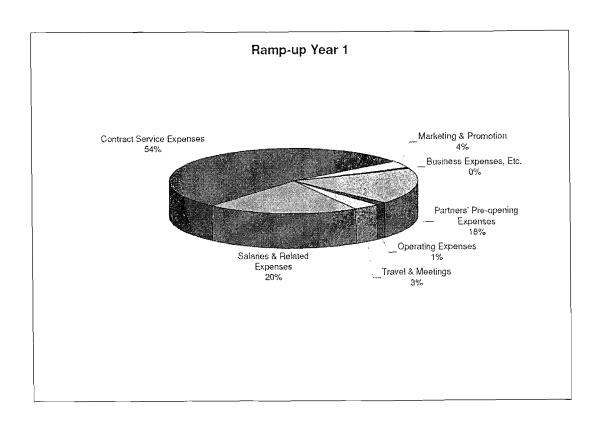
This commitment to our people also requires the organization to be at the forefront of personnel management. It must be as truly committed to the well-being and growth of its people, as its people are committed to The Leonardo. Not to fulfill our responsibility to our people, will be inefficient and costly to the organization because of the increased turn-over that abdication of that responsibility will surely create.

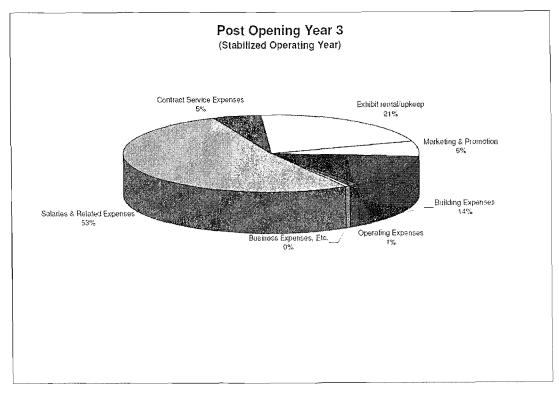
FIVE-YEAR BUDGETS AND FINANCIAL PROJECTS The following component of the Strategic Plan summarizes Management's current forecasts for financial operations of The Leonardo during Ramp-up, July 2007 to Opening, April 15, 2009; and Year One through Year Three post-opening, 2009 – 2012. We have made every effort to forecast accurately the results that could be expected from the operation. Those projected financial results are important to our planning, but an equally important purpose of this document is to define and to explain The Leonardo business model, with an aim to getting Board ratification of its creation and implementation commencing July 1, 2007.

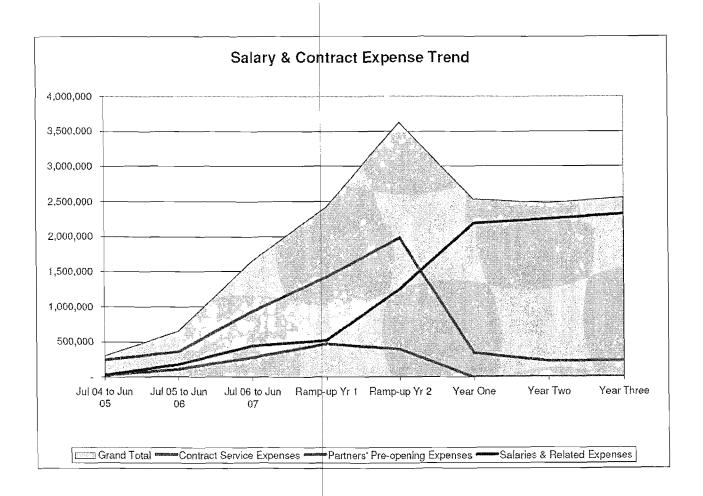
FIVE-YEAR RAMP-UP AND POST OPENING BUDGETS

	Ramp-up Yr 1	Ramp-up Yr 2	Year One	Year Two	Year Three
Fundraising Revenues	9,850,000	9,850,000	1,000,000	1,800,000	2,340,000
Local Corporate Sponsorships	5,500,000	5,500,000	-	-	-
Foundation Contributions	1,000,000	1,000,000	350,000	700,000	800,000
Federal Funding	1,600,000	1,600,000	-	-	- i
National Corporate Contributions	1,250,000	1,250,000	-	-	-
Public Funding	-	-	300,000	450,000	500,000
Corporate Funding	-	-	200,000	300,000	540,000
State Funding	500,000	500,000	-	-	- 1
Fundraising Events	-	-	100,000	200,000	300,000
Annual Giving/Individuals	-	•	50,000	150,000	200,000
Operating Revenues	-	. \$	\$4,190,579	\$2,626,293	\$2,814,528
Admissions Revenues	-	-	2,165,002	1,269,000	1,371,032
Catering/Convention	-	-	869,450	521,670	547,754
Restaurant	-	-	157,896	113,314	120,744
Workshops/Studios		<u></u>	847,300	648,900	681,380
Retail & Other Revenues	-	-	150,931	73,409	93,618
Other Income	262.195	181.380		_	- T
Revenue from Investments	182,150	181,380	-	-	-
DOE Grant	80,045	,	-	-	-
Total Operating & Other Income Revenues	\$10,112,195	\$10,031,380	\$5,190,579	\$4,426,293	\$5,154,528
		ANTELLIKA MATERIA TARAH MANANTAN MANANTAN MANANTAN MANANTAN MANANTAN MANANTAN MANANTAN MANANTAN MANANTAN MANAN	ennimianimanimanimanimani		
Operating Expenses	\$ 2.644.708	\$ 4.509.595	\$ 4,303,055	\$ 4.351.428	\$ 4,470,445
Salaries & Related Expenses	519,690	1,249,120	2,187,400	2,253,560	2,322,880
Contract Service Expenses	1,421,458	1,981,974	343,460	227,980	233,600
Exhibit rental/upkeep	7,7,7	.,,	689,000	944,000	944,000
Marketing & Promotion	93,200	661,750	450,000	270,000	285,000
Building Expenses	1,880	9,900	553,855	581,548	610,625
Partners' Pre-opening Expenses	473,500	394,570	**********		-
Operating Expenses	38,860	157,431	54,720	54,720	54,720
Travel & Meetings	83,420	52,600	21,920	16,920	16,920
Business Expenses	2,700	2,250	2,700	2,700	2,700
Capital Expenses	\$ 2.343.870	\$ 4,432.397	•	\$	
Exhibits Fabrication	2,273,870	2,544,150	_		
FF&E - IT		1,518,247		_	_
FF&E - Signage	70,000	370,000	*	-	
Total Operating & Capital Expenses	\$ 4,988,578	**************************************	\$ 4,303, 0 55	\$ 4,351,428	\$ 4,470,445
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Operating Surplus (Shortfall)	\$ 5,123,617	\$ 1,089,388	\$ 887,524	\$ 74,865	\$ 684,083

Note: Ramp-up period is assumed to be 22 months. Specifics on actual dates and full implications have yet to be determined.







Appendix I

Earned Revenues Assumptions and Models

Model Construct Assumptions

Earned Revenue: Admissions

1. Scope –

- a. This Model assumes The Leonardo is fully operational and opens in 2009.
- **b.** It is also assumed that there are 360 operating days in each year, 50 weeks.
- c. The dollar values utilized are 2007 values. This makes comparative pricing analyses possible since most market competitors do not publish their intended prices two years in advance. Certainly, inflation adjustments can be inputted whenever necessary.
- d. Admissions costs to Patrons are "non-inclusive." Admissions charges will be for entrance/entrance related costs only, that is, the price of entrance will not include the cost of all the experiences/services available inside The Leonardo. This is in contrast to an "all inclusive" admissions construct in which a Patron pays a much higher entrance fee, but can participate in all activities once inside at no additional cost. The objective is to keep admissions prices at levels which are competitive with other market options for our Patrons will (1) realize the excellent experience value they get for the cost of admission and wish to return, and (2) identify numerous extended value experiences for which they will be willing to pay extra ("up-charges").
- 2. Base Attendance This is the primary assumption in all Earned Revenue Admissions models. In the Year One, Normal, 300,000 Scenario, it is assumed that The Leonardo will attract approximately 300,000 visitors. This attendance number is 158% of the assumed "stabilized attendance" number of 190,000 which will obtain starting in Year Three. ASTC statistics suggest that we should expect about 6.6 Patrons per square foot of exhibit space. Given 32,500 square feet of exhibit space, statistically we can expect about 215,000 Patrons in a normal year. This supports the Year Three, Normal attendance assumption. The spike in Year One attendance is also in line with opening year statistics from the industry. There is a novelty factor to a new facility which generally pushes attendance demand well beyond stabilized levels; promotional, celebratory opening events, and the like will attract many visitors, media types and dignitaries who would not visit in a normal year, for instance. Additional support for attendance assumptions can be seen in Appendix II.
- 3. Ancillary Attendance This construct differentiates between the kinds of Patrons who pass through the door for reasons or in ticketing categories that are relatively standard to the industry, and Patrons who visit because of ancillary features of The Leonardo which are unique to it. These unique admissions result from Patrons who only visit Club Leo, Patrons who decide to visit on a frequent basis ("Aficionados"), and Patrons who enter The Leonardo primarily to attend a catering/convention event.

- **4. Attendance Grand Total** This is simply a combination of the data pertaining to Base Attendance and Ancillary Attendance.
- Consumer Loyalty As suggest above, it is assumed that many Patrons will develop an affinity for The Leonardo as they use/experience it and thus become frequent users ("Aficionados"). This construct promotes the development of Aficionados through a multi-visit admissions ticketing option, which progressively discounts admissions costs. It should be observed that in enterprises such as The Leonardo, where there exists the possibility of purchasing products (in this case, admissions) on an unlimited basis for a full year, the customer loyalty concept used by airlines and retailers has much less applicability. It is not possible, for example, to purchase an annual pass on Delta Airlines which enables the consumer to fly as frequently as desired to whatever destinations he/she may choose. Similarly, there is no annual pass to Borders Books which allows the consumer to purchase as much as he/she chooses within a year. Thus, these enterprises develop customer loyalty programs which discount products and services as a function of use. These customer loyalty programs can be very costly and burdensome to administer. This construct employs the customer loyalty concept to a point, but eliminates the need to track participants who have not really passed into full loyalty or aficionado status. It assumes multi-admissions passes, like a 5 or 10 ride ski-lift pass. Traditional Membership options, i.e., unlimited admissions for a year plus other benefits, are categorized for purposes of this construct as part and parcel of the Development Program. They are excluded from this model as generators of admissions revenue; Member Patrons are shown only as contributing to the Complimentary Admissions count.
- 6. Key Construct Variables The primary construct variable for gauging the earned revenue potential of admissions is, as discussed in 2., above, the Base Attendance, the "through the door," assumption. There are also three secondary construct variables, which determine the earned revenue potential from admissions. These are (1) admissions fare categories, (2) fare category pricing, and (3) the distribution of total attendance numbers per fare category. There is also a tertiary construct variable which does not directly impact the magnitude of earned revenue potential from admissions, but which is none the less important from a cash-flow management perspective. That tertiary variable is the timing of admissions revenues, i.e., when we get the cash.

This construct utilizes 15 admission fare categories, counting the three aficionado alternatives as a single Aficionado Fare Category. (Certainly, the admissions alternatives as ultimately presented to Patrons will not appear this complex). The first 12 fare categories comprise Base Attendance, and the last 3 fare categories make up Ancillary Attendance. There follows a descriptive list of each admissions fare category including (a) category definition; (b) the category pricing, including market assumption validation and the market rationale for its use; and (c) the distribution of total attendance for the fare category. (See Appendix II, *Touchstones*, for additional reference and assumption validation data.)

1. Full Fare Adult

- a. Definition This is the base, local, adult admissions Fare Category from which all other Fare Categories are priced.
- **b.** Pricing This Category's price is set at \$8.00. This is roughly the price of a full fare cinema ticket, is the same as the base

admissions ticket for Hogle Zoo, and Clark Planetarium. Discovery Gateway's base fare is \$8.50, and Tracey Aviary's adult ticket comes in at \$5.00. Thanksgiving Point's relatively inclusive ticket is priced at \$9.50. Most larger, national venues are priced higher, but the Smithsonian's NASM *IMAX* tickets, for example, are in line with this construct's Full Fare price. The average general admission ticket for all ASTC institutions last year was \$7.10.

c. Attendance Distribution - These models assume 29.33%, of the Base Attendance will pay full adult fare. This figure includes both local and out-of-state Patrons. This number is lower than the 51% full fare Patrons attending Exodus. However, school group attendance was much less than expected and changed the anticipated proportion between the Full Fare Adult category and other, particularly Discounted Student Groups, fare categories.

2. Full Fare Youth

- a. Definition A "youth" is defined as ages 5 to 18. Children under 5 years of age are admitted free, except in a school group. This fare category anticipates there being unaccompanied adolescent Patrons who qualify for the Full Fare Youth pricing. Policy decisions must be taken as regards parental/adult supervision of these Patrons; e.g., how do we promote the "place to hang-out" feeling without getting into a teen babysitting mode?
- b. Pricing for this fare category is set at a 25% discount to the Full Fare admissions base, or \$6.00. This discount basis is in line with Hogle Zoo, which also gives a 25% discount to children. Clark Planetarium, Tracey Aviary, and the Country Music Hall of Fame all have child discounts in the range of 35% to 40%. MoMA has no full fare child discount, but admits attendees under 16 years of age for free.
- c. Attendance Distribution Because this construct utilizes a Family Fare and infers from our demographics that many young people will attend with their parents, it is assumed that only 1% of the Base Attendance will fall to this fare category.

3. Full Fare Student

a. Definition - This admissions fare category encompasses all students, high school or above, with valid institutional ID's.

This category will intersect with the Full Fare Youth Category in considerable measure, but not entirely, since most college or university students will be older than 18.

- b. Pricing This ticket cost is set at a 25% discount to Full Fare Adult, or \$6.00. Many local institutions, Hogle Zoo, Clark Planetarium, and Thanksgiving Point do not have a student discount except in group pricing. The UofU museums allow U students to enter gratis. Those who have student pricing, extend discounts on the order of 12%, Smithsonian NASM, to 40%, MoMA.
- c. Attendance Distribution Flexing off the relatively low Exodus attendance for this fare category, this construct assumes that 1.8% of Base Attendance will be Full Fare Students. This assumption and the experience from Exodus are at odds with The Leonardo's intent of having significant demand from students.

4. Full Fare Senior

- a. Definition Patrons 65 years of age and older will qualify for Full Fare Senior pricing. Some museums, Red Butte Garden for instance, lower the age requirement to 60. Since the explosive growth of this age demographic will be a significant factor in The Leonardo's future, it is perhaps wise to keep 65 as the age criterion for this fare class; or raise it.
- b. Pricing The discount inputted to this fare class is 25%, for a price of \$6.00. Hogle Zoo's senior discount is the same. Tracey Aviary gives a 20% discount as does MoMA. The Utah Museum of Fine Arts extends seniors a 40% discount. Not all institutions give a discount to older Patrons.
- c. Attendance Distribution These scenarios assume that 5% of attendance will come by way of Full Fare Seniors. It should be noted that older parents/grandparents may attend on Family Fares and fall outside this distribution assumption.

5. Family Fare

a. Definition— Our demographics imply significant family participation in The Leonardo. Consequently, we need to craft our family admissions policies in the most advantageous way. This construct assumes an average family size of 4.5 persons, although the definition of a family is 2 parents and all their children under 18.

- b. Pricing The Family Fare is priced at a 38.89% percent discount to Full Fare, or \$22.00. This computes to an average attendance cost per family member of \$4.89. None of the pricing structures included in the *Touchstones* attachment utilizes the family fare concept except in annual or membership pricing.
- c. Attendance Distribution —This model assumes that 6.67% of The Leonardo's Base Attendance will come from families. The construct extrapolates from that attendance number to arrive at the number of Family Fare tickets sold in each scenario.

6. Return Admissions

- a. Definition This construct allows Patrons buying any one of the four "Full Fare" entrance tickets listed in 1. – 4., above, to return to The Leonardo free of charge one additional time within the next 7 calendar days. The hope is that this feature will incline Patrons towards Aficionado status, promoting subsequent demand for admissions.
- b. Attendance Distribution Free Return admission is assumed to be 2.37% of total Base Attendance.

7. Complimentary Admissions

a. Definition - This category includes head counts of all Members and Donors passing through the door. Their respective revenue contributions, however, are categorized as part of the Development Program projections. This exclusion of Development revenues is in line with the strict definition of Earned Revenues suggested by the AAM:

"money earned by providing goods or services where the amount paid is comparable to the actual value of the goods or services. [It] includes admissions revenue, food and museum store sales, building rental, fairs and festivals, etc. The following types of revenue do not qualify as earned income: undesignated, unrestricted or general operating grants; contributions from individuals; bequests; and sponsorships of special events."

This is to distinguish between the Patron's motives; to differentiate between a motive of consumption and a motive of beneficence; to distinguish a consumer from a benefactor. This construct assumes that Membership revenues include some degree of giving to The Leonardo, beyond paying for unlimited admissions. Other comp's do not need defining, nor does the pricing assumption.

b. Attendance Distribution – In marked contrast to the experience of Exodus, where a full 28% of attendees were extended complimentary admissions, this construct assumes a more modest number of comp's, 7.5%. It may prove difficult to hold to that number in Year One, but to expand it may well be to diminish earned admissions revenues.

8. Discounted School Groups

- a. Definition An important part of The Leonardo's admissions vision is to have significant participation from local school students who will attend on field trips and the like as a supplement to their class work. This demand factor was encorporated in the Exodus project, although not fully realized, and it is manifest in many of the other market products, notably Discovery Gateway.
- b. Pricing This construct assumes a \$3.25 price per student for Discounted School Groups, or a 59.38% discount to full fare. This pricing mirrors exactly the Discovery Gateway pricing.
- c. Attendance Distribution Discounted School Groups attendance is established at 25% of Base Attendance. Exodus had planned on garnering 30% of its attendance number from this group.

9. Discounted Promotional Groups

- a. Definition These are assumed to be non-school, special interest groups, conventions, clubs, and auxiliary organizations.
- b. Pricing This construct uses the Full Fare Youth, Student and Senior pricing discount of 25%, for a \$6.00 price. Obviously, a Discounted Promotional Group comprised of seniors would require lower pricing, say a 25% discount to the Full Fare Senior pricing, or \$4.50. This model does not go into that depth of detail. Discovery Gateway prices its non-school groups at about a 21% discount to full fare.
- c. Attendance Distribution The Exodus exhibit realized close to 15% of its "through the door" admissions from this fare category. Here it is assumed that 8% of Base Attendance will be from promotional groups.

10. Special Exhibit Admissions

- a. Definition This construct assumes the presence of 3 Special Exhibits during Years One, Two and Three similar to Leonardo3, Body of Evidence, and Jim Henson's Fantastic World. A blockbuster like Body World is not scheduled in the construct, but may be planned for Year Two if operating results are satisfactory. It appears, and this construct assumes, that these special exhibits will be running, in total, 10 months of each scenario year.
- b. Pricing Most, if not all, of the Special Exhibits will come by way of third party contracts which specify the admission price and which give The Leonardo, within that specified admission price, some profit margin. This construct assumes the 3 Special Exhibits cited above will be priced at \$12.00 for adults, and \$8.00 for youth/students/seniors.
- c. Attendance Distribution Based on the annualized attendance number from Exodus, this model assume attendance at special exhibits to be 13.33% of total Base Attendance. The average Special Exhibits Admission average ticket revenue is assumed to be \$9.00.

11. Special Exhibit Admissions Add-on

- a. Definition Patrons visiting a Special Exhibit will also have access the whole Leonardo experience. This is different from Exodus in the sense that there is much more value attaching to admissions than just the exhibit. Consequently, we will charge an add-on to Special Exhibits for the Patron's right to access the entirety of The Leonardo. This add-on cannot be the Full Fare admissions cost, nor can it be at a low discount to Full Fare, since the combined cost would become prohibitive both from a demand perspective and contractually.
- b. *Pricing* This model assumes a 75% discount to Full Fare, or \$2.00, as a reasonable Special Exhibit Admissions Add-on.
- c. Attendance Distribution Based on annualized attendance number from Exodus, this model assumes attendance at special exhibits to be 13.33% of total Base Attendance.

12. Out-of-State Admissions Add-on

a. Definition – This is the inverse of giving local residents a discount to The Leonardo. Non-Utah visitors will be charged an Out-of-State Admissions Add-on for all fare categories. This is in-line with many competitors' ticketing

- structures, and can easily be justified given the considerable support The Leonardo gets from Utah taxpayers.
- b. Pricing This add-on is priced at \$1.50. Discovery Gateway charges non-Utah residents an extra \$1.00 at the Full Fare Adult level.
- c. Attendance Distribution It is assumed in this construct that or 8.33% of the total Base Attendance will come from non-Utah resident Patrons.

13. Club Leo Admissions

- **a.** Definition This fare category encompasses what are assumed to be Patrons visiting only the night time, dance-club-like Forum cum Club Leo.
- **b.** Pricing It is priced at a 68.75% discount to Full Fare, or \$2.50. The idea is to keep admission to this part of The Leonardo at a low rate which will spur use by the target market.
- c. Attendance Distribution The model assumes Club Leo Patrons will comprise 2.33% of total Ancillary Attendance. Obviously, operating decisions will be taken to determine which days of the week Club Leo will be open. It is likely that it will open no more than 3 nights a week, in which case the construct does not appear out of line. There are few if any touchstones by which we can assess the validity of this assumption.

14. Aficionado Fares

a. Definition - This fare category is designed to encourage frequent use of The Leonardo by Patrons who become enamored of the facility and experience. The intention is to request purchasers of Aficionado Passes to give us their names and contact information. With this information and knowing of these Patrons' genuine interest in The Leonardo, we can begin to move them towards membership and begin building a stronger core base of devoted Patrons. This construct employs the customer loyalty concept to a point, but eliminates the need to track participants who have not really passed into full loyalty or aficionado status. Only Patrons who actually purchase an Aficionado multi-visit pass will be tracked in detail, i.e., it will not be necessary to track every Patron who has even the slightest inclination to sign up

- as often happens in traditional customer loyalty programs. The Aficionado Fare is constructed along the lines of the familiar ski-lift multi-ride pass, which becomes progressively less expensive as a function of the number of uses or admissions purchased in advance.

- b. Pricing This construct utilizes 3 Aficionado Fare options:
 - i. 3 Visit Pass priced at a 37.5% discount to Full Fare, or \$15.00; \$5.00 per visit; (\$11.00 for Youth, Student and Senior Patrons);
 - ii. 5 Visit Pass priced at a 43.75% discount to Full Fare, or \$22.50; \$4.50 per visit; (\$17.00 for Youth, Student and Senior Patrons);
 - iii. 10 Visit Pass —priced at a 53.13% discount to Full Fare, or \$37.50; \$3.75 per visit; (\$29.00 for Youth, Student and Senior Patrons).

As can be seen at a glance, these rates follow a rational discount progression. They are attractive when contrasted with any of the full fare categories

c. Attendance Distribution – Approximately 21% of total Ancillary Attendance is assumed to derive from this fare category. This attendance distribution assumes a base number of Aficionado Patrons buying a relatively constant combination of 3, 5, and 10 visit passes.

15. Catering/Convention Admissions Add-on

- a. Definition Utilizing the same rationale applied to Special Exhibits, above, we can reason that Patrons attending a catering/convention event in the Community and Culture Center will also have access to the entirety of The Leonardo and should be charged for it. As will be noted in the Model Construct Assumptions for Catering/Convention Earned Revenue, below, total earned revenues from catering will come from the (1) food and beverage pricing, (2) space rental pricing, and (3) Catering /Convention Admissions Addons. Convention products will generate revenue from (1) space rental fees, and (2) Catering /Convention Admissions Addons.
- **b.** Pricing This model assumes a 75% discount to Full Fare, or \$2.00, as a reasonable Catering Event Admissions Add-on price. Catering/Convention Admissions Add-on revenues

- are captured in this part of the construct; food and beverage revenues and space rental revenues, elsewhere.
- c. Attendance Distribution This construct assumes that on average about 75% of Total Ancillary Attendance will be for Catering / Convention activities.

Scenario Results – This construct for the six scenarios assumes a Base Attendance and Ancillary Attendance combining for an assumed total Attendance number. The construct holds the fare category distribution of total Attendance relatively constant. Clearly, modifications in the distribution of attendance among the fare categories will have as significant an impact on Admissions Revenues as do changes in total attendance assumptions. It is further assumed in calculating Ancillary Attendance that catering / convention, Aficionado, and Club Leo admissions in these scenarios are modified on a pro rata basis using the Year One, Normal, 300,00 scenario as the denominator. This is likely an overly conservative approach since there will be little correlation between admission numbers and attendance at the catering / convention facilities. Specific results for each scenario can be seen in the Earned Revenues Summary on page 18 of the document, as well as in each of the Earned Revenue models which follow.

E	arned Revenue M	odel Admissi	ons Scena	rio: Year One, N	Jormal, 300,00	10	
	Annual Number 300,000	* Total Thry Door	Ticketz Sold	Discount to Full Page	Cost each visit	Revenue per Sale	Annusi Revenue
l. Fuli Faxe Adult	85,200	25.33%	88,009	0.00%	\$2.00	\$6.09	\$704,090.00
2. Full Fare Child	3.000	7.95%	3,000	23.00% a	\$6,00	\$6.00	\$15,000.00
3. Full Fare Student	5.400	1.50%	5,400	25.00%	\$6.00	\$6.00	\$32,400.00
4. Full Fare Senior	15,000	3.90%	15,000	23.00%	\$5.00	\$6.00	\$90,000.00
5. Family Fare	28,000	4.57%	÷ ++4	38.39%s	\$4.69	\$22.00	\$97,777.78
i. Return Admissions	7,900	237%	7,100	100,00%	\$0.00	\$0.00	\$0.00
7. Complimentary Admissions	22,500	7.50%	32,500	za.	96.05	\$0.00	80.00
3. Discounted School Groups	75,000	23.00%	~5,000	39.38%	\$3.25	\$3.28	\$243,750.00
9. Discounted Promotional Groups	24,000	8 00%	14,006	25.00%a	\$6.00	\$6.00	8144,860.00
10. Special Exhibit Admissions	40,000	13.1%	43,005	112.50%	\$9,00	\$9.00	\$360,696.00
11. Special Exhibit Admissions Add-on	40,500	13.33%	40,000	75,00%	\$2.00	\$2.00	\$50,000.00
12. Out-of-State Admissions Add-on	35,390	2.33%	25,000	81.25%	\$1.50	\$1.50	\$37,500.00
Scenario Base Attendance Earneé Base Admissions Revenue pe	•	100.00%					\$1,807,435.78
13. Club Leo Admissions	6,000	4.34%	6,000	68,75%	\$2.50	\$2.80	30.000,518
14. Aficionado Fares;	T'iziez		<u>Afficionados</u>				
3 Visit Pass	15,300	10.55%	5,900	3^.50%	\$5.00	\$15.00	\$75,000.00
5 Visit Pass	9,050	0.51%	1,800	43,75%	\$4.50	\$22.50	\$40,500.00
10 Visit Pass	<u>6.000</u>	4.34%	<u>800</u>	53.13 ⁶ s	\$3.75	\$37.50	\$22,500.00
Yotal Afr	monados 30,900	21.69%	7,400				
15. Catering/Convention Admissions Add-on	102,223	79,67%	102.263	13.00% c	\$2.00	\$2.00	\$264,866.00
Scenario Ancillary Attendance Tota Estned Ancillary Admissions Revenue per Pat		100.00%					\$357,566.00
Scenario Grand	Totals 438,283						\$2,165,001.78
Earned Admissions Revenue pe	r Patton \$4.94						

Earned Re	venue Mode	l Admissions	Scenario	o: Year One, Con	servative, 225	,000	
	Annual Number 225,000	% Total Thru Door 100,00%	Tuckers Sold	Discount to Full Pare	Coat each visit	Revenue per Sale	Annual Revenue
1. Full Fare Adult	65,900	29.29%	65,900	0.00%	15.00	\$3,00	\$527,200,00
2. Full Fare Child	2,256	1.00%	2,230	25.00%	\$6.00	36.00	\$13,500.00
3. Full Fare Student	4,200	1.37%	4,200	25,00%	\$8.00	\$6.02	\$25,200.00
4. Full Fare Senior	11,250	5.90%	11.25₽	25.00%	\$4.00	\$6.00	\$67,500.00
5. Family Fare	15,100	8.79%	3,356	38.89%	%3₽	\$22.00	\$75,520.22
6. Return Admissions	5,276	2.30%	5.600	190,90%	\$0.00	\$0.00	\$0.00
7. Complimentary Admissions	14,575	7.30%	14,575	ھ	\$6.03	30.00	\$0.00
8. Discounted School Groups	54.250	25.00%	36.280	59.365.	53.25	\$3.25	\$152,512.50
9. Discounted Promotional Groups	19.000	5.00%	19,000	25.90% e	\$4.00	\$6.00	\$298,000.00
10. Special Exhibit Admissions	20,900	13.33%	30,900	111.50° a	39.00	39.00	\$270,000 00
11. Special Exhibit Admissions Add-on	32,900	12.13%	30,000	75.00%	\$2.00	\$2.00	\$50,000.90
12. Out-of-State Admissions Add-on	18,730	3.33%	18,750	83.25%	\$2.50	\$1.50	\$28,125.00
Scenario Base Attendance Totals	225,000	200.00%					\$1,356,159.72
Earned Base Admissions Revenue per Pauson	\$6.03					'	
13. Club Leo Admissions	4,600	1.04%	4.000	48.73%	\$2.50	\$2.50	\$10,006.00
14. Aficionado Fates:	Vicits		Afficonados				
3 Visit Pass	12,500	9.49%	4.167	37,50%	15.00	\$15.06	\$62,500.90
5 Visit Pass	3,000	3.97%	1,600	45.75%	\$4,50	\$22.50	\$5 _{0,} 390,00
10 Visit Pass	5,000	3 79%	502	33.23° e	\$3.75	\$37.50	\$15,750.00
Tetal Aficionados	23.500	32,44%	0,257				
15. Catering/Convention Admissions Add-on	102.283	7° 69%2	100,283	75,00%,	\$2.00	30 05	\$204,566.00
Scenario Ancillary Attendance Totals Ancillary Admissions Revenue per Patron	151,783 \$2.52	96.96%					\$331,816.00
Scenario Grand Totals Esmed Admissions Revenue per Psuon	356,783 84,73						\$1,687,975.72

Earned	Revenue Mo	del Admissi						
	Annual Number 180,990	*4 Total Third Door 109,06%	Tickers Sold	Discount to Full Fare	Coot each visit	Revenue per Sale	Annual Revenue	
Full Fare Adult	52,794	26.33%	52,794	0.00%	\$8.00	\$5.00	\$422,352.90	
2. Full Fare Child	1.576	1.00%	1.650	25,001.	\$6.00	\$6.00	510,800.00	
i. Full Fare Student	3,240	1.30%	3,240	25,60%	\$6.05	\$6.05	\$19,440,66	
i, Full Face Senior	9,000	5.90%	9.050	25.00%	\$4.00	\$6.00	\$54,000.00	
5. Family Fare	12,00\$	5,57%	2,643	33,69%	\$+.\$5	\$27.00	\$58,696.00	
i. Renun Admissions	4.264	2.57%	5,000	102.00%	\$0.00	\$9.00	\$0.00	
Complimentary Admissions	13,500	7,50%	13,500	XI.	\$0.02	\$3.00	\$0.00	
3. Discounted School Groups	45,900	25.00%	45,000	59.38%,	\$5.25	\$3.35	8140,250,99	
). Discounted Promononal Groups	1+,402	8.00%	t~,400	25.00%	\$6.00	\$6.00	\$50,400.00	
0. Special Exhibit Admissions	23,994	13.33%	23,994	112.50%e	\$9.00	\$9.00	\$215,946.00	
1. Special Exhibit Admissions Add-on	23,894	13.33%	23,994	75,00%	\$2.00	\$2.09	\$47,988.00	
2. Our-of-State Admissions Add-on	14,394	5.33%	14,994	£1.25%	\$1.50	\$1.50	822,491.08	
Scenario Base Attendance Totals Earned Base Admissions Revenue per Patron	,	100.00° 2					\$1.084,363.00	
3. Club Leo Admissions	3,620	2.73%	3.636	\$3.73%	\$2.50	\$2.50	59,060.50	
4. Aficionado Fares:	$\underline{\mathbf{V}_{12322}}$		Afficonados					
3 Visit Pass	8,552	16,47%	2,856	27.50%	\$5.00	\$15.00	845,396.06	
5 Visit Pass	5,93+	7.21*6	(,299	49,73%	\$4.50	\$22.50	\$26,973.00	
10 Visit Pass	3.552	4.27%	355	83.135.	\$3.75	\$37.50	\$13,326.66	
Total Afteronados	13.204	21.89%	1.+1 0					
5. Catering/Convention Admissions Add-on	61,370	73,78%	45,02"	75.00%	\$2.00	\$2.00	\$92,054.00	
Scenario Ancillary Attendance Totals Ancillary Admission: Revenue per Parem	\$3,174 \$3,23	95.67%					\$184,637.00	
Scenario Grand Totals Eamed Admission: Revenue per Patron	, , , , , , , , , , , , , , , , , , , ,						\$1,269,000.00	

Earned Re	venue Mode	1 Admissions	Scenario:	Year Two, Con	servative, 135	,000	
	Annual Number 135,000	*% Total Thru Door 100,00%	Tickets Sold	Discount to Full Fare	Cost each visit	Revenue per Sale	Annuai Revenue
1. Full Fare Adult	39,594	28.33%	39,596	0.00%	\$8.00	\$8,00	\$310,704.00
2. Full Fare Child	2,350	1.00%	1,350	25.00%	\$6.00	\$6,00	\$5,100.00
3. Full Fare Student	2.430	1,80%	2,+30	25.00% a	\$6.00	\$6,00	\$14,350.00
4. Full Fare Senior	6.750	3.00%	6,750	25.00% _e	\$6.00	\$6.00	\$40,500.00
5. Family Fare	9.005	6.57%	2.000	30.89*2	\$4.89	\$22.00	\$44,022.00
6. Return Admissions	3,200	2.3%	5.000	102.00%	\$0.00	30.00	\$9.90
7. Complimentary Admissions	10,125	7.30%	10,125	223	\$0.00	\$0.00	\$0.00
8. Discounted School Groups	33,750	23.50%	35.750	39.35%	\$3.25	\$3.23	\$109,687.50
9. Discounted Promotional Groups	10,500	3.00%	10,806	25.00%	\$6.00	\$6.50	\$64,900.00
10. Special Exhibit Admissions	17,996	13.33%	17,996	112.50%	\$9.00	\$9.00	\$161,959.50
11. Special Exhibit Admissions Add-on	17,395	0.9%	17.996	75.00%e	\$2.00	\$2.00	\$35,991.00
12. Out-of-State Admissions Add-on	11,2+8	2.33%	11,245	81.23%	31.50	\$1.85	\$16,565.25
Scenario Base Attendance Totals Eatned Base Admissions Revenue per Patron	135,890 \$6.02	100,00%					\$813,272.25
13. Club Leo Admissions	2,700	2.65%	2,700	68.75%	32.50	\$0.50	\$6,750.00
14. Aficionado Fares:	Vicitz		Afficonado2				
3 Visit Pass	d.435	5.29%	2,145	37.501/€	\$3.00	\$15.00	\$32,175.00
5 Visit Pass	4.455	3.74%	192	43,75%	\$+.30	222.50	\$20,047.50
10 Visit Pass	2.640	3.46%	264	35.13%e	\$8.75	537.50	\$9,900.00
Total Afictomedac	13,530	17.484	3.300				
15. Catering/Convention Admissions Add-on	61,370	78.08%	45.027	75.00%	\$2,00	\$2.05	\$92,054.00
Scenario Ancillary Attendance Totals Ancillary Admissions Revenue per Patron	77,600 \$2.07	96.52%					\$160,926.50
Scenario Grand Totals Estued Administra Revenue per Fatton	212,600 \$4.58						\$974,198,75

Earned R	evenue Mo	del Admission	ns Scenar	io: Year Three, I	Normal, 190,0	00	
	Annual Number 190,000	% Total Thru Door 100.00%	Tackets Sold	Discount to Full Fare	Cost each visit	Revenue per Sale	Annual Revenue
1. Full Fare Adult	55,727	29.33%	55,72	0.00%	13.00	\$8.00	\$445,816.00
2. Pull Fare Child	1.900	1 90%	1,900	23.000-	\$6.00	\$6.0¢	\$22,+00.00
3. Full Fare Student	3,420	1.50%	3,420	25.50%	\$6.00	\$6.00	\$20,520.06
4. Full Fare Senior	9,300	5.999•	9,500	25.00%	\$6.00	\$6.00	857,906.06
5. Family Fare	12.6~5	6.87%	2.516	28.89%	\$+.89	\$22.05	861,956.89
6. Retten Admissions	4,503	2.37%	5,000	105 00%	\$0.00	\$0.00	\$0.00
7. Complimentary Admissions	1-,250	7.50%	14,250	52.7.	\$0.05	\$0.00	\$0.00
8. Discounted School Groups	47,500	25.00%	47.500	39,325;	\$5.25	\$3.25	\$154,575.00
9. Discounted Promotional Groups	15,200	8.00%	15,200	25.60%	\$6.00	\$6.00	\$91,200.05
10. Special Exhibit Admissions	25.327	73.53%	25,327	130 80%	39.00	\$9.02	\$227,995.00
11. Special Exhibit Admissions Add-on	25.327	/3.33%	25,327	75.99%	\$2.00	\$2.00	850,654.00
12. Out-of-State Admissions Add-on	15.82*	8.33%	15,52*	£1.25°-;	\$1.50	\$1.50	823,740.50
Scenario Base Attendance Totals Estned Base Admission: Revenue per Patron	193,690 \$0.02	106.00%					\$1,144,603.39
13. Club Leo Admissions	3.760	2 279 0	3.780	£3.75%;	\$2.50	\$0.36	\$9,450.60
14. Aficionado Fares:	<u>Visito</u>		Afficonados				
3 Visit Pass	9.126	10.440,	3.642	37.50%	\$5.00	\$15.00	845,630.00
5 Visit Pass	6,313	2.231	1.264	42,75%	\$4.50	\$22.50	\$25,431.06
10 Visit Pass	3,744	4.28%	<u>374</u>	53.13%	\$3.75	\$37.50	\$14,040.00
Total Aficionados	19,138	21 85%	4.630				
15. Catering/Convenues Admissions Add-on	84,738	79.72%	84,438	73,604/c	\$2.00	\$2.09	\$128,57b,00
Scenario Ancillary Attendance Totals Ancillary Admissions Revenue per Fatton	57,406 52.39	95.65%					\$226,427,00
Scenario Grand Totals Earned Admissions Revenue pet Patron	277,406 \$4.94						\$1,371,032.39

Earned Rev	venue Model	Admissions	Scenario:	Year Three, Con	nservative, 142	2,500	
	Annual Number 142,500	*4 Total Thru Door 100,00%	Tickers Sold	Discount to Fuli Fare	Cost each visit	Revenue per Sale	Annual Revenue
1. Full Fare Adult	41,793	29,53%2	41,795	0.00%	\$8.00	\$6.00	\$334,362.00
2. Full Fare Child	1,425	7.00%	1,423	25.00%	\$6.00	\$6.00	\$8,580.00
3. Full Fare Student	2.585	1.50%	2,563	25.00%	\$6.00	\$6.00	\$15,390.00
4. Full Fare Senior	",125	3,00%	7,125	25,00%	\$3.00	\$6.00	\$42,750.00
5. Family Fare	9.305	€.67%	2.312	28.95%	\$+.39	\$22.60	\$46,467.67
6. Return Admissions	3.3?"	2.57%	5,000	100,00%	\$0.0\$	50.00	\$0.00
7. Complimentary Admissions	10,538	2,30%	10,655	323,	\$0.05	26 00	\$0.00
8. Discounted School Groups	35.62\$	25.00%	35,625	59.35%	\$3.25	13 25	\$115,781.25
9. Discounted Promotional Groups	11,400	2.00%	11,409	25.00%	\$6.00	\$6.00	Soã,400.60
10. Special Exhibit Admissions	18,995	13.33%	15,998	112.50%	\$9.60	19.00	\$170,957.25
11. Special Exhibit Admissions Add-on	12,995	13.33%	10.095	T5.00%e	\$2.00	\$2.00	\$37,990.50
12. Out-of-State Admissions Add-on	11,870	8.33%	11,270	81.25%	\$1.50	\$1.50	\$17,865.38
Scenario Base Attendance Totals Earned Base Admissions Revenue pet Pauon	142,500 56.62	200,00%					\$\$58,454.04
13. Club Leo Admissions	2,835	2.15%	2.835	68.78% ,	\$2.50	\$2.50	\$7,087.50
14. Aficionado Fares:	Visira .		Afficanades				
3 Visit Pass	6,825	1639%	2.275	37.50%s	\$5.90	\$15.00	\$34,125.00
5 Visit Paes	7,725	7.13%	9+5	43.75%	\$4.50	\$32.50	\$21,262.50
10 Visit Pass	2.300	4,20%	280	33.53%	\$3.75	\$37.50	\$10,500.05
Total Aficionados	1+,530	21.63%	3.500				
15. Catering/Convention Admissions Add-on	49,096	74.02%	49,096	73.004%	\$2.00	\$0.60	895,193.00
Scenario Ancillary Attendance Totals Ancillary Admissions Revenue per Patton	66,381 82.58	95.72%					\$171,167.00
Scenario Grand Totals Eatned Admissions Revenue per Patton	208,781 54.93						\$1,029,621.04

Model Construct Assumptions

Earned Revenue: Food and Beverage

1. Scope -

- b. This Model assumes The Leonardo is fully operational and opens in 2009.
- c. It is also assumed that there are 360 operating days in each year; 51 weeks.
- d. The dollar values utilized are 2007 values. This makes comparative pricing analyses possible since most market competitors do not publish their intended prices two years in advance. Certainly, inflation adjustments can be imputed whenever necessary.
- e. Admissions costs to Patrons are "non-inclusive." Admissions charges will be for entrance/entrance related costs only, that is, the price of entrance will not include the cost of all the experiences/services available inside The Leonardo. This is in contrast to an "all inclusive" admissions construct in which a Patron pays a much higher entrance fee, but can participate in all activities once inside at no additional cost. The objective is to keep admissions prices at levels which are competitive with other market options for our demographic. The assumptions are that once inside, Patrons will (1) realize the admission and wish to return and (2) identify numerous extended value experiences for which they will be willing to pay extra ("up-charges").
- 2. Base Attendance This is the primary assumption in all Earned Revenue Admissions models. In the Year One, Normal, 300,000 Scenario, it is assumed that The Leonardo will attract approximately 300,000 visitors. This attendance number is 158% of the assumed "stabilized attendance" number of 190,000 which will obtain starting in Year Three. ASTC statistics suggest that we should expect about 6.6 Patrons per square foot of exhibit space. Given 32,500 square feet of exhibit space, statistically we can expect about 215,000 Patrons in a normal year. This supports the Year Three, Normal attendance, assumption. The spike in Year One attendance is also in line with opening year statistics from the industry. There is a novelty factor to a new facility which generally pushes attendance demand well beyond stabilized levels; promotional, celebratory opening events, and the like will attract many visitors, media types and dignitaries who would not visit in a normal year, for instance. Additional support for attendance assumptions can be seen in Appendix II.
- 3. Ancillary Attendance This construct differentiates between the kinds of Patrons who pass through the door for reasons or in ticketing categories that are relatively standard to the industry, and Patrons who visit because of ancillary features of The Leonardo which are unique to it. These unique admissions result from Patrons who only visit Club Leo, Patrons who decide to visit on a frequent basis ("Aficionados"), and Patrons who enter The Leonardo primarily to attend a catering/convention event.

- **4. Attendance Grand Total** This is simply a combination of the data pertaining to Base Attendance and Ancillary Attendance.
- 5. Food and Beverage Services Total Food and Beverage Earned Income derives from all aspects of food and beverage generated earned revenues anywhere in The Leonardo. There are two Food and Beverage profit centers in this construct:
 - a. Catering/Convention This construct assumes the designation of approximately 6,200 square feet of contiguous floor space in the north east quadrant of the Third Floor Community and Culture Center for Catering/Convention events (the "CC Area"). This is a departure from previous thinking on the use of that space and has obvious build-out implications. However, this construct assumption has some very attractive implications:

i. Positive Implications

- This construct eliminates the need to interfere with programming on the Main and Second floors to accommodate catered/convention events. Although we could still contemplate utilizing Main and Second floor spaces for events on a case-by-case basis, we are not forced into those decisions.
- 2. We would not need to diminish our Admission revenue assumptions since Leonardo-only Patrons would not be excluded at times from all or parts of the facility because of catering/convention requirements.
- 3. We could package a full convention/seminar product utilizing the Third Floor CC Area for seminars and classes, for catered events attaching to the convention/seminar; include the Auditorium in the package for lectures, films, discussion groups; and top-off the package with the ability of convention/seminar participants to visit The Leonardo on the lower two floors.
- Because the construct utilized in the Earned Revenues Admissions model anticipates revenues from a Catering/Convention Admissions Add-on, this source of demand will drive earned Admissions revenues further.
- 5. The existence of these catering and convention/seminar products will enable us to book revenues well in advance of the opening of The Leonardo; *ergo* the business risk of the Project is diminished.

ii. Catering/Convention Area Needs

Space – Caterers will need to have the capacity to host up to a 500 person, plated dinner. Caterers normally utilize 8 person rounds (tables) for these events, and estimate that each round needs 100 square feet of floor space. That equates to an overall floor space need

- of 6,250 square feet. It is optimal if the space is configured in a simple rectangle or square to optimize crowd interaction.
- 2. Maximum flexibility for the CC Area is obtained if we install or fixture it with portable/expanding walls so that it can be sub-divided for smaller events, or even configured as class rooms as originally contemplated.
- 3. The northwest quadrant of the Third Floor appears to provide the space needed, and has spectacular views: north to the Library and Piazza, and west to the City and County Building and northwest to the City skyline. The idea is to take the entire width of the building on the west side of that floor, north to south, roughly from the top of the elevators, and dome in and open up the Atrium area, and redo flooring around the Atrium fountain/pool so that too can be part of the CC Area seating.
- 4. The Caterers will also need some area, 300 400 square feet on the north side of the Building, already plumbed, which can be utilized as a staging area for food service.
- 5. Build-out of the CC Area would involve the demo of existing dividing walls, decorating the area with acceptable floor, wall and ceiling treatments; installing additional lighting, perhaps on the support pillars; the Atrium will also need to be opened and domed over, and flooring added. Additional Restrooms will need to be built and the stairs expanded. The furnishing for this CC Area needs to be on par with the 23rd Floor at the Wells Fargo Building.
- iii. The Catering/Convention function will be bid-out to a local catering company ("Franchisee"). The salient characteristics of this **Franchisee** contract are noted below.
 - 1. Full marketing and demand generation for The Leonardo's Catering/Convention product will be borne by both the Franchisee and The Leonardo.
 - 2. The Franchisee in conjunction with The Leonardo will hire a full-time manager (the "Manager") to oversee all aspects of the food and beverage service within the Building. This Manager will have oversight for CC Area booking and sales. The Manager will also have oversight/coordination responsibilities for the Restaurant, although a separate Café/Coffee Shop operator will be engaged for this. It is estimated that this Manager will fetch on the order of \$55,000 per year. The salary cost will be borne wholly by the Franchisee, or split, with The Leonardo paying half and then recouping that cost by way of catering trade-outs from the Franchisee.

- 3. The Franchisee will be obligated to provide a range of menus both as to cost and food content. However, the catering franchise will be non-exclusive. That is, a list of other, pre-approved, caterers will be allowed to use the Catering Kitchen and the CC Area for events if a client so wishes. The Franchisee, however, will retain the right-of-first refusal in respect of matching and winning competing catering bids for clients.
- 4. The Franchisee will work with The Leonardo in the design and decoration of the CC Area to ensure that the standards of both parties are met.
- 5. The Franchisee will require the non-exclusive use of the 1,450 square foot ("Catering Kitchen") in the First Basement Floor. The Restaurant will be able to utilize the Catering Kitchen as needed and as coordinated with the Manager. (See *Floor Plans*).
- 6. The Franchisee will provide front-end funding for the Catering Kitchen: design and fixturing, including table ovens, stoves, fryers, prep facilities, refrigeration, storage and any other necessary furnishings or equipment. This requirement will include all aspects of the design, sourcing and installation. It is estimated that a wholly independent Catering Kitchen can be had for an initial investment of about \$100,000. This cost will be funded by the Franchisee and distributed on a time line as required by suppliers and contractors. The Leonardo will fund necessary infra-structure build-out, e.g., plumbing and electrical features.
- 7. It seems that a term of 8 to 10 years is what the caterers will want on this type of an engagement. Seen in light of the suggested \$100,000 front-end investment in the Catering Kitchen, this term might be shortened. Given a standard 20% net margin on catering, the Franchisee would recoup its entire investment in the Year One. We should consider increasing the initial investment amount to, say, \$200,000, in return for an 8 year contract. Monies not used for the Catering Kitchen could be put to good use elsewhere, perhaps in the refurbishing of the CC Area.
- b. Restaurant The Restaurant will be situated in the north east corner of the Main Floor and will require approximately 2,100 square feet. The Restaurant area will allow for all aspects of the operation from food preparation (some basic prep will be done in the Catering Kitchen), cooking, customer service, customer education, demonstration, and inter-action, seating, as well as the more mundane functions of clean-up, bussing, dish washing, and storage. The Restaurant area will be accessible from the north through outside doors fronting on Library Plaza and from the interior of The Leonardo. Patrons entering the Restaurant area from outside the building will not be charged admissions. The Health Code requirements for

restrooms for the Restaurant can be met by allowing diners to utilize facilities via the Main Entrance.

The Restaurant is comprised of 4 revenue generating operations:

- i. Café The Café will include the kitchen, a service/demonstration counter, point of sales station ("POS"), bussing stations, dishwasher, storage, and capacity for approximately 50 diners. Additional diner seating can be expected on the Library Plaza, particularly in warmer weather. "Grab-andgo" facilities will also be accommodated within the Café to enable diners to purchase a prepackaged meal. This will promote some demand from customers with limited time who wish to dine in the Café or purchase take-out food. (See Floor Plans).
- ii. Coffee Bar The Coffee Bar adjoins the Café. In addition to coffee drinks, all beverages for the separate POS here so Coffee Bar Patrons will not have to wait in line at the Café POS.]
- iii. Retail Sales Placed variously throughout the Restaurant area will be displays of cooking, food, nutrition related books, Leonardo published materials, and magazines for sale. We will also sale cooking accourtements in this area as space and demand allow.
- iv. Healthy Bar The Healthy Bar will be situated on the Second Floor. Its purpose will be to provide a source of food and beverage products for Patrons on that floor. The health, nutrition and environmental aspects of food which are incorporated in the Restaurant offering will carry-over to the Healthy Bar. Logistically, it should be envisioned as a kiosk with hot and cold beverages, light foods, and some grab-and-go offerings. It will require 1 employee and POS capacity.

6. Key Construct Variables

- a. The Catering/Convention model utilizes the following assumptions:
 - i. Gross Revenue, Banquet Services Based on discussions with Culinary Crafts, whose personnel include the former manager of the 23rd Floor at the Wells Fargo Building, it is conservatively estimated that the Banquet Service gross revenue for a normal year would be \$1.5 million. Gross Revenue is the critical variable. This construct generates the \$1.5 million gross revenue number. However, the exact composition of the factors producing that revenue, i.e., number of guests, size and frequency of events, and cost per guest, while reasonable, will undoubtedly deviate from the construct. It is likely that Year One gross revenues could be higher than \$1.5 million. However, since this is a start-up operation, the model holds gross revenues at the more conservative normal year level. (See Catering Proposals). Scenarios for Years Two and Three presume various, lower, attendance figures and a

roughly proportional reduction in banquet activities. This is overly conservative since there will be little, if any, correlation between admissions and CC demand.

- ii. Net to Leonardo This construct assumes that 10% of gross revenues for Banquet Services, food and beverage sales, will flow directly to The Leonardo.
- iii. **CC Area Rental, Catering** In addition to the cost of the banquet service, a catering client will also be charged for rental of the CC Area or other portions of The Leonardo. With the moveable walls/doors, it is assumed that the CC Area can only be suitably configured as a whole space, 500 guests, or a half space, up to 250 guests. This model uses the following Area Rental, Catering prices:

1.	CC Area, entire floor	\$2,500
2.	CC Area, half	\$1,500
3.	Other Building venue (200ish guests)	\$2,000
4.	Entire Building	\$8.000

The frequency and size of catered events are the same as those utilized to generate Banquet Services revenues.

iv. **CC** Area Rental, Convention - The CC Area and the Auditorium will also be rented for non-catered, i.e, convention events. This definition and use of the CC Area can include use of the Area as classrooms. This portion of the model does not include rentals income from classroom uses. The pricing assumptions for convention uses are:

1.	Entire floor, days	\$1,800
2.	Entire floor, evenings/weekends	\$2,500
3.	Half Floor, days	\$1,000
4.	Half Floor, evenings/weekends	\$1,500
	Auditorium	\$2,500

- b. The Restaurant Revenues construct is comprised of three operations:
 - i. Café The assumptions for the Café are:
 - 1. Seating Capacity is set at 60, this assumes some seating contribution from the Piazza, "outside overflow" in warmer weather.
 - 2. **Turnover** is the number of times per 6 to 8 hour operating day that the seating capacity is used.
 - 3. **Diners** *per* **Year** is the product of diners per day (turnover X seating capacity), multiplied by 360 operating days.

- 4. Revenue per Diner is set at \$10.00 based on conservative estimates from our F and B consultant.
- 5. Net to Leonardo This construct assumes that 10% of gross revenues from the Cafe, food and beverage income, will flow directly to The Leonardo.
- ii. Coffee Shop This construct separates the Coffee Shop from the Café in anticipation of the possibility of an independent Coffee Shop operator, and (more importantly) to enable the model accurately to capture revenues from the early morning diners. These diners will nip-in for their morning coffee/tea only, i.e, they will produce a lower *per* diner revenue number than regular Café diners. (Club Leo physical configurations will also need to include the Coffee Shop if we capture F & B revenues from that operation). The assumptions for the Coffee Shop are:
 - 1. **Diners** *per* **Day** is inputted at **75**. This flexes of very conservative projections from the *Coffee Garden* at Sam Weller's start-up model. This number also includes Club Leo beverage and snack sales.
 - 2. Diners per Year, again, a 360 operating day is assumed.
 - 3. Revenue per Diner is assumed to be \$5.00, again from the Coffee Garden data.
- iii. Retail Merchandise We plan to have various retail displays located throughout the Café which will contain periodicals, books, Leonardo published materials, and appropriate food, nutrition, and health related products; and accourrements for sale. The revenue assumptions for this operation are:
 - 1. **Diners** *per* Year the sum of the anticipated Café diners and the Coffee shop diners.
 - 2. Revenue per Diner derives from ASTC statistics which calculate an average retail purchase contribution of \$0.72 per Patron.
- c. Healthy Bar Situated on the Second Floor for the convenience and experience enhancement of Patrons will be a small, kiosk-like Healthy Bar. This construct utilizes exactly the same revenue variable as used for the Coffee Bar, i.e., \$5.00 from each customer.
- 7. Scenario Results Specific results for each scenario can be seen in the Earned Revenues Summary on Page 18 of this document, as well as in each of the Earned Revenue models which follow.

Earned Revenue	e Model Foo	od and Bevera	ge Scenario	: Year One, No	ormal, 300,000	psge I	
Catering/Convention							
Banquer Services	Number of Guests	Events per Week	Events per Year	Guests per Year	Price per Guerr	Gross Revenue	Net so Leonardo
500 Guest Events CC Alea	500	0.29	15	7,500	\$30.00	\$225,000.00	\$22,500.00
300 Guest Events CC Area	300	1.37	~ 0	21,000	530.00	\$650,000.00	\$63,000.00
200 Guest Events CC Area	200	1.37	-g-	14,000	\$30.00	\$428,000.08	\$42,000.00
200 Guezt Events Etsewhere	200	0.39	20	4,000	\$30.00	\$129,000,00	\$12,000.00
Entire Building Catering	400	21.2	6	7,600	\$50.00	5108,000,00	\$10,800,60
sub-total Banquer services	1,800	3,5\$	161	58,100		\$1,503,080.00	\$150,300.00
CC Area Rental Catering	Verme	Events per Week	Evenic per Year		Price per Event	Gross Revenue	Net to Leonardo
500 Guest Events Third Floor	CC Ans	0.29	15		\$2,500.00	\$37,500.00	\$37,500.00
300 Guest Events Third Floor	CC.trea	1.37	46		\$2,500.00	\$175,000,00	\$275,000.00
200 Guest Events Third Floor	CC.Ans	1.37	70		\$1,500.00	\$105,000.00	\$105,000.00
200 Guest Events Eltewhere	Furt or Second	0.39	26		\$0,000,00	\$46,000.00	\$48,000.00
Entire Building	First and Second	0.12	£		\$6,000.00	548,000.00	\$45,000,00
sub-total CC Ares Rental Catering		3.53	151			\$405,500,00	\$405,509.90
CC Area Rental Convention	Venue	Events per Week	Events per Year	Guesta per Year	Price per Event	Grotz Revenue	Net to Leonard
500 Guest Events Day Rate	CC_ins	0.25	12.75	6.375	\$1,800.00	522,950.00	\$22,950.00
250 Guest Events Day Rate	CC.4ma	1.00	51	12,750	\$1,000.00	\$51,009.00	\$51,000.00
508 Guest Events Evening/Weekend Rate	CC.Are	1.00	51	25,500	\$2,500,00	\$127,500.00	\$127,500.00
250 Guest Events Evening/Weekend Rate	CC.tree	0.50	25.5	6,375	\$1,500.00	\$38,250.00	\$38,250.00
Audisorium	Autitrane	<u> 2.52</u>	29.56	<u> ت</u> قلبا	\$2,500.60	\$73,950.00	173,950.00
sub-total CC Area Rental Convention		3.33	179	52,183		\$313,650,09	8313,650.00
otal Earned Revenue Catering/Convention		7	351	102,253		\$2,222,158.00	\$869,450.00

	Eamed Revenue	Model	Food and Beverag	e Scenario:	Year One, No.	rmal, 300,000	page 2	
	Remaniani	Seating	Turnover	Dineta per Day	Diners per year	Revenue per Diner	Giota Revenue	Net to Leonardo
Café		60	3	198	64,800	\$19,00	96,000,000	\$64,800.00
Coffee Shop				25	27.660	\$5.00	\$135,000.00	\$13,500.00
Retail Metchandise					91,500	\$0.72	562 096 00	866,096.00
	Sub-total Earned Revenue Café			253			3849.096.00	\$144,396.00
	Hzeltin: Bar			25.	27,900	\$5,00	\$135,009.00	\$13.500.60
1	otal Earned Revenue Restaurant			330	118,800	\$5.28	5984,096.00	\$157,896.00
Total Earne	ed Revenue Catering/Convention				102,283		\$2,232,156,60	<u> </u>
	Stand Total Food and Beverage				221,983		\$3,296,246.00	\$1,027,346.00

Earned Revenue	Model Food	and Beverage	Scenario: Y	'ear One, Conse	ervative, 225,000	page 1	
Catering/Convention							1
Exemplet Services 00 Guest Events CC Area	Number of Guests 500	Eventt per Week 0.29	Events per Year	Gueste per Year 7,500	Price per Guest \$30.00	Gross Revenue \$225,000.00	Net to Leonard \$22,500.00
99 Guest Events CC Area	300	1,3	7G	21,006	\$30.90	\$630,600.00	\$63,000.00
80 Guezt Erents CC Area	200	1.3	-0-	14,000	\$30,00	\$420,000.00	\$42,000.00
99 Guest Evenss Elbewhere	200	6.39	30	4.000	\$30.00	\$120,000,00	112,000,60
mire Building Catering	600	<u>0.12</u>	<u> </u>	3.600	\$30.00	\$108,800.00	\$19,500.00
rub-total Banquet services	1,886	3.55	191	50,100		\$1,503,000.80	\$150,300.00
CC Area Remai Catering	Venue	Event: per Week	Events per Year		Price per Event	Gross Revenue	Net to Leonard
00 Guest Events Third Floor	CC_1ns	€.2₽	2.5		\$2,500.00	137,500.00	\$37,500,00
00 Guest Events Third Floor	CC. tres	1.37	7¢		\$0,300.60	\$175,800.00	\$175,000.90
00 Guest Event: Third Floor	CC.Assa	1.37	-G		\$1.500.00	3105,000.00	8103,000,00
00 Guest Eventt Eltewhere	Frest or 3 econo	6.39	20		\$2,009.80	540,000.00	\$46,980.00
Entire Building	First and beauti	2.12	<u> 6</u>		\$5,000.00	\$48,000.00	245,000.00
sub-total CC Area Rental Catering		3.55	151			\$405,500.60	\$405,509,80
CC Area Rental Convention 99 Guest Events Day Rate	Xemie CCAno	Events per Week 0.25	Events per Year 12.73	Guesta per Year 6,375	Price per Event \$1,800.00	Gross Revenue \$22,950.00	Net to Leonard \$22,950.00
50 Guest Event: Day Rate	CC.tra	1.00	51	12,750	\$1,000,00	\$51,000.00	251,089.8 0
00 Guest Events Evening/Weekend Rate	CC.Am	1.00	51	25,500	\$2,500.00	5127,580.00	\$127,500.00
50 Guer: Evenitt Evening/Weekend Rate	CC_Are	0.50	25.5	6,375	\$1,500.00	\$36,250.00	\$38,250.00
auditotiun	. isdoonuu	9.55	29 55	1.163	\$2,500.00	\$73,950,00	\$73,950.00
sub-total CC Area Rental Convention		3.33	170	52,183		5313,650.00	\$313,650,89
stal Earned Revenue Catering/Convention		7	351	102,253		\$2,232,150.00	\$869,450.00

	Earned Revenue Mo	del Food	and Beverage	Scenario: I	ear One, Conse	ervative, 225,000	page 2	
Café	Restaurant	Seating 60	Tunover 2	Dinerz pez Day 128	Dineto per year 43,296	Revenue per Diner \$10.00	Gross Revenue 5432,000.00	Net to Leonardo \$43,260.80
Coffee Shop				70	25,209	\$5.00	\$126,000,00	£12,6 0 8,60
Retail Metchandase					68,408	\$0.72	\$49,348.00	\$49,248,00
	Sub-total Earned Revenue Cafe			190			\$607,248,00	\$105,048.00
	Health: Bar			70.	25,399	25,00	1126,020.00	\$12,699.00
1	Total Earned Revenue Restaurant			260	93,680	\$7.83	\$733,248.00	5217,648.00
Total Earn	ed Revenue Catering/Convention from page 1				102.283		82.322.150.00	1569,450.00
	Grand Total Food and Beverage				195,883		\$2,955,398.00	\$987,098.00

Earned Revenue	Model Foo	d and Beverag	ge Scenario	Year Two, No	ormal, 180,000	page 1	
Catering/Convention		`	-	,			
Banque: Services 500 Guest Events CC Area	Number of Guests 500	Events per Week 0.18	Events per Year 9	Guests per Year 4.500	Price per Guest \$30.00	Gtoss Revenue \$135,000.00	Nec to Leonard \$13,500.00
300 Guest Eventt CC Area	300	0.82	42	12,690	\$30.00	\$376,000.60	\$37,500.00
200 Guest Events CC Area	200	0.82	42	6,400	\$30.00	\$252,000.80	\$25,200.00
200 Guest Event: Elsewhere	290	0.24	12	2,480	\$36,00	\$**2,000.00	\$7,260,66
Entire Building Catering	<u>698</u>	202	3.6	2.160	\$36.00	\$64,500:00	\$6,480.00
sub-total Banquet services	1,800	2.13	109	30,060		5901,800.80	\$90,180,00
CC Area Rental Catering	Venue	Eventt per Week	Erents per Year		Price per Event	Gross Revenue	Net to Leonard
500 Guest Events Third Floor	CC Area	0.15	9		\$2,560,00	522,500.00	\$22,500.00
300 Guest Event: Third Floor	CC.Ama	0.82	42		\$2,500.00	\$105,000.00	\$105,800.00
200 Guest Events Third Floor	CC_tres	0.80	÷2		\$1,560,80	563,000.00	\$63,900.00
200 Guest Events Elsewhere	First or Swand	0.24	12		\$2,600.00	\$24,000.00	\$24,900.00
Entire Building	Fru and second	0.0	3.6		35,000.00	\$26,500.00	\$25,500,00
sub-rotal CC Ares Rental Catering		2.13	109			\$243,300,00	\$243,300.00
CC Area Rental Convention 500 Guest Evenus Day Rate	Venue CC.4ns	Events per Week 0.15	Events per Year 7.63	Guests per Year 3,825	Price per Event \$1,800.00	Giori Revenue 513,770,00	Net to Leonard \$13,779.00
250 Guest Eventz Day Rate	CC.Erea	0.60	30.6	°.650	51,000.00	90,000,062	\$30,600.00
500 Guest Events Evening/Weekend Rate	CC-trea	0.60	39.6	15,300	\$2,360,00	\$76,500.00	\$76,500.00
250 Guest Eventt Evening/Weekend Rate	CC-4rea	0.30	15.3	3,625	\$1,500.00	\$22,950.00	\$22,950.00
Auditorium	Asditotium	0.35	\$7,748	710	\$2,500.00	\$44,370.00	<u>844.370.00</u>
pub-total CC Area Rental Convention		2.00	102	31,310		\$158,190.00	\$183,190.00
oral Earned Revenue Carering/Convention		4	216	61,370		\$1,333,290.00	\$521,670,00

	Earned Revenue	Model	Food and Beverag	e Scenario:	Year Two, No	ırmal, 180,000	page 2	
C≘fé	Restaurant	Searing 60	Turnover 1.8	Diners per Day 108	Dinem per year 38,860	Revenue per Diner \$20.00	Gross Revenue \$388,800.00	Net to Leonardo \$38,880.00
Coffee Shop				75.	27,000	\$5.60	\$135,000.00	\$13,580,00
Retail Merchandise					45,386	\$9,72	\$45,433,60	<u>\$47.433.60</u>
	Sub-total Enraed Revenue Café			193			3571,233.60	\$99,813,60
	Healthy Bar			35.	27,000	85.00	\$135,000.60	213,500,00
Т	Foral Earned Revenue Restaurant			258	92,850	\$7,60	\$706,233.60	\$115,313.60
Total Earne	ed Revenue Catering/Convention ### ### ### ### ####################				61,370		\$1,333,290.00	\$521,670.00
	Grand Total Food and Beverage				154,250		\$2,039,523.60	3634,983.60

Earned Revenue	Model Food	and Beverage	Scenario: Y	ear Two, Conse	ervative, 135,000	page 1	
Catering/Convention Banquel Services 600 Guest Events CC Area	Number of Guests 500	Eventa par Week 0.13	Events per Year 6.75	Guests per Year 3,375	Price per Guerr \$30.00	Gross Revenue \$101,250.00	Net to Leonard 510,125,06
300 Guest Events CC Area	300	0.42	31.5	9,450	\$30.00	\$253,500.00	\$25,350.00
200 Guess Events CC Area	200	0.42	31.5	6,300	\$36.00	5169,000 00	\$18,960.00
200 Guest Events Elcewhere	200	0.15	9	1,800	530.00	\$34,080.08	£5,400.00
Entire Building Cotering	600	0.05	2.	1.620	\$30.00	\$48,600.00	\$4,860.00
sub-total Banquet service	1,800	1.60	51	22,545		\$676,350.00	\$67,635.00
CC Area Rental Catering	Venue	Events per Week	Events per Year		Price per Everu	Gross Revenue	Net to Leonarde
500 Guest Events Third Floor	CC.Ares	0.13	6.75		\$2,500,00	516,673,00	\$16,875.90
300 Guest Events Third Floor	CC. tro	0.42	31.5		\$2,500.00	\$78,750.00	\$78,759.00
290 Guen Events Third Floor	CC. Area	9.42	31.5		\$1,500.00	\$41,250.00	\$47,280.00
200 Guest Events Eisewhere	Fust or Second	9.16	9		90,000,12	90 590,812	\$18,000.00
Entue Building	First and Second	0.05	22		55,000.00	80 900,122	\$21,600,00
sub-total CC Ares Rental Caterin	g	1.60	81			\$152,475,00	\$162,475.00
CC Area Rennal Convention 500 Guest Events Day Rate	Venue CC-4ms	Events per Week	Events per Year 5,7375	Guesis per Xear 2.869	Price per Event \$1,800.00	G1000 Revenue \$10,327.50	Net to Leonard \$10,327.50
250 Guest Events Day Rate	CC.4re	0.45	22.95	5,739	\$1,000.00	522,956.00	\$22,950.00
500 Guest Events Evening/Weakend Rate	CC.4M	0.45	22.95	11,475	\$2,500.00	\$37,375.00	\$57,375.00
250 Guest Event: Evening/Weekend Rate	CC.4re	0.23	31.475	2,869	\$1,500.00	\$17,212.50	\$17,312.50
Auditorium	. isakonun	0.16	13 311	532	52,300.00	\$33,277.50	\$33,277.50
sub-total CC Area Rental Convention	in	1.50	76	23,483		\$142,142.50	\$141,142.50
otal Earned Revenue Catering/Convention		4	15%	46,027		6999,967.50	\$391,252.50

	Earned Revenue Mod	lel Food a	md Beverage	Scenario: Ya	ar Two, Cons	ervative, 135,000	page 2	
Café	Restaurant	5±8:1112 60	Turngvet 1.125	Dinsta per Day 67.5	Diners per year 24,300	Revenue per Diner 810.00	Gross Revenue 1243,000.00	Net 20 Leonardo 824,300.00
Coffee Shop				35.35	13,770	\$5.00	\$69,550.00	\$4,885.00
Retail Merchandise					38,070	\$8.72	\$27 410 40	\$27,410,40
	Sub-toral Earned Revenue Café			168.75			\$339,260.40	852,595.40
	Healthy Bar			31.5	11.3+0	25.00	556,700.00	\$5,670,000
Т	otal Earned Revenue Restaurant			137.25	49,410	\$5.01	\$395,%60.40	\$64.265.40
Total Earne	d Revenue Catering/Convention				46,027		9999.967.50	s391,352,80
G	rand Total Food and Beverage				95,437		\$1,395,927.90	\$455,517,99

Earned Revenue	Model Food	d and Beverage	Scenario	Year Three, No	rmal, 190,000	page I	
Catering/Convention Banquet Services 300 Guest Evenit CC Area	Number of Guests 500	Erents per Week	Events per Year 9.45	Guests per Year 4,725	Price per Guest \$30.00	Gross Revenue 5141.750 00	Net to Leonard \$14,175.00
300 Guest Events CC Area	300	0.86	44.1	13,230	\$30.00	5394,900.00	\$39,690.00
200 Guest Events CC Area	200	0.86	-4.1	0.28,8	53G.DB	\$264,600,00	\$26,460.00
200 Guest Events Eitewhere	209	0.25	13.6	2,500	\$30.00	\$75,606,00	\$7,560.00
Eurre Building Catering	600	0.07	3.76	2,265	\$36.00	\$63 04C 00	\$6,804.00
sub-total Banquet services	1,800	2.24	114	31,563		\$946,890,00	\$94,689.00
CC Area Rental Catering	Venue	Events per Week	Events per Year		Price per Event	Gross Revenue	Net so Leonard
500 Guest Evenit. Third Floor	CCAns	0.19	9.45		\$2,500.60	\$23,625.00	\$23,625.00
309 Guest Evenm Third Floor	CC. trea	0.86	44.1		52,500.00	\$110,250.00	\$110,250.00
200 Gueor Events Third Floor	CC_4rea	0.26	44.3		\$1,500.00	\$66,156.00	\$66,150.00
209 Guest Events Bisewhere	First or Sicond	0.25	12.6		\$2,000.00	\$25,200.00	\$25,200.00
Entire Building	Fest andSecond	18.0	278		90.000,62	\$30,240,00	\$36,240.00
sub-total CC Area Rental Catering		2.24	114			\$235,463.00	\$255,465.00
CC Area Rental Convention 500 Guest Events Day Rate	Venue CC Ans	Events per Week 0.16	Evento per Year 6.0325	Guerte per Year 4.016	Price per Event \$1,800.00	Gross Revenue 914.458.50	Net to Leonard \$14,458.50
250 Guest Events Day Rate	CC.trs	0.63	32.13	5,833	\$1,000,00	\$32,130,00	\$32,139.00
300 Guest Events Evening/Weekend Rate	CC.tree	0.63	32.13	16.065	52,300.00	\$80,325.00	\$80,325.00
250 Guest Events Evening/Weekend Rate	CC strea	0.32	16,365	4,015	31,500.00	\$24.097.50	124,097.50
Auditorium	Audiconam	0.35	18.6354	245	\$2,500.00	546.588.50	246,588.30
sub-total CC Alea Rentzi Convention		2.10	107	32,675		\$197,599,50	\$197,599.50
otal Earned Revenue Catering/Convention		4	221	64,435		\$1,399,934.50	\$547,753.50

	Earned Revenue	Model	Food and Beverage	Scenario	Year Three, N	Jonnal, 190,000	page 2	
Cafe	Restaurant	Seering 60	Turnover 1.575	Diner: per Day 94,5	Diness per year 34,020	Recenue per Diner \$20,00	Gross Revenue. 5340,200.00	Nat to Leonardo \$54,020,00
Coffee Shop				53.55	19,275	\$5.00	\$96,390.00	89,639.80
Retail Merchandise					53,298	86.72	538,374.56	238,374,56
	Sub-total Earned Revenue Café			143.05			3474,964,56	\$82,033,56
	Healthy Bar			11 .1	15,876	\$5.00	\$79,350,00	£7.939.60
1	Total Earned Revenue Restaurant			192.15	69,174	₹6.01	\$354,344.56	\$89,971.56
Total Earn	ed Revenue Catering/Convention				64,436		\$1,399,954,50	1547,753.50
•	Grand Total Food and Beverage				133,612		\$1,954,299,06	\$637,725,06

Catering/Convention							
Basquet Services 500 Guest Events CC Area	Number of Guesta 500	Events per Week	Events per Year 7.2	Guests per Year 3.600	Price per Guest \$50.00	G100: Revenue \$105,000.00	Net to Leopard \$10,959,00
300 Guest Events CC Ares	300	0.45	33.6	10,090	930.90	\$302,400,00	\$30,240.00
200 Guest Evento CC Area	200	0.66	33,6	6,720	\$30.00	\$201,600.00	\$20,160.00
200 Guest Events Eisewhere	209	Q1.0	2.2	1,920	\$30.00	557,600,00	\$5,760.00
Entire Building Catering	<u>600</u>	. <u>0.04</u>	2.58	1.738	\$30.00	551.94 <u>0 96</u>	<u>\$5,184.00</u>
sub-total Banquet services	1,800	1.70	87	24,048		\$721,440,00	172,144,00
CC Area Rental Catering	Yenne	Events per Week	Events per Year		Price per Event	Gioss Revenue	Net to Leonar
500 Guest Evente Third Floor	CC. trea	0.14	7.2		\$2,596,00	318,006.00	\$18,000.00
00) Guest Events Third Floor	CC Aca	0.66	35.6		\$2,509.00	\$84,000.00	\$84,900.00
200 Guest Events Third Floor	CCJ-tma	0.86	33.6		\$1,500.00	\$50,400.90	\$50,400.00
200 Guest Event: Eitewhere	Frest or Secund	0.19	9.8		\$2,000,00	\$19,200.50	\$19,280.00
Entite Building	Fun andSecond	<u>o</u> de	2.58		52,000.00	\$23,040.00	\$23,940.00
sub-total CC Area Rental Catering		1.70	87			\$194,640.00	8194,640.00
CC Area Rental Convention 600 Guest Evento Day Rate	Venue CC.Ares	Evenis pei Week 0.12	Erents per Year 6.12	Guerte per Year 5.060	Price per Event \$1,800.00	Giosa Revenue \$11,016.90	Ner to Leonar \$11,016.00
250 Guest Events Day Rate	CC Ans	0.48	24.45	6,120	b1,000.00	\$24,469.90	\$24,480.00
i00 Guest Events Evening/Weekend Rate	CC And	0.48	24,48	12.240	\$2,500,00	\$61,200.00	\$61,290.00
250 Guest Events, Evening/Weekend Rate	CC.1rea	8.24	12.34	3,060	\$1,500.00	\$19,360,00	£18,360,00
Audirorium	Andstorners	<u>8</u> ±0	14.1954	368	\$2,500.00	\$35,496,90	£35,4%L00
sub-toral CC Area Rental Convention		1.60	82	25,948		\$150.552.00	\$150,551.00
otal Earned Revenue Catering/Convention		3	165	49,096		\$1,066,632.00	\$417,336.0

	Earned Revenue N	Iodel Food a	nd Beverage	Scenario: Yes	u Three, Cons	ervative, 142,50	O page 2	
Café	Restaurant	Seating 60	Turnover	Diasta per Day. 72	Diner: per year 25,920	Revenue per Diner \$10,00	G1000 Revenue \$259,200,00	Net to Leonardo #25,920.00
Coffre Shop				40%	14,688	\$5.90	373.446.00	\$7,344.00
Retail Merchandice					40,605	\$0.72	\$29,237,76	529,237.76
	Sub-total Earned Revenue Café			112.8			3361,877,76	\$62,501.76
	Healthy Bar			33.6.	12,096	\$5.00	\$60,480.00	36,043,03
1	Fotal Earned Revenue Restaurant			146.4	52,764	28.01	\$422,357.76	\$68,549.76
Total Earne	ed Revenue Catering/Convention				49 09b		<u>\$1,066_632,00</u>	\$417.336.00
(Grand Total Food and Beverage				101,800		51,488,989.76	\$485,885.76

Model Construct Assumptions

Earned Revenue: Studios and Workshops

1 Scope -

- f. This Model assumes The Leonardo is fully operational and opens in 2009.
- g. It is also assumed that there are 360 operating days in each year; 51 weeks.
- h. The dollar values utilized are 2007 values. This makes comparative pricing analyses possible since most market competitors do not publish their intended prices two years in advance. Certainly, inflation adjustments can be inputted whenever necessary.
- i. Admissions costs to Patrons are "non-inclusive." Admissions charges will be for entrance/entrance related costs only, that is, the price of entrance will not include the cost of all the experiences/services available inside The Leonardo. This is in contrast to an "all inclusive" admissions construct in which a Patron pays a much higher entrance fee, but can participate in all activities once inside at no additional cost. The objective is to keep admissions prices at levels which are competitive with other market options for our demographic. The assumptions are that once inside, Patrons will (1) realize the excellent experience value they get for the cost of admission and wish to return, and (2) identify numerous extended value experiences for which they will be willing to pay extra ("up-charges").
- 2 Base Attendance This is the primary assumption in all Earned Revenue models. In the Year One, Normal, 300,000 Scenario, it is assumed that The Leonardo will attract approximately 300,000 visitors. This attendance number is 158% of the assumed "stabilized attendance" number of 190,000 which will obtain starting in Year Three. ASTC statistics suggest that we should expect about 6.6 Patrons per square foot of exhibit space. Given 32,500 square feet of exhibit space, statistically we can expect about 215,000 Patrons in a normal year. This supports the Year Three, Normal attendance assumption. The spike in Year One attendance is also in line with opening year statistics from the industry. There is a novelty factor to a new facility which generally pushes attendance demand well beyond stabilized levels; promotional, celebratory opening events, and the like will attract many visitors, media types and dignitaries who would not visit in a normal year, for instance. Additional support for attendance assumptions can be seen in Appendix II.
- 3. Ancillary Attendance This construct differentiates between the kinds of Patrons who pass through the door for reasons or in ticketing categories that are relatively standard to the industry, and Patrons who visit because of ancillary features of The Leonardo which are unique to it. These unique admissions result from Patrons who only visit Club Leo, Patrons who decide to visit on a frequent basis ("Aficionados"), and Patrons who enter The Leonardo primarily to attend a catering/convention event.

- **4.** Attendance Grand Total This is simply a combination of the data pertaining to Base Attendance and Ancillary Attendance.
- 5. Workshops The Project envisions having 5 participatory workshops where Patrons can learn, experience and create. They will be expanding or building on projects left behind by other Patrons; possibly leaving behind their own respective creations for display, to stimulate and teach others, or to add to a collective data base. A base inventory of requisite materials will be available *gratis* for Patrons' use. Those who wish to take permanent possession of their projects will pay an appropriate up-charge cost. Each workshop will have a POS (point of sale) function.

These workshops are best described under the rubrics of (1) their respective objectives, and (2) their three functions or modes of use.

a. Workshop Objectives

- i. The Center for the Story Here Patrons will learn about and participate in the creation of and preservation of stories and histories. It will be a place for making and sharing stories and place for encountering and enjoying stories made by others. This workshop contemplates such activities as digital scrapbooking, both audio and visual; expanding or building on stories/histories left behind by other Patrons. The Center will provide onsite access to digital archives of photography, journalism, cartography, video, oral history and genealogy along with tools and activities for incorporating archival materials in personal projects.
- ii. Leonardo's Workshop This workshop focuses on art and innovation as forms of inquiry and problem solving. Here participants can engage in a variety of inventive activities some recreating devices imagined by the historical Leonardo, other responding to contemporary needs or challenges. Patrons visiting Leonardo's Workshop will be involved in such physical creating, experiencing, sharing, and learning activities as building robotics or miniaturized engineering projects from component parts.
- iii. LifeWorks In this workshop Patrons will focus on living systems and the demands of life in a physical world. Mixing biology and physics with movement art, sports, and engineering, this will be a versatile platform for Patrons to understand themselves and other living systems from a variety of perspectives. They will participate in such activities as capturing the mechanics of their appearance with the potential of morphing their images as a function of age, gender or race.
- iv. The Big Picture This workshop will utilize a 6 foot suspended sphere onto which can be projected various sets of data. These data can reflect visually such interconnected issues as population growth, migration, disease transmission meteorological trends, environmental changes, and demographic dynamics. Patrons will participate in selecting these data and dictating their time-line and interaction parameters. The sphere can also be

programmed for such pedestrian uses as promoting a Participating Sponsor, convention group, or for informing Patrons about The Leonardo. This workshop will have a POS function.

v. Sound/Music Workshop – Patrons visiting this workshop venue will learn about and experience the physics and mechanics of sound and sound reproduction, language, hearing, audio processing, and musical instrument creation. They may do such things as develop and record their own phone ring-tone, record their own musical creation, or have their performed pieces transposed by computer program to sheet music.

b. Workshops Functions/Modes

- i. **Drop-in** The workshops will be available, given the constraints of their use for Master Classes and Courses as noted below, for all Patrons to visit on an *ad hoc* basis. They will be encouraged by facilitators to jump in and immerse themselves in the respective workshop offerings. Facilitators will be qualified to direct the activities of Patrons of all ability levels.
- ii. Master Class Patrons who wish to pursue their interest in a particular workshop will have the option of enrolling in a Master Class. This will be a 1 or 2 hour class lead by an authority in the particular workshop discipline. Patrons will enroll for these classes in advance and pay fees that include a base inventory of requisite materials. Other materials will be available at an appropriate up-charge cost.
- iii. Course A yet more immersive version of the workshop will be offered as a multi-class course spanning several weeks. This course work will directed by qualified instructors. Patrons will enroll for these courses in advance and pay fees that include a base inventory of requisite materials. Other materials will be available at an appropriate up-charge cost.
- 7. Studios The Project includes 3 studio spaces in which Patrons enrolled in course work with professional instructors can pursue their still deeper interests in the respective disciplines. Studios will not be open to Drop-in use by Patrons. All studio time will be booked and paid for in advance and will be treated as rental income. Rentals fees will cover costs related to materials, instructors, engineers, as well as studio operating overheads.
 - a. Visual Arts Studio This studio will serve as the lab/studio space for visual arts programs and home for The Leonardo's Cool Person in Residence. Its primary use will be for classes scheduled by Youth City Artways ("YAC").
 - b. Recording Studio This is a professional-grade recording suite that serves as the lab/studio for the Sound & Music zone. The studio includes a "live" room, a control room, and a secure storage area. It will be for cases offered by Youth City Artways, or for recording session rentals during hours unscheduled by YAC.

c. Movement Studio – This area is structured as an in-house dance studio equipped with a spring floor, ballet bar, lockers and showers. Its primary purpose is to serve the needs of YAC. It, too, will be available for rental when not scheduled by the Partners.

8. Key Construct Variables, Workshops-

- a. Daily Attendance As noted above, this construct utilizes the Base Attendance, 300,000, plus 10,000 Patrons who are carried in the Ancillary Attendance number, for a Year One, Normal Scenario attendance assumption of 310,000. This number is divided by 360 days for operational calculations. Each of the six scenarios presented utilize a pro rated variant of this Year One assumption. Obviously, finer tuning of the model is needed to address expected fluctuations in attendance because of such factors as peak hours of the day, days of the week, seasonality, etc. Similarly, at this juncture we are unable to compute the impact of Discounted School Groups on workshop utilization and revenue potential.
- b. Percent of Patrons Visiting the Workshop Clearly, all Patrons will not necessarily drop in on every workshop, although they might. This construct assumes that 50% of Attendees will visit each workshop. This implies that on average, Patrons will visit 2.5 workshops per admission. Because most Patrons will visit more than one workshop, the totals of this variable aggregate to more than 100% of total Daily Attendance; 250%. Further refinement of the model will be possible once we determine what percentage of our Patrons are first time visitors, and what percentage repeat visitor. It is anticipated that first time visitors will essentially "scout" the Building, while repeat visitors are likely to spend more time in workshops that particularly appeal to them.
- c. Workshop Capacity This is the number of Patrons that each workshop can efficiently accommodate at one time; 25 Patrons is assumed.
- d. Workshop Utilization It is anticipated that 80% of those entering each workshop as Drop-ins will become engaged enough to stay on and actively participate in the workshop. This assumption has implications for through-put management. In respect of Master Class and Course modes, this number is 100%; it is expected that all of the students enrolled will participate.
- e. Net Participating Patrons This is the product of the number of Patrons dropping by the workshop and the presumed percentage of them that will engage.
- f. Classes or Courses per Month This construct in all six scenarios assumes 20 Master Classes per month, and 18 Courses per year for each workshop venue.
- g. Up-Charges per Patron This is the dollar amount that each Patron can be expected to pay for extra workshop materials or to take possession of his/her project. For Drop-in Patrons the up-charge assumption is \$4.00; for Master Class Patrons, \$6.00; and for Course participants, \$16.00.
- h. Percentage of Patrons Up-Charging Not all Patrons who become engaged in the workshop experience, regardless of mode, will opt to pay for up-charge materials or services.

This construct assumes that 20% of Drop-ins, and 30% of both Master Class and Course students will decide to pay extra.

- i. Fee Costs for Master Classes and Courses In these workshop modes participating Patrons will pay a front-end fee. This construct assumes that Master Classes will cost on average \$100, and that Courses will be priced on average at \$150.
- **j.** Revenues The model then calculates the total revenue expected to be generated from up-charges, and class/course fees; annualizes them; and then totals both components for total annual Workshop Revenue projections.
- 9. Key Construct Variable, Studios This model assumes that in Years One through Three the 3 studios will operate on a **breakeven** basis only. Consequently, no revenues are calculated and no expenses are developed.

Scenario Results - Specific results for each scenario can be seen in the *Earned Revenues Summary* on page 18 of this document, as well as in each of the Earned Revenue models which follow.

Emmed Revenue Model Workshop and Suddio Scenario: Year One, Normal, 300,000 page	\$687,300.00	\$300,000.00	\$387,300.00	\$1,250.00				1167	186.67%	125	1,458	250.00%	583	Workshops Totals
Earmed Revenue Mode Workshop and Studio Secnario: Year Onc., Normal, 300,000 page 1	507001*381\$	00'000'681%	00.001'9\$	\$759.00			œ							Course
Deby Into Part Pa	\$163,200.00	\$120,000.00	\$43,200.00	\$500.00			100							Master Class
Earned Revenue Node Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$336,000.00		\$336,000.00					1167	186.67%	125	1458	250.00%	583	Drop-111 (take awas up-charges only)
Daylor Chief Permit Principal Workshop Roching Section Section Principal Chief Section Principal Chief Section Principal Section Sec	Total Revenue	Fee	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Unlization %	Workshops Capacity	Patron's per Day Visiting Workshops	% Total Patrons Visiting Workshops	Daily Leo Anendance	Workshame Totals
Daylor L'And-Prome Parco	\$137,460.00	\$60,000.00	\$77,460.00								292			workshop sub-total
Earned Revenue Mode Workshop and Studio Scenario: Year Onc. Normal, 300,000 page 1	\$37,620,00	36,181,181	SLOZOLNI	\$150,00	30.00%	\$15.00	L.50	20	80.00%	25				Course
Earned Revenue Mode Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$32,640.00	\$24,680,000	\$8,641100	Storeo	30,00%	\$6,00	20	20	80.00%	25				Master Class
Earned Revenue Mode Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$67,200.00	na	S67.2(8).(H)	Ē	20.00%	\$4.00	aa	233	80.00%	25	292		į	Drop-in (take away up-charges only)
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	"" Patons Un-Chargue	Up- Charges ner Pairon	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Patron's per Day Visiting Workshop	% Total Patrons Visiting Workshop 50.00%	Daily Leo Auendance 583	The Big Picture
Part	\$137,460.00	\$60,000.00	\$77,460.00							25	292			workshop sub-total
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$37,620,00	Sharning	\$1,620 (3)	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
Part	\$32,640.00	\$24,000 (0)	S8,0-40,180	Structor	30.00%	\$6.00	20	20	80.00%	25				Master Class
Earned Revenue Mode Wosking Scenario: Year One, Normal, 300,000 Page 1	\$67,200.00	27	S47,241.(NI	FI	20.00%	\$4.00	na	233	80.00%	25	292		į	Drop-in (take awas up-charges such)
Earned Revenue Mode Workshop and Studio Scenario Year One, Normal, 300,000 page 1	Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges <i>per</i> Patron	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Pairon's per Day Visiung Workshop	% Total Patrons Visiting Workshop 50.00%	Daily Leo Augndance 583	Sound and Music Workshop
Page	\$137,460.00	\$60,000.00	\$77,460.00							25	292			workshop sub-total
Earned Revenue Mode Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$37,620,00	Sitting	SLo2ten	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
Earned Revenue Mode Workshop and Studio Scenario Year Normal 300,000 Page 1	\$32,640.00	\$24 լև և է վու	18070F0'SK	\$100,00	30.00%	\$6.00	20	20	80.00%	25				Master Class
Earned Revenue Mode Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$67,200.00	Ē	\$67,200.001	e.	20.00%	\$4.00	na	233	80.00%	25	292	9	ţ	Drop-in (take away up-charges only)
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	Total Всухнис	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Charging	Up- Charges per Patron	Classes or Courses ner_Month	Net participating Patron's per <u>Day</u> , Class, Course	Workshop Participation	Workshop Capacity	Patron's per Day Yasuing Workshop	% Total Patrons Visiting Workshop 50 00%	Daily Leo Augudance	LifeWorks
Particular Par	\$137,460.00 \$207,720.00	\$60,000.00 \$120,000.00	\$77,460.00 \$87,720.00							25	292			workshop sub-total
Particle	\$37,620,00	\$36) (H H H H H H H	\$1,620,60	\$150,000	30.00%	\$15.00	1.50	20	80.00%	25				Course
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1 Daily Leo 5. Total Parion's per Day Visiting Workshop Anger Day Visiting Workshop Scenario (Day, Classes or Causes of Cau	\$32,640.00	\$24,600,00	58,640,000	Simuno	39.00%	\$6.00	20	20	80.00%	25				Master Class
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1	\$67,200.00	n	S67,2(H) (N)	92	20.00%	\$4.00	na	233	80.00%	25	292			Drop-in (take away up-charges only)
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1 Daily Leo National Parionis Patronis Visiting Workshop (Sapacity Visiting Workshop Station) (Sapacity Visiting Workshop Station) (Sapacity Sapacity Station) (Sapacity Sapacity Station) (Sapacity	Total Resease	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Charging	Up- Charges <i>ner</i> Patron	Classes or Courses Ber Manth	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Panon's per Day Visiting Workshop	% Total Patrons Yisning Workshop 50 00%	Daily Leo Augudance	Leonardo's Workshop
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1 Daily Leo Various Parous Visiting Workshop Visiting Workshop Visiting Workshop 222 25 80.00% 20 150 150 150 150 150 150 150 150 150 15	\$137,460.00	\$60,000.00	\$77,460.00				0.32			25	292			workshop sub-total
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1 Daily Leo 5. Total Paron's per Day Workshop Science State S	\$37,620,00	30.1315.10E	\$1,62000	\$15000	30.00%	\$15.00	1.50	20	80.00%	25				Course
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1 Daily Leo 7. Total Patron's per Day Workshop Workshop Visiting Workshop State Ones Day, Class. Gausse per Month per Classes or Courses Up-Charges Fee Cost per Up-Charges Fee Cost per Up-Charges Fee Cost per Up-Charges Fee Revenue State State Ones	\$32,640.00	\$24,000 m	S8.(0-401.1%)	STROUBLE	30.00%	\$6,00	20	20	80.00%	25				Master Class
Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 1 Daily Leo ". Total Parons Paron's per Day Workshop Workshop Workshop Net participating Paron's per Classes of Courses Up-Charges ". Parons Fee Cost per Up-Charges Fee Attendance Visiting Workshop Visiting Workshop Capacity Utilization ". Day, Class, Course net Month net Paron Up-Charges Fee Cost per Up-C	\$67,200.00	n.	867.2mm	9	20,00%	\$4.00	na	233	80.00%	25	292	50.00%	ğ	Drop-in (take away op-charges auty)
Earned Revenue Model Workshop and Studio Scenario:	Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges ner Pairon	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Utilization %	Workshop Capacity	Patron's <i>per</i> Day Visiting Workshop	% Total Patrons Visituig Workshop	Daily Leo	Center for the Story
			page 1	300,000	Normal,	r One,			rkshop ?		enue Mode	Earned Rev		Total Base Attendance: 2

\$0.00	\$0.00	\$0.00	\$0.00			0	90		90	90	0.00%		Studios Totals
00.08	\$0.00	\$0.00	\$0.00	10.60%		0	45	100,00%	45	155	0.0023		Course
\$0.00	\$0,00	\$0.00	\$6.00	10.00%		0	45	100.00%	45	45	0.00%		Studio Rental
Total Resenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Rental Course	% Patons Un-Charging	Up-Charges <i>per</i> Parron	Rentals, Courses per Month	Net participating Patron's per Rental Course	Studios Utilization %	Studios	Patron's per Day Yisiung Studios	% Total Patrons Yisiting Studios	Daily Leo Attendance 583	Studios Totals
\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	30		30	30	0%		Studio sub-total
90.00	N.) (ii)	X)(E)	Sitte	10.00%	\$0.00	0.00	15	100.00%	155	15	0.00%		Course
\$0.00	\$(1,44)	String	SILLIN	10.00%	\$0.90	0	15	100.00%	5	15	0.00%	000	Studio Rental
Foral Revenue	Fee Beyenue	Up-Charges Revenue	Fee Cost per Rental Course	% Paions Up-Charging	Up- Charges <u>per Patron</u>	Rentals, Courses <u>per Month</u>	Net participating Patron's per Rental, Course	Studio Utilization %	Studio Capacity	Pairon's per Day Using Studio	% Total Patrons Yisning Studio	Daily Leo Attendance	Movement Studio
\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	30		30	30	0%		Studio sub-total
300.003	\$0,00	STORY	N) (H)	10.00%	\$0.00	0.00	15	109.00%	15	15	0.00%		Course
\$0.00	Şuan	Silvin	orns	10.00%	\$0.00	0	15	100.00%	15	15	0.00%		Studio Rental
Total Revenue	Fee Revenus	Up-Charges Revenue	Fee Cost per Remal, Course	% Patons Un-Charging	Up- Charges ner Patron	Rentals, Courses ner Mouth	Net participating Patron's <i>per</i> Rental Course	Studio Utilization %	Studio Capacity	Patron's per Day Using Studio	% Total Patrons Visiting Studio	Daily Leo Attendance 583	Recording Studio
\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	30		30	30	0.00%		Studio sub-total
\$0.00	SUM	N I I I	\$17.00	10.00%	\$0.00	0.00	15	100,00%	15	72	ю		Course
\$0.00	SOLUTIONS	80.08	\$17.KI	10.00%	\$0.00	0	15	100.00%	15	15	0	400	Studio Rental
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Rental, Course	% Patons Up-Charging	Up- Charges <i>per</i> Patron	Rentals, Courses ner Manth	Net participating Patron's per Rental, Course	Studio Utilization %	Studio Capacity	Patron's <i>per</i> Day Using Studio	% Total Patrons Visiting Studio	Daily Leo Ausudancs	Visual Arts Studio
		page 2	300,000	Normal,	r One,	nario: Yea	Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 2	rkshop a	el Wo	enue Modo	arned Rev	اط	Total Base Attendance: 2

Earned Revenue Model Workshop and Studio Scenario: Year One, Normal, 300,000 page 3 Consolidated Workshops + Studios

					Conse	Consolidated Workshops	+ Studios						
W/Al-shows Totals	Daily Leo Amendance	% Total Patrons Visiting Workshops	Patron's per Day Visating Workshops	Workshops Capacity	Workshop Utilization %	Net participating Patron's per Day, Class, Course	Classes or Courses per Mouth	Up- Charges per Pairon	% Patons Up-Charging	Free Cost per Class, Course	Up-Charges Revenue	Fee Revenue	Total Revenue
Drop-in (take awas up-charges only)	#REEK	250,00%	1,458	125	80.00%	L,167	n u				\$336,000.00		\$336,000.00
Master Class		0.00%			80.00%		100			\$500.00	\$43,200.00	\$120,000.00	\$163,200.00
Course		0.00%			80.00%		ю			\$750,00	\$8,100.00	\$180,000.00	00'001'881\$
Daily Workshops Totals Annual Workshop Patrons Annual Revenue per Patron		250.00%	1,458 525,000				108			\$1,250.00	\$387,300.00	\$300,000.00	\$687,300.00 \$1.31
Studios Totals	Daily Leo Auendance #REF!	% Total Patrons Visiting Studios	Patron's <i>per</i> Day <u>Visiung Studios</u>	Studios Capacity	Studios Utilization %	Net participating Patron's <i>per</i> <u>Rental, Course</u>	Rentals, Courses <i>ner</i> Month	Up- Charges <i>ner</i> Patron	% Patons Un-Charging	Fee Cost <i>per</i> Renal, Course	Up-Charges Revenue	Fee Bevenus	Total Recense
Studio Rental		0.00%	45	45	100.00%	45	c		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		6.00%	t 5	45	100.00%	45	0		10.00%	\$0,00	80.00	\$0.00	\$0.00
Studios Totals		0.00%	90	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00
Annual Studio Patrons Annual Revenue <i>per</i> Patron			na na										
Consolidated Totals (workshops only)			1,548	90			108			\$1,250.00	\$387,300.00	\$300,000.00	\$687,300.00
Annual Patrons Annual Revenue <i>per</i> Patron			525,000										\$1.31

1.1 \$74,400.00 \$254,000.00 \$250,000.00 \$144,660.00 \$144,660.00 Fee Revenue Revenue \$372,000.00 \$180,000.00 \$180,000.00 \$180,000.00 \$180,000.00 \$188,000.00	\$372,000.00 \$1 \$43,200.00 \$1 \$6,100.00 \$1	\$750,00										
		***************************************			œ							Course
	\$372,000.00	8500 00			100							Master Class
						1292	206.67%	125	1615	250.00%	6+6	Drop-in (take awas up-charges only)
	Up-Charges Rexenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges per Patron	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Unlization %	Workshops Capacity	Patron's per Day Yisiting Workshops	% Total Patrons Yisiting Workshops	Daily Leo Attendance	Workshops Totals
	\$84,660.00					1			323			workshop sub-total
	\$1,620.00	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
	\$8,640,00	SHUMS	30.00%	\$6.00	20	20	80.00%	25				Master Class
	\$74,400,081	2	20.00'%	\$4.00	กุล	258	80.00%	25	323	0.00	9	Drop-in (take away up-charges muls)
Fee Total Revenue Revenue	Up-Charges Rexeaux	Fee Cost per Class, Course	% Paions Up-Charging	Up- Charges ner_Pairon	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Parucipanan	Workshop Capacity	Patron's per Day Visiting Workshop	% Total Patrons Visiting Workshop so 00%	Daily Leo Attendance	The Big Picture
\$60,000.00 \$144,660.00	\$84,660.00							25	323			workshop sub-total
\$37,620,00	\$1,520,00	\$15000	30,00%	\$15.00	1.50	20	80.00%	25				Course
\$24,1HH,1K1 \$32,640.00	\$8,640 (10	Stands	30.00%	\$6.00	20	20	80.00%	25				Master Class
\$74,400.00	\$74,400,00	22	20.00%	\$4.00	na	258	80.00%	25	323	•	;	Drop-m (take away up-charges only)
Fee Total Revenue Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges ner Patron	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Patron's <i>per</i> Day Yisiting Workshop	% Total Patrons Yisiung Workshop 50,00%	Daily Leo Attendance	Sound and Music Workshop
\$60,000.00 \$144,660.00	\$84,660.00							25	323			workshop sub-total
\$37,620.00	\$1,620 (0)	\$1500.00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	S8.64(F0)	SHREEK	30.00%	\$6.00	20	20	80.00%	25				Master Class
n.a \$74,400.00	\$74,400.00	17.2	20.00%	\$4.00	na	258	80.00%	25	323			Drop-111 (take awas iip-charges only)
Fee Total Revenue Revenue	Up-Charges Revenue	Fee Cast per Class, Course	% Patons Up-Charging	Up- Charges <i>per</i> Patron	Classes or Courses per Month	Net participating Patron's per <u>Day. Class. Course.</u>	Workshop Participation	Workshop Capacity	Patron's per Day Yisiting Workshop	% Total Patrons Visiting Workshop Sn page.	Daily Leo Attendance	<u>LifeWorks</u>
\$60,000.00 \$144,660.00 \$120,000.00 \$214,920.00	\$84,660.00 \$ \$94,920.00 \$	j						25	323			workshop sub-total
\$37,620,00	SLUCKE	S150.00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	\$8,640,00	Stenten	30.00%	\$6.00	20	20	80.00%	25				Musicr Class
\$74,460.00	S74,4th1ch1	0.4	20.00%	\$4.00	na	258	80.00%	25	323			Drop-in (take away up-charges only)
Fee Total Revenue Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges	Classes or Courses ner Month	Net participating Patron's <i>per</i> Day, Class, Course	Workshop Particupauon	Workshop Capacity	Patron's <i>per</i> Day Yısıting Workship	% Total Patrons Visuing Workshop 50.00%	Daily Leo Auendance 646	Leonardo's Workshop
\$60,000.00 \$144,660.00	\$84,660.00 \$				0.32			25	323			workshop sub-total
\$37,620,00	\$1.620.00	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$24,000,000 \$32,640.00	\$8,040,00	Shurpo	30.00%	\$6.00	20	20	80.00%	25				Master Class
na \$74,400.00	\$74,4(K) (N)	n,	20.00%	\$4.00	ua	258	80.00%	25	323	20,007	<u>-</u>	Drop-m (take awas up-charges with)
Fee Total Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Paions Up-Charging	Up- Charges <u>ner Patron</u>	Classes or Courses <u>per Month</u>	Net participating Patron's <i>per</i> <u>Day, Class, Course</u>	Workshop Utilization "/"	Workshop Capasity	Patron's per Day Yisting Workshop	% Total Patrons Visiting Workshop	Daily Leo Attendance	Center for the Story
	000 page 1	One, Conservative, 225,000	onserva		Scenario: Year	Workshop and Studio Scer	kshop a		nue Model	Earned Kevenue Model	225,000 E	Total Base Attendance: 2.

\$1.24										581,250			Annual Patrons Annual Revenue per Patron
\$723,300.00	\$300,000.00	\$423,300.00	\$1,250.00			108			90	1705			Consolidated Totals (workshops only)
										na na			Annual Studio Patrons Annual Revenue <i>per</i> Patron
\$0.00	\$0.00	\$0.00	\$0.00			0	90		90	90	0.00%		Studios Totals
100.03	90.03	20.00	20.00	10.00%		0	齿	100.00%	5	<u></u>	$0.00v_{2a}$		Course
\$0.90	\$0.00	\$0.00	\$0.00	10.00%		0	5	100.00%	\$	45	0.00%		Studio Rental
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Remal Course	% Patons Up-Charging	Up- Charges <u>per Patron</u>	Rentals, Courses ner Month	Net participating Patron's <i>per</i> Rental, Course	Studios Utilization %	Studios Capacity	Patron's per Day Visiting Studios	% Total Patrons Yisiting Studios	Daily Leo Attendance 653	Studios Totals
\$1.24										581,250			Annual Workshop Patrons Annual Revenue per Patron
\$723,300.00	\$300,000.00	\$423,300.00	\$1,250.00			108				1,615	250.00%		Daily Workshops Totals
50.001,8813	00.000.081\$	00.001.88	\$750.00			100		80.00%			0.00%		Course
\$163,200.00	\$120,000.00	\$13,200.00	\$500.00			100		80.00%			0.00%		Master Class
\$372,000.00		\$372,000.00				na	1,292	80,00%	125	1,615	250.00%	646	Drop-in (take away up-charges with)
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Paions Up-Charging	Up- Charges per Patron	Classes or Courses per Month	Net participating Patron's <i>per</i> Day, Class, Course	Workshop Udhzadon %	Workshops Capacity	Patron's per Dav Yisiting Workshops	% Total Pairons Visiting Workshops	Daily Leo Attendance	
		,000 page 3	tive, 225	onserva	One, C	hario: Year	Earned Revenue Model Workshop and Studio Scenario: Year One, Conservative, 225,000 page 3 Consolidated Workshops + Studios	kshop an Consc	l Wor	nue Model	arned Reve	Ħ	

Earned Revenue Model
Workshop and Studio S
Scenario:
Year One,
Scenario: Year One, Conservative, 225,000
page 2

Total Base Attendance:	25.000												
Visual Arts Studio	Daily Leo Attendance	% Total Pairons Visting Studio	Patron's per Day Using Studio	Studio	Studio Utilization %	Net participating Patron's per Remat, Course	Remals, Courses ner Month	Up- Charges	% Paions Un-Charging	Renal, Course	Up-Charges Revenue	Fue Всуспые	Total
Studio Rental	ę	0	15	15	100.00%	15	0	\$0.00	10.00%	Siz.(N)	SHEEK	Sum	\$0.00
Course		Ω	15	5	100.00%	FE	0.00	\$0.00	10.00%	SITTER	लगाड	Sil (M)	30 DE
Studio sub-total		0.00%	30	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Recording Studio	Daily Leo Aucadance	% Total Patrons Visiting Studio	Patron's per Day Using Studio	Studio	Studio	Net participating Patron's per Rental, Course	Remals, Courses	Up- Charges	% Patons	Fee Cost per	Up-Charges	Fee	Total
Sindo Remal	646	0.00%	я.	5	7609 001	15		60 00	in one.	STATE OF THE STATE	Salah	N. S.	SO DO
Course		a ane	7	ā	Section of			200	0.000	9			
			ł			1	ļ	are constant	ļ				100
												44000	40.00
Movement Studio	Dady Leo Auendance 646	% Total Patrons Yisiting Studio	Patron's per Day Using Studio	Studio Capacity	Studio Utilization %	Net participating Patron's per Bental, Course	Rentals, Courses ner Month	Up- Charges	% Patons Un-Charama	Fee Cost per Rental, Course	Up-Charges Revenue	Fee Revenue	Total Revenue
Studio Rental		0.00%	15	15	100,00%	15	0	\$0.00	%00.D1	Sire	Socia	Section	\$0.00
Course		0.00%	15	15	100.00%	51	0.00	\$0.00	10.00%	Strong	Sign	12's	50,00
Studio sub-total		$0^{\nu_{/\alpha}}$	30	30		30	\$0.00	\$0.00		\$0.00	\$6.00	\$0.00	\$0.00
Studios Totals	Daily Leo Ausudance 646	% Total Patrons Visiting Stuthos	Patron's per Day Visiting Studios	Studios Capacity	Studios Unlization ½	Net participating Patron's per Rental Course	Rentals, Courses ner Manth	Up- Charges ner Patron	% Patons Un-Charging	Fee Cost per Rental, Course	Up-Charges Revenue	Fee Revenue	Total Revenue
Studio Rental		0,000%	45	45	7409'001	\$ 5	С		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		0.10.02.24	.15	3.F	100.00%	21.5	٥		19.00%	\$0.00	₹0 <u>.00</u>	\$0.00	\$0.00
Studios Totals		0.00%	90	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00

		Earned Re	Earned Revenue Model		orkshop	Workshop and Studio Sc	Scenario: Ye	ar Two	, Norm	ear Two, Normal, 180,000 page 2) page 2		
Total Base Attendance: 180,000	80,000				,								
Visual Arts Studio	Daily Leo Auendance	% Total Patrons Visiting Studio	Patron's <i>per</i> Day <u>Using Studio</u>	Studio	Studio Utilization 1/4	Net participating Patron's per Rental, Course	Rentals, Courses ner Month	Up- Charges ner Pauon	", Patons Up-Charging	Fee Cost per Rental Course	Up-Charges Revenue	Fee Revenue	Total Revenus
Studio Rental	861	0	15	15	100.00%	5	0	\$0.00	10.00%	S(1 H)	SH HG	80 08	\$0.00
Course		Q	15	15	100.00%	5	9.00	30.00	10.00%	SHOO	SOLUE	SISTER	\$0.00
Studio sub-total		0,00%	30	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Recording Studio	Daily Leo	% Total Parrons	Patron's per Day	Studio	Studio	Net participating Patron's per	Rentals, Courses	Up- Charges	% Patons	Fee Cost per	Up-Charges	Fee	Total
Studio Rental	861	0.00°5n	1.5	15	100.00%	55	c	\$0.00	10.00%	Sultin	South	Socio	\$0.00
Caurse		0.00%	15	ΣŁ	100.00%;,	15	0.00	\$0.00	10.00%	Sibility	E	NILL STATES	80.00
Studio sub-total		0%	30	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Movement Studio	Daity Leo Attendance	% Total Patrons Ylsiting Studio	Patron's <i>per</i> Day Using Studie	Studio Capacity	Studio Utilization %	Net participating Patron's per Bental, Course	Rentals, Courses per Month	Up- Charges <i>per P</i> aucon	"« Patons Up-Charging	Fee Cost per Rental, Course	Up-Charges Revenue	Fee Revenue	Total Bevenue
Studio Rental	004	0.00%	15	15	100.00%	15	٥	\$0.00	10.00%	\$0,00	Source	Strate	\$0.00
Course		0.00%	15	15	1/400.001	15	0.00	\$0.00	10.00%	(1) (I)	Si1100	SO.(b)	\$0.00
Studio sub-total		0%	30	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0,00
Studios Totals	Daily Leo Auendance 861	% Total Parrons Visiung Studios	Patron's per Day Yisiting Studios	Studios	Studios Utilization %	Net participating Patron's per Rental, Course	Rentals, Courses per Month	Up- Charges <u>per Paron</u>	% Patons Up-Charging	Fre Cost per Rental Course	Up-Charges Revenue	Fee Revenue	Total Revenus
Studio Rental		0.00%	45	5	100,00%	+5	o		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		0.00%	\$5	15.	100.00%	45	o		10.00%	\$0.00	\$0.00	\$0.00	80.00
Studios Totals		0.00%	90	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00

Earned Revenue Model
Workshop and Studio Sc
 Scenario:
Scenario: Year Two, Normal, 180,000
page 3

					Consc	Consolidated Workshops	+ Studios						
	Daily Leo Augudance	% Total Patrons Visiting Workshops	Patron's per Day Visiting Workshops	Workshops Capacity	Workshop Uulization %	Net participating Patron's <i>per</i> <u>Day, Class, Course</u>	Classes or Courses per Month	Up- Charges ner Pairon	% Patons Up-Charging	Fee Cost per Class, Course	Up-Charges Вехенис	Fee Revenue	Total Revenue
Workshops Lotals Drop-in (take awas up-charges mile)	861	250.00%	1,292	125	80.00%	1,033	ma				\$297,600.00		\$297,600.00
Master Class		0.00%			80.00%		100			\$500,00	\$43,200.00	\$120,000.00	\$163,280.00
Course		0.00%			80,00%		ioc			\$759.00	\$8,100.00	00.000.0813	\$188,100,00
Daily Workshops Totals Annual Workshop Patrons		250.00%	1,292 465,000				108			\$1,250.00	\$348,900.00	\$300,000.00	\$648,900.00
Annual Revenue per Patron			100,000										\$1.40
Studios Totals	Daily Leo Auendance 861	% Total Patrons Visuing Studios	Pairon's per Day Visiting Studios	Studios Capacity	Studios Udijzation %	Net participating Patron's per Rental, Course	Rentals, Courses ner Month	Up- Charges per Pairon	% Patons Up-Charging	Fee Cost per Bental Course	Up-Charges Revenue	Fee Revenue	Total Reveaus
Studio Rental		0.00%	15	-15	%00.00t	45	0		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		0.00%	5 .	÷	100.00%	45	0		10.00%	30.00	90.09	\$0.00	80.00
Studios Totals		0.00%	90	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00
Annual Studio Patrons Annual Revenue <i>per</i> Patron			11:2 11:1										
Consolidated Totals (workshops only)			1,382	90			108			\$1,250.00	\$348,900.00	\$300,000.00	\$648,900.00
Annual Patrons Annual Revenue <i>per</i> Patron			465,000										\$1.40

Earned Revenue Model Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 1

\$574,500.00	\$300,000.00	\$274,500.00	\$1,250.00				775	124.00%	125	969	250.00%	388	Workshops Totals
60.601,881\$	\$180,000,00	50,001,83	\$250.00			œ							Course
\$163,200.00	\$120,000.00	\$43,200.00	\$500.00			100							Master Class
\$223,200.00		\$223,200.00					775	124.00%	125	969	250.00%	388	Drop-111 (take away up-charges only)
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Charging	Up- Charges 227 Patron	Classes or Courses ner Month	Net participating Patron's per Pay, Class, Course	Workshop Utilization %	Workshops Capacity	Pairon's per Day Visiting Workshops	% Total Patrons Visiting Workshops	Daily Leo	Workshops Totals
\$114,900.00	\$60,000.00	\$54,900.00								194			workshop sub-total
\$37,620.00	Shrunia	SLozucki	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	\$24,000,00	\$8,0-(0.10)	\$10000	30.00%	\$6.00	20	20	80.00%	. 25				Master Class
\$14,640.00	n.	\$44,040,00	£	20.00%	\$4.00	na	155	80.00%	25	194	6	5	Drop-III (take awas up-charges only)
Total <u>Revenue</u>	Fee Вечения	Up-Charges Revenue	Fee Cost per Class, Course	% Paions	Up- Charges per Patron	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Patron's <i>per</i> Day Visiting Workshop	% Total Patrons Visuing Workshop 50 apv.	Daily Leo Attendance	The Big Picture
\$114,900.00	\$60,000.00	\$54,900.00							25	194			workshop sub-total
\$27,020.00	2.39.CENT (N)	STOSSICE	2150000	30,00%	\$15.00	1,50	20	80.00%	3				Conse
\$32,640.00	\$24,000,001	\$8,0-#1.(N)	Short	30,00%	\$6.00	20	20	80.00%	25				Master Class
\$44,640.00	11-11	\$44,0-KU,0XI	444	20.06%	\$4.00	na	155	80.00%	25	194			Drop-itt (take awas up-charges units)
Total Bevenue	Fee Revenus	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Patron's per Day Visiting Workshop	% Total Patrons Visiting Workshop 50.00%	Daily Leo Attendance 388	Sound and Music Workshop
\$114,900.00	\$60,000.00	\$54,900.00							25	194			workshop sub-total
\$37,620.00	SHARRAKAL	SL62000	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	\$24,000,00	S8,640,00	\$100,00	30.00%	\$6.00	20	20	80.00%	25				Master Class
\$44,640.00	na	\$44,640.00	D.L	20.00%	\$4.00	na	155	80.00%	25	194			Drop-in (take away up-charges unly)
Веуспис Веуспис	Revenue	Revenue	Class, Course	Un-Charging	ner Patton	acr Meath	Day, Class. Course	Participanon	Capacity	Visuing Workshop	Visiong Workshop	Attendance	
\$185,160.00	\$120,000.00	\$65,160.00	Fee Cost per	ac Darons	Ha Churas	Classes or Courses	Net participating Patron's per	Washelian	Washelian	Patron's ner Day	%. Total Parrons	Daily Lea	LifeWorks
\$114,900.00	\$60,000.00	\$54,900.00							25	194			workshop sub-total
\$37,620.99	Shandhan	\$1,020,00	\$150,00	30.00%	\$15.00	1.50	29	80.00%	25			ń	Course
\$32,640.00	\$24,(##110)	\$8,640.00)	STORLING	30.00%	\$6.00	20	20	80,00%	25				Master Class
\$44,640.00	8	00000	2.2	20,00%	\$4.00	па	155	80,00%	25	194	30,000,70	a de	Drop-III (take away up-changes unit)
Total Revenue	Fee Beyenus	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges	Classes or Courses ner Month	Net participating Patron's <i>per</i> Day, Class, Course.	Workshop Participation	Workshop Capacity	Patron's <i>per</i> Day Yisiting Workshop	% Total Patrons Visiting Workshop	Daily Leo Auendause	Leonardo's Workshop
\$114,900.00	\$60,000.00	\$54,900.00				0.32			25	194			workshop sub-total
\$37,620,00	S36.HMI.DI	\$1,620 (10)	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	S24,000.00	\$8,640,00	\$110,00	30.00%	\$6.00	20	20	80.00%	25				Master Class
\$14,640,00	па	8H,040 H3	Đạ.	20.06%	\$4.00	Da	155	80.09%	25	194	24.04.00	500	Drop-in (take away up-charges only)
Total Revenue	Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Charging	Up- Charges ner Paron	Classes or Courses per Month	Net participating Patron's <i>per</i> Day, Class, Course.	Workshop Utihzation %	Workshop Capacity	Patron's per Day Yisiting Workshop	% Total Patrons Visiting Workshop	Daily Leo Augndance	Center for the Story
												35,000	Total Base Attendance: 135,000

Figure Property	50.09	10.00 10.00	\$0.00	\$0.00	10.00%		0	15	100.00%	#5	15	0.00%		Course
Real Airt Studie Daly Lao National Follows Daly Lao National Follows Daly Lao National Follows Daly Lao National Follows Daly Lao Da	\$0.00	\$0.00	\$0.00	\$0.00	10.00%		0	45	100.00%	Š	45	0.00%		Studio Rental
Earned Revenue Mode Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 2	Total Resenue	Fee Revenue	Up-Charges Revenue	Ree Cast per Rental, Course	% Patons Un-Charging	Up- Charges ner Parson	Rentals, Courses	Net participating Patron's per Rantal, Course.	Studios Unlization %	Studios Capacity	Pairon's per Day Yishing Studios	% Total Patrons Yasiung Studies	Daily Leo Aucadanss 388	Studios Totals
Fame	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	30		30	30	0%		Sindio sub-total
Figure F	\$0.00	SUL	<u>Sc1380</u>	Secon	10.00%	\$0.00	9.00	2.5	100.00%	15	55	0.00%		Course
Fame Revenue Mode Workshop and Studio Scenario Year Two, Conservative, 135,000 page 2	\$0.00	Satura	SOUR	\$0.00	10.00%	\$0.00	0	15	100,00%	15	5	0.00%		Studio Rental
Earned Revenue Mode Workshop and Studio Scenario: Year Two, Conservative, 135,000 Page 2 Page 2 Page 2 Page 2 Pag	Total Revenue	Fee Вехение	Up-Charges Revenue	Fee Cost per Rental, Course	% Patons Up-Charging	Up- Charges <u>per Patron</u>	Rentals, Courses <u>per Month</u>	Net participating Patron's per Rental, Course	Studio <u>Udlization %</u>	Studio Capacity	Pairon's per Day Using Studio	% Total Pations Visiting Studio	Daily Leo Attendance	Movement Studio
Fame	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	30		30	30	0%		Studio sub-total
Farned Revenue Mode Workshop and Studio Scenario: Year Two, Conservative, 135,000 Page 2 Fee Cost proving part Page 2 Page	\$0.00	Strong	A COL	\$0.00	10.00%	\$0.00	0.00	15	100.00%	15	15	0.00%		Course
Earned Revenue Model Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 2 Toul Base Auendance: 135,000 Eanal Daily Loo Auendance Visiting Studio Lising Studio Studio Studio Studio Studio Studio Studio Lising Studio Studio Studio Lising Studio Studio Studio Studio Lising Studio Studio Studio Studio Lising Studio Studio Studio Lising Studio Studio Studio Studio Lising Studio	\$0.00	\$0.001	Se.on	\$0.00	10.00%	\$0.00	0	5	200.00%	15	15	0.00%	;	Studio Rental
Earned Revenue Model Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 2 Total Base Attendance: 135,000 Total Base Attendance: 135,000 Daily Loo Attendance Visiting Studio Using Studio Capacity Utilization % Renal, Course Revuls Renal, Course Revuls Revul	Total Revenus	Fee Revenue	Up-Charges Revenue	Fee Cost per Remal Course	% Patons Un-Chatging	Up- Charges per Patron	Rentals, Courses per Month	Net participating Patron's per Rental, Course	Studio Utilization %	Studio Capacity	Panon's per Day Using Studio	% Total Parcons Yisiting Studio	Daily Leo Amendance	Recording Studio
Harned Revenue Model Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 2 Total Base Attendance Visiting Studio Lising Studio Lising Studio 15 15 100.00% list 15 100.00% lis	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	30		30	30	0.00%		Studio sub-total
Harned Revenue Model Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 2 Arte Studio Daily Leo ''s Toul Patron's per Day Studio Studio Net participating Patron's per Renals, Courses Up-Charges Fee Cost per Up-Charges Fee Attendance Visiting Studio lising Studio Capacity Utilization ''s Renal, Course Renals, Course Repatron Up-Charges Fee Revenue Revenue Structure Studio Stu	\$0,00	\$1.001	Sitter	School	10.00%	90,02	0.00	15	100.00%	Σī	15	Ō		Course
Earned Revenue Model Workshop and Studio Scenario: Year Two, Conservative, 135,000 page 2 Daily Leo %. Total Patrons Parou's per Day Studio Studio Net participating Patron's per Renals, Courses Up-Charges Fee Cost per Up-Charges Fee Attendances Visiting Studio Using Studio Capacity Utilization % Renal, Course Revenue Revenue Revenue	\$0.00	Sitte	(A) T/S	SHUR)	10.00%	\$0.00	0	15	100.00%	15	15	0	300	Studio Rental
Earned Revenue Model Workshop and Studio Scenario: Year	Total Revenue	Fee Revenue	Up-Charges Revenue	Rental Course	% Paions Up-Charging	Up- Charges per Patron	Remals, Courses per Month	Net participating Patron's per Rental, Course	Studio Utilization %	Studio Capacity	Patron's <i>per</i> Day Using Studio	% Total Patrons Visiting Studio	Daily Leo Attendance	Visual Arts Studio
T 10 W 11 W 11 16 1: C T C T C T 125 000			,000 page 2	шче, 133,	Jonserva	, 1 wo, c	ano: <i>rea</i> r	ad Studio Scen	Ksnop ai	Wor	nue Mode	arned Keve		Total Base Attendance:
			777	756		Ì	17	10. 1. 0		1777		3		

Studios Totals

0.00%

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90

90

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\$0.00

\$0.00

\$0.00

\$0.00

Workshops Totals Drop-in (also away up-charges outs)	Auendance 388	Yisuing Workshops 250.00%	Visiting Werkshops 969	Capacity 125	Utilization ½ 80.00%	Day, Class, Course 775	ner Month na	<i>per</i> Paron	Up-Charging	Class, Course	Revenue \$223,200.00	Revenue	Resenue \$223,200.00
Master Class		0.00%			80.00%		100			\$500.00	\$43,200.00	\$129,900.00	\$163,200.00
Course		0.00%			80.00%		igo			\$750.00	00.001,8\$	\$180,000,000	\$188,100.00
Daily Workshops Totals Annual Workshop Patrons Annual Revenue per Patron		250.00%	969 348,750				108			\$1,250.00	\$274,500.00	\$300,000.00	\$574,500.00 \$1.65
Studios Totals	Daily Leo Auendanes 388	% Total Patrons Yisting Studios	Patron's per Day Yisiting Studios	Studios Capacity	Studios Utihzanon %	Net paricipating Patron's <i>per</i> Reutal, Contse	Rentals, Courses <u>per Month</u>	Up- Charges ner Pairon	% Patons Un-Charging	Fee Cost per Rental, Course	Up-Charges Revenue	Fee Revenue	Total Bexenue
Studio Rental		0.00%	45	45	100.00%	45	0		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		0.00%	45	45	100.00%	45	0		10.00%	\$0.00	\$0.00	50.03	80.09
Studios Totals Annual Studio Patrons Annual Revenue <i>per</i> Patron		0.00%	90 na	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00
Consolidated Totals (workshops only)			1,059	90			108			\$1,250.00	\$274,500.00	\$300,000.00	\$574,500.00
Annual Patrons Annual Revenue <i>per</i> Patron			348,750										

\$586,980.00	\$300,000.00	\$286,980.00	\$1,250.00				818	130.93%	125	1,023	250.00%	409	Workshops Totals
\$188,100.00	\$180,000,00	\$8,100.00	\$750,00			8							Course
\$163,200.00	\$120,000.00	\$43,200.00	\$500.00			100							Musier Class
\$235,680.00		\$235,680.00					818	130.93%	125	1,023	250.00%	409	Drop-in (take awas up-charges only)
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Chatging	Up- Charges <u>per Patron</u>	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Utilization %	Workshops Capacity	Pairon's per Day Visiting Workshops	% Total Patrons Visiting Workshops	Daily Leo Amendance	Workshops Totals
\$117,396.00	\$60,000.00	\$57,396.00								205			workshop sub-total
\$37,620.00	S30, DHUR	\$1,620.10	\$150.00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	SOLUMITES	S8,640,00	\$100.00	30.00%	\$6.00	20	20	80,00%	25				Master Class
\$47,136.00	na	\$47,136,103	2	20.00%	\$4.00	na	164	80.00%	25	205		į	Drop-in (take away up-charges only)
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Charging	Up- Charges	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Parron's <i>per</i> Day Yisiung Workshop	% Total Patrons Visiting Workshop 50.00%	Daily Leo Aitendance	The Big Picture
\$117,396.00	\$60,000.00	\$57,396.00							25	205			workshop sub-total
									3				
\$37,620.00	\$30,000,00	\$1.62010	\$150,00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	\$24,000,00°	\$8,040.00	\$100,00	30,00%	\$6.00	20	20	80.00%	25				Master Class
\$47,136.00	Pti	\$47,136.19	2	20.00%	\$4.00	na	164	80.00%	25	205	20,007%	407	Drop-in (take away up-charges univ)
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges <i>per</i> Patron	Classes or Courses per Month	Net participating Patron's per Day, Class, Course.	Workshop Participation	Workshop Capacity	Patron's per Day Visiting Workshop	% Total Patrons Visiting Workshop	Daily Leo	Sound and Music Workshop
\$117,396.00	\$60,000.00	\$57,396.00							25	205			workshop sub-total
\$37,620.00	\$30,000,00	\$1.620,00	\$150.00	30.00%	\$15.00	1.50	20	80.00%	25				Course
\$32,640.00	\$24,000,00	58,640,00	Studens	30,00%	\$6.00	20	20	80.00%	25				Master Class
\$47,136.00	14	\$47,136,00	ā	20,00%	\$4.00	na	164	80.00%	25	205			Drop-in (take away up-charges only)
Total Revenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	"/a Patons Up-Charging	Up- Charges per Paucon	Classes or Courses acr Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Patron's <i>per</i> Day Yisiting Workshop	% Total Patrons Visiting Workshop 50.00%	Daily Leo Ausadance 409	LifeWorks
\$117,396.00 \$187,656.00	\$60,000.00 \$120,000.00	\$57,396.00							25	205			workshop sub-total
\$37,620,00	\$30chmini	\$1.620 00	\$150,00	30.00%	\$15.00	1.50	20	80,00%	25				Course
\$32,640.00	\$24,010,161	\$8,040.00	Shrinin	30.00%	\$6.00	20	20	80.00%	25				Master Class
\$47,136.00	27	\$47,136 (4)	na	20.00%	\$4.00	na	164	80.00%	25	205			Drop-iff (take away up-charges out)
Total Bexenties	Foe Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges ner Patron	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Participation	Workshop Capacity	Putron's <i>per</i> Day Yisiting Workshop	% Total Patrons Visiting Workshop 50,00%	Daily Leo Attendance 409	Leonardo's Workshop
\$117,396.00	\$60,000.00	\$57,396.00				0.32			25	205			workshop sub-total
\$37,620.00	SZGLERICE	\$1.620.00	\$150,00	30.00%	\$15.00	1.50	20	80,00%	25				Course
\$32,640.00	\$24,000,00	00701-078\$	Simon	30.00%	\$6.00	20	20	80.00%	25				Master Class
\$47,136.00	11.0	\$47,136,00	RE	20.00%	\$4.90	na	164	80.00%	25	205		ţ	Drop-in (take away up-charges only)
Тоы! Ветения	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Up-Charging	Up- Charges <i>per P</i> atton	Classes or Courses per Month	Net participating Patron's per Day, Class, Course	Workshop Utilization %	Workshop Capacity	Patron's <i>per</i> Day <u>Visiting Workshop</u>	% Total Patrons Visiting Workshop 50.00%	Daily Leo Augustance	Center for the Story
	e I	12,500 page 1	Year Three, Conservative, 142,500	Conserv	Three,		Workshop and Studio Scenario:	shop an	Worl	nue Model	Earned Revenue Model	H2,500	Tom Base Anendance:

Total Base Attendance: 142,500	
	Earned Revenue Model Workshop and Studio Scenario: Year Three,
	Workshop and Studio
	Scenario:
	Year Three,
	Conservative, 142,500
	page 2

15	0 \$0.00 0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 Remails, Courses Up-Charges acr Month acr Fatron 0 \$0.00 \$0.00 \$0.00 Remails, Courses Up-Charges acr Month acr Fatron 0 \$0.00	"», Patons Lin-Charting 10.00%, 10.00%, 10.00%, 10.00%, 10.00%	Fee Cost per Rental Course Study Stu		\$0.00 Up-Charges Revenus \$1.01 \$1.01 \$0.00 Up-Charges Revenus \$1.01 \$0.00	
15		~ ,	11 11	% Patons Ub-Charging Ht.40% 10.00% 10.00% 10.00%	% Patons Fee Cost per Lib-Charging Rental-Caurse 10.00% Silgn \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00
15 100.00% 15			- 11 - 11	% Patons Un-Charging 10.00% 10.00% 10Charging	\$0.00 % Paions Fee Cost per Un-Charging Renal. Course 10.00% Size 50.00 % Paions Fee Cost per 10.00% So.00 % Paions Fee Cost per Un-Charging Renal. Course	\$0.00 \$0.00 ****Paiots Fee Cost per Up-Charges Ub-Charging Renal-Course Bexenus 10.00% \$11.01 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00
15 100.00% 15 30 30 30 30 30 30 30 3		E 22		% Patons Lib-Charging 10.40% 10.00%	% Patons Fee Cost per Ub-Charging Renal.Course 10.00% Street	\$0.00 \$0.00 *********************************
15 100.00% 15 30 30 30 30 30 30 30 3		₩ 22 L	11	% Paions 10.40% 10.40%	\$0.00 \$0	\$0.00 \$0.00 7a Paions Fee Cost per Up-Charges Ub-Chareing Remal.Course Revenue 10.00% SLEO SLEO \$1.00
15 100.00% 15 30 30 30 30 30 30 30 3		₩ 66 L	11	% Paions Lin-Charging 10.40%	\$0.00 \$0.00 % Patons Fee Cox per Ub-Charring Renal.Course 10.00% Yanti	\$0.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 50.00 \$0.00
15 100.00% 15 30 30 30 30 30 30 30 3		□ S	- 11	% Paions	\$0.00 \$0.00 ***o Paions Fee Cost per Un-Charging Rental Course	50.00 \$0.00 50.00 \$0.00 50.00 \$0.00 Fee Cost per Up-Charges Lib-Charging Rental Course Revenue
15 100.00% 15 30 30 Studio Studio Net participating Parton's per Capacity Utilization % Rental, Course 15 15 100.00% 15 15 100.00% 15		"			\$0.00	\$0.00 \$0.00
15 100.00% 15 30 30 30 30 30 30 30 3		-			20.000	Annual An
15 100.00% 15 30 30 Snuto Studio Net participating Patron's per Capacity Utilization ½ Rental, Caurse 15 100.00% 15		3		10.00%	10.00%	
15 100.00% 15 30 30 Studio Net participating Patron's per Capacity Utilization % Rental, Course Rental, Course		.00	.00 10.00%		10.00%	10.00% Seekel
15 100,00% 15 30	Rentals, Courses Up- (Up- Charges <i>per</i> Pairon	Charges % Patons Patron Un-Charging	1	% Paions Un-Charging	% Patons Fee Cost per Un-Charging Renal Course
15 100.00% 15	\$0.00 \$0.00	00	00	\$0.00		\$0.00
	0.00	00	10.00%		"%00°01	10.00% (1111)
15 15 100,00% 15	0 \$0	\$0.00	10.00%		10.00%	10.00% \$0.00
Patron's per Day Studio Studio Not participating Patron's per Renals, Lising Studio Copacity Lithration.'s Renal, Course per N	Rentals, Courses Up-Charges ner Month ner Patron	arges	arges % Patons tron Un-Charging		% Patons Un-Chargeng	% Patons Fee Cost per Up-Chargung Rental, Course

	Ear	ned Reven	ue Model	Work	shop an	Earned Revenue Model Workshop and Studio Scenario: Year	ario: Year	Three,	Conserv	ative, 14.	Three, Conservative, 142,500 page 3		
					\tilde{Consc}	Consolidated Workshops + Studios	+ Studios						
	Daily Leo Attendance	% Total Patrons Visiting Workshops	Patron's per Day Visting Workshops	Workshops	Workshop Utilization %	Net participating Patron's per Day, Class, Course	Classes or Courses <u>ner Mo</u> nth	Up- Charges	% Patons Up-Charging	Fee Cost per Class, Course	Up-Charges	Fee Revenue	Total Recenus
Workshops Totals	409												
Drop-itt (take away tip-charges onto)		250.00%	1,023	125	80.00%	818	Ωμ				\$235,680.00		\$235,680.00
Master Class		6.00%			80.00%		100			\$500.00	\$43,200.00	\$120,000.00	\$163,200.00
Course		0.00%			80.00°/a		135			\$750.00	88.100.00	66'000'081\$	60.001.8813
Daily Workshops Totals		250.00%	1,023				108			\$1,250.00	\$286,980.00	\$300,000.00	\$586,980.00
Annual Workshop Patrons Annual Revenue per Patron			368,250										\$1.59
Constitution Transfer	Daily Leo Attendance	% Total Patrons Visiting Studios	Patron's per Day Yisiting Studios	Studios Capacity	Studios Utilization %	Net participating Patron's <i>per</i> Rental, Course	Rentals, Courses ner Month	Up- Charges ner Patton	% Patons Up-Charging	Fee Cost per Rental, Course	Up-Charges Revenue	Fee Revenue	Total Beverus
Studio Rental		9.00%	5	5	100.00%	45	0		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		9,00%	45	5	100.00%	its	0		10.00%	90.00	90.08	\$0.00	\$0.00
Studios Totals		0.00%	90	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00
Annual Studio Patrons Annual Revenue <i>per</i> Patron			1 n n										
Consolidated Totals			1,113	90			108			\$1,250.00	\$286,980.00	\$300,000.00	\$586,980.00
(workshops only)													
Annual Patrons			368,250										
Annual Revenue per Patron													\$1.59

Total Base Attendance: 190,000		Earned Rev	zenue Mod	el Wo	orkshop	Earned Revenue Model Workshop and Studio Scenario: Year Three, Normal, 190,000	cenario: Ye.	ar Three	, Norm	al, 190,00	∂O page 1		
Center for the Story	Daily Leo Amendance	% Total Patrons Yisiting Workshop	Patron's per Day Visting Workshop	Workshop Capacity	Workshop Unilization %	Net participating Patron's per Day, Class, Course	Classes or Courses or Month	Up- Charges	% Patons Up-Charging	Fee Cost per Class Course	Up-Charges Reasons	Fee Revenue	Total Revenue
Drop-m (take away up-charges unit)	2/2	30.00%	287	25	80.00%	229	na	\$4,00	20.00%	Ha	\$66,016,00	11:1	\$66,016.00
Masier Class				25	80.00%	20	20	\$6.00	30.00%	\$100.00	28,640,000	\$24,000,000	\$32,640.00
Course				25	80.00%	20	1.50	\$15.00	39.00%	\$150 00	Sim2iter)	Sactions	\$37.620.00
workshop sub-total			287	25							\$76,276.00	\$60,000.00	\$136,276.00

workshop sub-total			287	25							\$76,276.00	\$60,000.00	\$136,276.00
Leonardo's Workshop	Darly Leo	% Total Patrons Visuing Workshop	Patron's per Day Visuug Workshop	Workshop	Workshop	Net participating Patron's per	Classes or Courses	Up- Charges	% Patons	Fee Cost per	Up-Charges Revenue	Fee	Total
;	573	50.00%		:				3					
Drop-in (take away up-charges only)			287	25	80.00%	229	ng	\$4.00	20.00%	หล	200,0110 011	17.1	\$66,916.00
Master Class				25	80.00%	20	20	\$6.00	30.00%	2101101	100.01-0785	\$24,000,000	\$32,640.00
Course				25	80.00%	20	1.50	\$15.00	30.00%	\$150.00	\$1,020,00	S3C (MB) (B)	\$37,620,00
workshop sub-total			287	25							\$76,276.00	\$60,000.00	\$136,276.00
											\$86,536.00	\$120,000.00	\$206,536.00
LifeWorks	Daily Leo Auendance	% Total Patrons Yisning Workshop	Patron's per Day Yisiting Workshop	Workshop Capacity	Workshop Participation	Net participating Patron's per Day, Class, Course	Classes or Courses <u>ner Month</u>	Up- Charges ner Pairon	% Patons Up-Charging	Fee Cost per Class Course	Up-Charges Revenus	Fee Revenue	Total Revenue
Drop-in (take away up-charges only)	5/3	30.00%	287	25	80.00%	229	na	\$4.00	20.00%	Ξ.	S00,4116.181	1.0	\$66,016,00
Master Class				25	80.00%	20	20	\$6.00	30.00%	Shiran	\$8,040.00	\$24,000,000	\$32,640.00
Course				25	80.00%	20	1.50	\$15.00	30.00%	\$150.00	SL 020141	Sacuron	\$37,620,00
workshop sub-total			287	25							\$76,276.00	\$60,000.00	\$136,276.00
Sound and Music Workshop	Daily Leo	% Total Patrons Visuing Workshop	Paron's per Day Yısiing Workshop	Workshop	Workshop Panisipation	Net participating Patron's per Day, Class, Course	Classes or Courses Per Month	Up- Charges ner Laumn	", Patons Un-Chatring	Fee Cost per Class, Course	Up-Charges Revenue	Fee Веченыя	Тоы! Вехуние
Drop-m (take awas up-charges unit)	979	50.00/6	287	25	80.00%	229	na	\$4.00	20.00%	ĭ	\$66,016.00	ī.	\$66,016.00
Ninster Class				25	80.00%	20	20	\$6.00	30.00%	SIGOTIO	\$8,640.00	\$24,000,00	\$32,640.00
Course				25	80.00%	20	1.50	\$15.00	30.00%	\$150,000	SLazman	231 M R S 43 C	\$37,620.00
workshop sub-total			287	25							\$76,276.00	\$60,000.00	\$136,276.00
The Big Picture	Daily Leo	% Total Patrons	Patron's per Day	Workshop	Workshop	Net participating Patron's per	Classes or Courses	Up- Charges	% Patons	Fee Cost per	Up-Charges	Fee	Total Revenue
Diop-iii (iake awas up-charges unly)	5/3	30.00%	287	25	80.00%	229	па	\$1.00	20.00%	ž	\$66,816 (N)	13.61	\$66,016,00
Master Class				25	80,00%	20	20	\$6.00	30.00%	STOROGE	\$8.6-(0.00	\$24,5487.08)	\$32,640.00
Course				25	80,00%	20	1.50	\$15.00	30.00%	\$150 (10)	\$1.620.00	\$36,000100	\$37,620,00
workshop sub-total			287								\$76,276.00	\$60,000.00	\$136,276.00
Wasterbase Totals	Daily Leo Auendance	% Total Patrons Visiting Workshops	Patron's per Day Visuing Workshops	Workshops Capacity	Workshop Unlization %	Net participating Patron's per Day, Class, Course	Classes or Courses ner Month	Up- Charges <u>per Patron</u>	% Patons Up-Charging	Fee Cost per Class Course	Up-Charges Revenue	Fee Вехепис	Total Revenue
Drop-in take away up-diarges only)	573	250.00%	1,433	125	183,38%	1146					\$330,080.00		\$330,080.00
Master Class							100			\$500.00	\$43,200.00	\$120,000.00	\$163,200.00
Course							co.			\$750,00	\$8,100,00	\$180,000,00	\$188,100.00
Workshops Totals	573	250.00%	1,433	125	183.38%	1146				\$1,250.00	\$381,380.00	\$300,000.00	\$681,380.00

		E A D Walsh on A Studie Conneis Von Thron	Walahan and Studia	Comonio.	Van Thua	Mamal 1	מממ ממ	
il Base Attendance:	:: 190,000		•			,	,	

Total Base Attendance: 199,000	90,000												
Visual Arts Studio	Daily Leo Auendance	% Total Patrons Visiting Studio	Pairon's <i>per</i> Day Using Studio	Studio Capacity	Studio Udization %	Net participating Patron's <i>per</i> Bental, Course	Rentals, Courses per Month	Up- Charges ner Patron	% Patons Un-Charging	Fee Cost <i>per</i> Rental, Course	Up-Charges Revenue	Fee Revenue	Total Beyenie
Studio Rental	373	0	15	15	100.00%	15	0	\$0.00	10.00%	Source	Şuan	SUCIO	\$0.00
Course		Q	15	155	100.00%	155	00.0	20.00	10.00%	MILL	Silian	N. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	\$0.00
Studio sub-total		0.00%	30	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Recording Studio	Daily Leo	% Total Patrons	Patron's per Day	Studio	Studio	Net participating Patron's per	Rentals, Courses	Up- Charges	% Patons	Fee Cost per	Up-Charges	Fee	Total
,	Attendance 573	Visiung Suudio	Using Studio	Capacity	Uglization %	Rental, Course	per Month	per Patron	Up-Charging	Rental, Course	Bevenue	Revenue	Revenue
Studio Rental		0.00%	5	15	100.00%	15	0	\$0.00	10.00%,	Strict	\$1,00	Strent	\$0.00
Course		0.00%	15	15	~00.001	155	0.00	\$0,00	10.00%	Sirin	110 TK	Sittle	30.00
Studio sub-total		0"/5	31)	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Movement Studio	Daily Leo	% Total Patrons Visiting Studio	Patron's per Day	Studio	Studio	Net participating Patron's per Repual Course	Rentals, Courses	Up- Charges	% Patons	Fee Cost per Rental, Course	Up-Charges Revenue	Fee	Total Revenue
Studio Rental	3/3	0.00%	15	15	100.00%	5	0	\$0.00	10.00%	SOUND	\$0.00	Stron	\$0.00
Course		0.00%	15	15	100.00%	155	0.00	80.00	10.60%,	SHOO	STREET	1331K	80.00
Studio sub-total		0%	30	30		30	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Studios Totals	Daily Leo Aucudance 573	% Total Patrons Yisting Studios	Pairon's per Day Yisuing Studios	Studios Capacity	Studios Utilization %	Net participating Patron's <i>per</i> Rental, Course	Remals, Courses ner Month	Up- Charges <u>ner P</u> atron	%, Patons Up-Charging	Fee Cost per Remal Course	Up-Charges Revenue	Fee Revenue	Total Rexenue
Studio Rental		0.00%	5	55	100.00%	<i>t</i> s	0		10.00%	\$0.00	\$0.00	\$0.00	\$0.00
Course		0.80%	#5	15	100.00%	掛	0		10.00%	50.00	\$0.00	\$0.00	20.00
Studios Totals		0.00%	90	90		90	0			\$0.00	\$0.00	\$0.00	\$0.00

	Earned Revenue Model W
)	7orkshop and Studio
	Scenario: Year Th
	Scenario: Year Three, Normal, 190,000
	page 3

\$1.32													Annual Revenue per Patron
										515,750			Annual Patrons
\$681,380.00	\$300,000.00	\$381,380.00	\$1,250.00			108			90	1,523			Consolidated Totals
										n n			Annual Studio Patrons Annual Revenue <i>per</i> Patron
\$0.00	\$0.00	\$0.00	\$0.00			0	90		90	90	0.00%		Studios Totals
(10.03)	80.00	¥0.00	\$0.00	10.00%		0	#5	100.00%	+5	t 5	2.002		Course
\$0.00	\$0.00	\$0.00	\$0.00	10.00%		0	+5	700.00%	45	45	0.00%		Studio Rental
Total Reseause	Fec Revenue	Up-Charges Revenue	Fee Cost per Rental, Course	% Patons Un-Charging	Up- Charges ner Patron	Rentals, Courses per Month	Net participating Patton's per Rental, Course	Surdios Lhilization.½	Studios Capacity	Patron's per Day Visuing Studios	% Total Patrons Yisiung Sindins	Daily Leo Attendance 573	Studios Totals
\$1.32										515,750			Annual Workshop Patrons Annual Revenue <i>per</i> Patron
\$681,380.00	\$300,000.00	\$381,380.00	\$1,250.00			108				1,433	250.00%		Daily Workshops Totals
60'001'88TS	\$180,000,00	\$8,100,00	\$750,00			iòs		80.00%			0.00%		Course
\$163,200.00	\$120,000.00	\$43,200.00	\$500.00			100		80.00%			0.00%		Master Class
\$330,080.00		\$330,080.00				na	1,146	80.00%	125	1,433	250.00%	57.3	WORKSHOPS LOTHIS Drop-in (take away up-charges only)
Total Resenue	Fee Revenue	Up-Charges Revenue	Fee Cost per Class, Course	% Patons Un-Charging	Up- Charges <i>per</i> Patton	Classes or Courses ner Month	Net participating Patron's per Day, Class, Course	Workshop Utilization %	Workshops Capacity	Patron's per Day Yisning Workshops	% Total Patrons Visiting Workshops	Daily Leo Ausendance	W
			,	,		+ Studios	Consolidated Workshops + Studios	Consc					

- **4. Attendance Grand Total** This is simply a combination of the data pertaining to Base Attendance and Ancillary Attendance.
- 5. Retail Shop Approximately 1,200 square feet of floor space on the Main Floor is designated for a Retail Gift Shop. This Gift Shop will be open to the public; an admissions ticket to The Leonardo will not be required. It is anticipated that this operation will contain merchandise typical of a museum gift shop and a fair number of books. We expect to sell Leonardo published materials as well. Since all assumptions and concepts related to the Retail Shop have not been developed, this construct takes two American Association of Museum ("AAM") indicators, Gross Annual Retail Shop Revenue per Patron, and Gross Annual Retail Shop Revenue per square foot of shop space; and an annualized extrapolation of the Exadus gift/bookshop experience to generate an annual revenue potential estimate for the Retail Shop. It is assumed that only 20% of the Gross Revenues will be remitted to the Project.
- 6. Miscellaneous There are numerous earned revenue opportunities within the context of the Project, Building design and Program. All have yet to be identified. This section of the construct contains just three obvious sources of Miscellaneous revenues.
- 7. Auditorium It is assumed in this construct that we will utilize the Community and Culture Center Auditorium for Leonardo events, independent of Catering/Convention uses of that facility, and independent of sponsors (e.g. Sundance, Salt Lake Film Society) uses of it. This construct assumes 6 movies per week, and 2 performing arts productions per week for the *Year One, Normal, 300,000* scenario. Adjustments are made to all other scenarios as a function of Total Attendance assumptions. Movie ticket costs are assumed to average \$5.00, and performance art tickets will average \$10.00.
- **8.** Scenario Results Specific results for each scenario can be seen in the *Earned Revenues Summary* on page 18 of this document, as well as in each of the Earned Revenue models which follow.

Base Aftendance.		d Revenue M	odel Other Sc	ources Scer	nario: Year One, N	Normal, 300,000	
letail Shop							
Resail Shop size, sq. ft.,	1,200					7	
	AAA	Standard	AAM Str	undard	Exedus	Entrapolated	
	\$1.55 per Pau	oz, Median Range	\$111 per sq. foar;	Median Range	\$6,200, Annualized X 2.5	Annual Revenue Potential	Nat Revenue to Leonardo
	851	1,500.00	\$133,20	o op	\$71,863.64	\$238,854.55	847,770. 9 1
							<u> </u>
liscellaneous	Cast each	1. Pauons Using	Average Doily Use	Annual Use		Annual Revenue Potential	
Con Check	\$1.50	300%	37	13,248		\$19,722,74	
Stroller Rental	\$2.50	2400.2	12	4,383		\$10,957.88	
Electric Cart Resital	212.00	0,20*4	2	204		£7,300.00	
Miscellaneous Total	£ \$10.00		50	18,131		837,879.81	\$37,879.81
udisorium Capacity.	260						
	Asimission: Cost	Capaciny Unbession	Aremys Attendance	Events per Versk	Annual Attendance	Annual Revenue Potential	Net Revenue to Leonando
Mories	\$5 00	৫ ৩ ১০%	120	•	36,720	3153,600.00	630,720.00
Performing Arra	510.00	T0 00%	.140	2	14,280	3142,800.00	\$28,500.00
Auditossum Tetal	ls _		280	ŧ	51,600	\$326,400.00	\$65,250.00
eonardo Publishing							
tevelopment Funding Memberships Donanons Special Events							
Consulidated Total						\$603,134,36	\$150,930,72

Bare Attendance:		Revenue Mod			rio: Year One, Con	,,	
Retail Shop							
Retail Shop size, 2q. ft.:	AAM	Standard m; Median Range	AAM Siz \$111 per sq. mot,		Exercisis \$6,200; Annushzed X 2.5	Extrapolated Annual Revenue Potential	Ner Revenue to Leonarda
	\$39	5,250 08	4133,20	6 00	871,863.04	\$200,164.55	540,020,91
discellaneous	Geat sash	% Patient Using	Anarage Dash Use	Annual Use		Annual Revenue Potential	
Coat Check	\$1.50	3 60%	25	10,553		\$25,875.24	
Stroller Rental	\$2,50	1.00%	10	5,822		\$5,819.88	
Electric Carr Rental	<u> \$12.80</u>	0 20° x	2	796		\$5,460,79	
Miscellaneous Tors	is \$10.00		41	14,817		\$33,\$61.60	\$33,161.60
aditorium							
Capacity.	200 Admirstens, Cost	Capatiny Uniteration	Arreage Attendance	Events per Neek	Annual Attendance	Azanal Revenus Potential	Nat Resenue to Leonardo
Movies	\$\$ 00	50 00%.	300	ь	31,300	\$154,069.00	\$30,600.00
Ferforing Ams	\$10 00	60 65% .	220	2	22.450	\$122,409.00.	\$34,450.00
Androrium Teta	lo		220	8	43,680	\$275,400.00	\$35,080.00
eonardo Publishing							
Development Funding Memberships Donations Sponsatskips Special Ecents							
Consolidated Total						\$503,66u,15	\$128,202,51

		d Revenue M	odel Other Sc	urces See	nario: Year Two, N	lormal, 180,000	
Base Attendance	155,009						
etau Snop Kerail Shop size, sq. ft.	1.200						
Actual biop site, 25 to		Standard	AAM Star	nderd	Enedus	Extrapolated	
	\$5.55 per Pats	on; Median Range	\$114 per sq. foot; !	Median Range	\$6,200; Annualized X 2.5	Annual Revenue Potential	Nat Berenue to Leonardo
	630	6,900.00	\$133,200	9.00	871,863.64	\$170,654,55	\$34,130.91
fisceilaneous	Cost each	% Panons Using	Average Dealy Use	Annual Use		Annual Revenue Potential	-
Coar Check	\$1.50	3,00% r	20	7,327		\$19,940.30	
Stroller Remal	\$2.50	1 001.	7	2,442		Se,193.78	
Electric Cost Rental	\$12.92	0.20%	1	458.		25.562.54	
Mescellaneous Torsk	816 00		28	10,258		\$22,957,71	\$22,957.71
nditorium							-
MCMOTHEM Capacity:	200						
	Acmissions Cost	Capacin; Unitization	Average Attendance	Events per Wack	Annual Armedauca	Annual Estentia Potential	Nat Revenue to Leonardo
Morres	\$5.00	50 60° •	300	2	\$9,400	\$52,809 50	316,200.05
Performing Acts	219 00	60 30%	320	2.0	E.:20	\$30,000,00	\$6,329.60
Audissum Total			220	2.5	25,530	\$\$1,690.00	\$16,320.00
eonardo Publislung							
nomina a doubling							
evelopment Funding							
Memberships Donanans							
Donations Sponsorcheps							
Special Events							

	Earned I	Revenue Mode	el Other Sour	ces Scena	rio: Year Two, Con	servative, 135,000	
Base Atrendance	135,000						
terail Shop							
Retail Shop size, eq. fu:							
		Standard on; Median Range	AAM Star Still per sq. foot A		Exedus So,200; Annualized X 2.5	Extrapolated Annual Revenue Potential	Net Exercise to Leonards
		0.175 90		- 1		\$145.079.55	\$29,015,91
	9230	1,173 20	\$133,200	5.00	\$71,863.64	\$140,979.33	829,013.91
discellaneous	dosesso2	L. Panon: Using	Average Dody Use	Annual Cor.		Annual Revenue Priential	
Coar Caeck	\$1.50	3 00%	17	6,297		\$9,443.30	
Stroller Restal	\$2.50	1,00%	ó	2,694		\$2,247.50	
Electric Cart Reptal	222.80	0.20%	4	.520		12,037.69	
Miscellaneous Total	116.00		24	5,816		\$19,750.60	\$19,730.60
Auditorium Gapaun:							
Capaciny:	Adminion Cor	Capacity Utilization	Average Auendance	Exand per Week	Annual Artendanca	Annuel Revenue Potential	Net Betenue to Leonardo
Mories	93.60	50-00%	100	2	10,400	\$51,690 00	\$10,260,00
Fedoming Ass	\$10,00	60,000+	126	9.5.	3,139	\$30,000.00	\$6,120.60
Auditorium Total	,		220	2.5	13,520	\$81,600.00	\$16,320.00
eonardo Publishing							
Development Funding							
Memberships Denamons							
Sponsorships							
Special Events							
Consolidated Total						\$246,419,15	865,066,51

Base Attendance		d Revenue Mo	del Other So	urces Scer	ario: Year Three, I	Vormal, 190,000	
Retail Shop						_	
Renail Shop size, sc. ft.;							
		Srandard on: Methan Range	AAM Str Sitt per sq. foot,		Excdus \$0.200: Annualized X 2.5	Extrapolated Annual Revenue Potential	Net Revenue to Leonards
		3,795.00	\$145,20	- 1	\$71,563,64	\$176,286,21	\$35,257,24
					2-1,200.01	21/0/200.21	\$33,237,24
Ascellaneous	Cozi cach	ha Patrona Usung	Average Daily U.c.	Annual Use		Annual Revenue Potential	
Coat Check	\$1.50	3 60%	23	5,204		\$12,515.17	
Stroller Rental	\$2.30	1.00%	8	2,736		\$0,540.65	
Electric Carr Rental	\$12.00	0.20° ±	2	547		\$6,547.01	
Miscellaneous Tossis	\$5 0.8 0		32	11,492		\$25,720,84	\$25,720,84
Auditorium							
Capacity	Admissions Com	Capacin Unitation	Average Attendance	Event: per Week	Annual Atrendance	Angual Revenue Potential	
	ALTERNATION CO.,	S-ADZCHO DIREZTRON	Attrage Attendance	Events per wisch	ADMINATEROIDES	Annual Revenue Fatennal	Net Revenue to Leonardo
Mories	35,60	50.00%	296	4	26,800	\$100,605.00	\$20,436.60
Performing Arts	\$10.00	60.00%	320	2	9.240	241,300.00	\$12,240.66
Audiorium Tarak			326	3	27,040	5163,200.00	\$32.640.00
eonardo Publishing			-				
Development Funding							
Memberships							
Donations Sponsorships			i				
Special Events							
Consolidated Total						\$365,207.06	393,615,09

	Earned R	levenue Mode	1 Other Sonr	ces Scenar	io: Year Three, Co.	aservative, 142,500			
Esse Attendance	142,500								
etzil Shop Retail Shop size, sq. ft.:									
	AAM Standard E1.55 per Patron; Median Range		AAM See Sili per sq feat,		Exadus 36,300; Annushzed X 2.5	Extrapolated Annual Revenue Potential	Net Recense to Leonarda		
	\$34	3,195.09	\$235,20	÷.00	871,563.64	\$149,419.55	\$29,883.91		
liscellaneous	Cost each	Li Pattone Vaing	Average Daily Use	Annual Cre		Annual Revenue Pozential			
Coat Check	\$1.50	3 0G%	17	e,278		\$9,367.37			
Stroller Aentai	\$2.50	1,00%	b	2,059		\$5,1-45.00			
Electric Cart Repred	\$12.50	9.20%	i	412		51,942.70			
Miscellaneous Totals	\$10,60		24	5,688		\$19,358.92	\$19,358,92		
uditouum						·	·		
Capacity:	259								
•	Admissions Cost	Capacity Lithization	Average Attendance	Erent: per Week	Annual Amendance	Annual Revenue Potential	Nes Berenus to Leonardo		
Movies	85.90	55.00%	90G	3	15,600	\$70,50€.00	\$15,366.96		
Performing Acts	\$16.00	62 00%	520	0.75	A.630	345,906,00	89,180.00		
Audiparium Torals			220	3.75	26,359	\$122,460.00	\$24,480,00		
ecuardo Pubhshing							-		
evelopment Funding									
Memberships Donations									
Ponacions Sponsossiips									
Special Econts									
Consolidated Total			_			\$291,178,47	\$73,722,83		

Appendix II

Attendance Assumptions

- **A.** Attendance Assumptions- The Operating Expense Projections for the Operating Years 2009 2012 are based on several iterations of the primary construct variable which is total attendance.
 - **1. Industry Benchmarks** The following industry sources have been used to generate attendance assumptions:

2005 and 2006 ASTC Sourcebook of Statistics & Analysis 2006 Museum Financial Information — AAM Museum Retail Industry Report — 2004

a. American Association of Museums ("AAM") – In the most recent survey of the AAM's 17,500 members, 800 of which responded with attendance data, it was concluded that museum attendance nation-wide has been steady for the past six years, and that admissions prices have trended upwards slightly. The AAM statistical breakdown for attendance is as follows:

	Median	75 th Percentile	The Leonardo	90 th Percentile
Interior Space (Square Feet)	22,800	68,700	71,310	169,200
Average Annual Attendance	33,440	120,000	Unknown	315,000
Attendance per Square Foot	1.47 Patrons	1.75 Patrons	Unknown	1.86 Patrons
The Leonardo Annual				
Attendance, Extrapolated:	104,825.7	124,792.5	124,792.5	132,636.6

Based on these AAM statistical data correlating total museum floor space and attendance, The Leonardo could anticipate average annual attendance of **124,793** Patrons.

b. American Science and Technology Centers ("ASTC") – The indication from ASTC surveys of its member organizations, 205 respondents of 428 members, the average annual attendance per square foot of exhibit space is 6.6 Patrons. The current exhibition design for The Leonardo anticipates 32,495 square feet of exhibit space. This figure includes exhibits on the First and Second floors, as well as the Movement Studio in the Center for Community and Culture, and the Recording Studios. Utilizing this ASTC attendance indicator, The Leonardo could reasonably expect annual attendance of 214,467 Patrons.

Gyroscope has further analyzed 2005 ASTC data for museums with exhibit space in the range of 20,000 to 40,000 square feet. Their conclusions are:

	Average Annual Patron attendance per square foot of exhibit space	Extrapolated Leonardo Average Annual Attendance
All Museums	7.9 Patrons	256,711
Science Centers with Large Screen		
Format Theaters	9.6 Patrons	311,952
Science Centers without a Large Screen Format Theaters	5 Patrons	162,475

Since The Leonardo will not feature a Large Screen Format theater, it might be forecast that attendance will range between the ASTC average for all museums of 257,000 Patrons and 162,475 for more specialized science centers without Large Screen Format theaters.

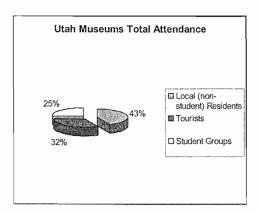
Management has also done a similar study of 2006 ASTC data with the following conclusions:

	Average Annual Patron attendance per square foot of exhibit space	Extrapolated Leonardo Average Annual Attendance
All Museums	9.6 Patrons	311,952
Science Centers with LF Theater	15.7 Patrons	510,172
Science Centers without a LF Theater	6.7 Patrons	217,717

These 2006 ASTC data support annual attendance assumptions for The Leonardo in the range of 217,717 to 311,952 Patrons.

2. Local Benchmarks - The attendance assumptions must also anticipate the peculiarities of the local market and our unique demographics. Thus, attendance at local museums or museum-like operations is also a valid indicator of possible Leonardo demand. Utah has 255 museums situated in every county of the state. More than 50% of Utah's museums have an annual operating budget of less than \$25,000 – that is, there are many relatively small operations within this set of museums. None the less, the state's museums attract over six million visitors a year, 1.5 million of which are school children in 25,000 student groups who visit museums as part of their formal education. Overall museum attendance derives from student groups 25%, as noted above, 43% from local residents, and a surprising 32% from out-of-state visitors.

Attendance data and trends on certain key local museum-like venues follow.



a. Clark Planetarium, Salt Lake City – Annual attendance numbers for Clark Planetarium after its move to The Gateway in 2003 are summarized below:

Year of Operation	Year (date)	Annual Attendance
Year 1	2003 (not a full operating year)	350,000
Year 2	2004	351,000

Year 3	2005	354,000
Year 4	2006	365,000
Four Year Average		355,000

- b. Thanksgiving Point, Lehi Thanksgiving Point reported 1,200,000 Patrons for the full year of operations in 2005. This number includes visitors to its various "farming" venues, museum, concerts, golf course, restaurants, but excludes the movie theaters.
- c. Hogel Zoo, Salt Lake City -
- d. Red Butte Garden, Salt Lake City -
- e. Museum of Utah History and Art, Salt Lake City -
- f. Exodus, at The Leonardo The Salgado exhibit entitled Exodus hosted at The Leonardo in the autumn of 2005 drew 15,900 visitors. If this result is multiplied by 2.5, i.e., if one assumes that the Exodus exhibit would have encompassed approximately the entire exhibit space of the Building, and, further, if the 11 week Exodus results were to be annualized, then annual attendance for The Leonardo based on the Exodus experience might be inferred to be 187,900.
- g. The Titanic, ZCMI Mall, Salt Lake City- Co-sponsored by RMS Titanic and the Utah Museum of Natural History at the University of Utah; ran May 29, 2004 through January 8, 2005; attracted approximately 250,000 visitors during the 7 months of operation.

h. Children's Museum of Utah / Project Gateway, Salt Lake City

Year of Operation	Year (date)	Annual Attendance
Year 1	2006 (not a full operating year)	96,000
	2004	96,000
	2005	
	2006	
Four Year Average		96,000

- i. Utah Museum of Fine Arts, University of Utah
- j. Living Planet Aquarium, Sandy Brent Anderson of the Living Planet Aquarium reports that attendance while they were situated at Gateway, June 2004 to May of 2006, averaged about 150,000 Patrons per year. During their first year in Sandy, they attracted 205,000 visitors.

				Aama	ssians Pricing	Touchstones	page :					
	Ho	gie Zoc	Trac	y Aviany	Clark Pla	netanem	Discove	ry Gateway	Red Su	tte Sarder	- nan	Asgiving Point
	<u>\$</u>	% of Fuk Fare		% of Full Fare			<u>\$</u>	% of Full Fare	3.	% of Full Fare	<u>\$</u>	% of Full Fare
Puli Fare Admissions Adult Children		*80.05% 73.00% 73.00%		700.00% 60.60%	\$8.20 \$5.00 12 and	103,00% 62,50%	\$9.50	100.00%		750.00% 100.00%	\$9.50 \$7.50	100.00% 78.98% 3 to 12
Children.	free	artes decises	free	id an eses					tree	150.50% se under	free	\$100.20 a min amine
Denions .	\$6.6G	75 80% and draw	\$4.56	%03.03	28 00				\$4.66	66.57% and other	\$7.50	76,95%
Stadents Locals Chly Sonco Groups Non-Sohoo Groups	\$6.50	160.00%	\$4.25	203.D3			58.50 53.25 57.50	59.47% 34.21% 75 56%	86.00 free \$5.00	100.00% 100.00% 465.68		
Amua Memberahps												
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#sndly	\$65.00 Pendo 1 a	8 13.50% A Challen union 18	535.20 Parasis	700.50% + ± Chadran					555.00 Faransa 1 4	318.57% District contro 17	\$975.00	1842.1%
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Extended Family Plus	575 50 2 Granopera + 6	937,50% Obligan under 184 Owest	\$43.90 Percents + 40	580.D0% 044461 4 754400								
Off-Peax Admissions					\$5.06	62,50%						

				Admessio	ns Pricing To	ouchstones pag	e 2					
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Put Pare Admissions Adell Christian	\$5.00 \$3.00	100.00% 60.00% 8 to 18	\$8.50 \$7.00	*00.00% \$2.35%	\$19.95 \$12.95	100.00% 64 91%	\$25.00 free water to	*60,00% *60,000	\$29,95 \$22,65	100.00% 76.53%	\$33,00 \$32.00	160.80% 96 97% ander 12
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Seriors	\$3.20	60.00% 86 and orde	\$7,50	88.24%			\$15.00	80.00%				
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Annual Memberships												
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Extended Fansily Plus												
Off-Peak Admissions	_											

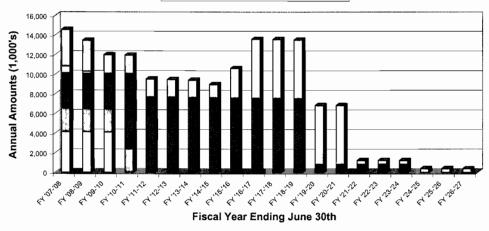
			Salgado's Ex	odus Touchstone	s			
Fare Cotegories		Atte	endance	Admis	sions Revenues Gene	eisted	Annualized Results	
		Pattons	to of Tates	Total	Pet Pausn	% of Total	Artendance	Revenue
Full Fare Pattonic Complimentary Attendees		8,462 2,851	512555. <u>282555</u>				+0,002 21,937	
samp+total		13.113	79:07%	\$76.763	25 %5	\$6,355×	\$980	\$352,879 54
Disconated Fehool Groups		2,41"	84:575w				11.426	
Varreuser Class George George Tones Georgeske Senes		284 306 464	1 *1%. 1 45% 2,85%				1,545 (,44 ⁻ <u>2,195</u>	
	sub-temi	2474	<u> 5:: 995₀</u>	30.937	<u>\$0.05</u>	3.60%	16.408	\$13,884.00
	Totals	10,594	the one	\$79,705	54.31	too oers	78,397	\$376,702.04

The Leonardo

General Fund Commitment to Future Debt Service

General Fund Commitment to Future Debt Service without the Leonardo \$10 million GO bond and an \$8 million GO or sales tax bond

Salt Lake City Corporation General Fund Commitment to Future Debt Service

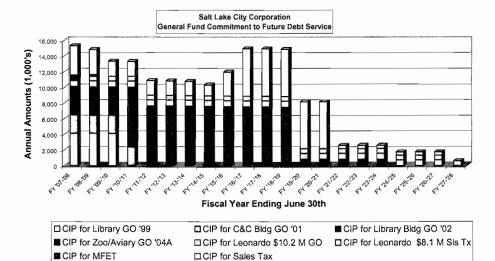


□ CIP for Library GO '99 □ CIP for C&C Bldg GO '01 ■ CIP for Library Bldg GO '02 ■ CIP for Zoo/Aviary GO '04A □ CIP for MFET □ CIP for Sales Tax

Revenues:	FY '07-'08	FY '08-'09	FY '09-'10	FY '10-'11	FY '11-'12	FY '12-'13	FY '13-'14	FY '14-'15	FY '15-'16	FY '16-'17
Transfer from General Fund to C.I.P. for Library G/O Series 1999	4,144,938	4,128,825	4,115,288	34,300	33,200	37,100	35,663	35,725	37,788	36,063
Transfer from General Fund to C.I.P. for C&C Building G/O Series 2001	2,395,406	2,362,439	2,367,420	2,373,495	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for Library G/O Series 2002	2,738,788	2,736,444	2,740,069	6,808,319	6,794,294	6,779,669	6,754,394	6,737,694	6,711,969	6,696,944
Transfer from General Fund to C.I.P. for Zoo/Aviary G/O Series 2004A	870,238	866,738	866,788	860,757	858,175	853,800	845,625	841,775	839,775	836,975
Transfer from General Fund to C.I.P. for MFET	702,355	213,855	0	0	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for Sales Tax Bonds*	3,724,848	3,175,934	1,911,698	1,893,227	1,853,082	1,822,481	1,793,030	1,368,259	3,036,654	6,032,279
Total	14,576,573	13,484,235	12,001,263	11,970,098	9,538,751	9,493,050	9,428,712	8,983,453	10,626,186	13,602,261
Revenues:	FY '17-'18	FY '18-'19	FY '19-'20	FY '20-'21	FY '21-'22	FY '22-'23	FY '23-'24	FY '24-'25	FY '25-'26	FY '26-'27
Transfer from General Fund to C.I.P. for Library G/O Series 1999	34,338	39,113	0	0	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for C&C Building G/O Series 2001	0	0	0	0	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for Library G/O Series 2002	6,682,744	6,640,644	0	0	0	0	0	0	0	0
Tranfer from General Fund to C.I.P. for Zoo/Aviary G/o Series 2004A	837,638	836,808	834,288	840,028	838,528	844,948	844,335	0	0	0
	00.,000									
Transfer from General Fund to C.I.P. for MFET	0	0	0	0	0	0	0	0	0	0
	,	0 6,008,455	6,003,055	6,008,937	0 400,957	0 406,557	0 401,482	0 405,732	0 404,195	0 401,787

^{*}The proceeds for the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which are coffected in the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were independent of the Sales Tax Series 2007A, which is the same papers were a same papers were a same papers with the same papers were a same papers were a same papers were a same papers were a same papers were a

General Fund Commitment to Future Debt Service with the Leonardo \$10 million GO bond and an \$8 million sales tax bond



										_	
Revenues:	FY '07-'08	FY '08-'09	FY '09-'10	FY '10-'11	FY '11-'12	FY '12-'13	FY '13-'14	FY '14-'15	FY '15-'16	FY '16-'17	FY '17-'18
Fransfer from General Fund o C.I.P. for Library G/O Series 1999	4,144,938	4,128,825	4,115,288	34,300	33,200	37,100	35,663	35,725	37,788	36,063	34,338
ransfer from General Fund o C.I.P. for C&C Building G/O Series 2001	2,395,406	2,362,439	2,367,420	2,373,495	0	0	0	0	0	0	O
ransfer from General Fund o C.i.P. for Library G/O eries 2002	2,738,788	2,736,444	2,740,069	6,808,319	6,794,294	6,779,669	6,754,394	6,737,694	6,711,969	6,696,944	6,682,744
ransfer from General Fund C.I.P. for Zoo/Aviary G/O eries 2004A	870,238	866,738	866,788	860,757	858,175	853,800	845,625	841,775	839,775	836,975	837,638
ransfer from General Fund C.I.P. for Leonardo \$10.2 illion G.O. (Prop)	746,422	746,639	748,564	749,776	745,301	750,324	749,408	747,776	745,376	747,196	747,973
ransfer from General Fund C.I.P. for Leonardo \$8.1 illion Sales Tax (Prop)	0	609,963	608,639	612,683	611,148	609,134	611,490	608,207	609,305	609,659	609,236
ransfer from General Fund C.I.P. for MFET	702,355	213,855	0	0	0	0	0	0	0	0	(
ransfer from General Fund C.I.P. for Sales Tax Bonds*	3,724,848	3,175,934	1,911,698	1,893,227	1,853,082	1,822,481	1,793,030	1,368,259	3,036,654	6,032,279	6,021,364
Total	15,322,995	14,840,837	13,358,465	13,332,557	10,895,199	10,852,508	10,789,610	10,339,435	11,980,867	14,959,115	14,933,292
evenues:	FY '18-'19	FY '19-'20	FY '20-'21	FY '21-'22	FY '22-'23	FY '23 -' 24	FY '24-'25	FY '25-'26	FY '26-'27	FY '2 7-' 28	
ansfer from General Fund C.I.P. for Library G/O eries 1999	39,113	0	0	0	0	0	0	0	0	0	
ansfer from General Fund C.I.P. for C&C Building G/O eries 2001	0	0	0	0	0	0	0	0	0	0	
ansfer from General Fund C.I.P. for Library G/O eries 2002	6,640,644	0	0	0	0	0	0	0	0	0	
ranfer from General Fund to .I.P. for Zoo/Aviary G/o eries 2004A	836,808	834,288	840,028	838,528	844,948	844,335	0	0	0	0	
ansfer from General Fund C.I.P. for Leonardo \$10.2 illion G.O. (Prop)	747,638	746,269	748,850	750,151	745,211	749,051	746,394	747,443	746,960	0	
ransfer from General Fund C.I.P. for Leonardo \$8.1 illion Sales Tax (Prop)	612,880	610,532	612,212	612,860	612,484	611,019	608,450	609,725	609,719	608,447	
ansfer from General Fund C.I.P. for MFET	0	0	0	0	0	0	0	0	0	0	
ransfer from General Fund o C.I.P. for Sales Tax Bonds*	6,008,455	6,003,055	6,008,937	400,957	406,557	401,482	405,732	404,195	401,787	0	

General Fund Commitment to Future Debt Service with the Leonardo \$10 million GO bond and an \$8 million GO bond

Salt Lake City Corporation General Fund Commitment to Future Debt Service 16,000 Annual Amounts (1,000's) 10,000 6,000 2,000 Ed. St. 155 Ex. 18:18 E4120121 FAINTINE RYNEINS Ex. 13/14 Extrains Ex. 15:16 ENENT FYTTING Ed. Biso RANGE AND RANGE AND RANGE Fiscal Year Ending June 30th

☐ CIP for Library GO '99	CIP for C&C Bldg GO '01	■ CIP for Library Bldg GO '02			
■ CIP for Zoo/Aviary GO '04A	☐ CIP for Leonardo \$10.2 M GO	□CIP for Leonardo \$8.1 M GO			
■ CIP for MFET	☐ CIP for Sales Tax				

	LOI TO THE ET									
Revenues:	FY '07-'08	FY '08-'09	FY '09-'10	FY '10-'11	FY '11-'12	FY '12-'13	FY '13-'14	FY '14- ' 15	FY '15-'16	FY '16-'17
Transfer from General Fund to C.I.P. for Library G/O Series 1999	4,144,938	4,128,825	4,115,288	34,300	33,200	37,100	35,663	35,725	37,788	36,063
Transfer from General Fund to C.I.P. for C&C Building G/O Series 2001	2,395,406	2,362,439	2,367,420	2,373,495	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for Library G/O Series 2002	2,738,788	2,736.444	2,740,069	6,808,319	6,794,294	6,779,669	6,754,394	6,737,694	6,711,969	6,696,944
Transfer from General Fund to C.I.P. for Zoo/Aviary G/O Series 2004A	870,238	866,738	866,788	860,757	858,175	853,800	845,625	841,775	839,775	836,975
Transfer from General Fund to C.I.P. for Leonardo \$10.2 Million G.O. (Prop)	746,422	746,639	748,564	749,776	745,301	750,324	749,408	747,776	745,376	747,196
Transfer from General Fund to C.I.P. for Leonardo \$8.1 million G.O. (Prop)	597,580	594,601	594,178	593,263	596,876	594,817	597,241	593,975	595,175	595,631
Transfer from General Fund to C.I.P. for MFET	702,355	213,855	0	0	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for Sales Tax Bonds*	3,724,848	3,175,934	1,911,698	1,893,227	1,853,082	1,822,481	1,793,030	1,368,259	3,036,654	6,032,279
Total	15,920,575	14,825,475	13,344,005	13,313,137	10,880,928	10,838,191	10,775,361	10,325,204	11,966,737	14,945,088
Revenues:	F)//47/40	EV.140.140	EV 140 100	574100 104	574104 100	574100400	5) (100 10 4	574104105	57,105,100	574100105
Nevendes.	FY '17-'18	FY '18-'19	FY '19-'20	FY '20-'21	FY '21-'22	FY '22-'23	FY '23-'24	FY '24-'25	FY '25-'26	FY '26-'27
Transfer from General Fund to C.I.P. for Library G/O Series 1999	34,338	39,113	0	0	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for C&C Building G/O Series 2001	0	0	0	0	0	0	0	0	0	0
Transfer from General Fund to C.I.P. for Library G/O Series 2002	6,682,744	6,640,644	0	0	0	0	0	0	0	0
Tranfer from General Fund to C.I.P. for Zoo/Aviary G/o Series 2004A	837,638	836,808	834,288	840,028	838,528	844,948	844,335	0	0	0
Transfer from General Fund to C.I.P. for Leonardo \$10.2 Million G.O. (Prop)	747,973	747,638	746,269	748,850	750,151	745,211	749,051	746,394	747,443	746,961
Transfer from General Fund to C.I.P. for Leonardo \$8.1 million G.O. (Prop)	595,294	594,109	597,139	594,162	595,374	595,594	594,666	592,716	594,732	595,479
Transfer from General Fund to C.I.P. for MFET	0	0	0	0	0	0	0	0	0	0
T										
Transfer from General Fund to C.I.P. for Sales Tax Bonds*	6,021,364	6,008,455	6,003,055	6,008,937	400,957	406,557	401,482	405,732	404,195	401,787

Total 14,919.350 14.866,766 C:D6cURDA751ha SettRg181.976 Local 3-518 G-11 bhoorar 3-159 bhoorar 3-15

^{*}The proceeds for the Sales Tax Series 2007A, which are reflected in these numbers, were received July 10, 2007.