

Capital Budget

The Capital Budget below includes all of the costs necessary to design and build the Discovery Center itself, to design and fabricate the exhibits, and to raise the additional funding needed to supplement the STAR Bonds.

The Discovery Center includes an architecturally distinctive building, core and temporary exhibits, an immersive experience, a welcoming lobby with an LED sculpture, community activity areas, a cafe and store, an observation deck, a green roof, and outdoor exhibits.

In our professional opinion, this budget is the minimum investment needed to create the visitor experience described in this Master Plan. In order to achieve the highest potential attendance for the Discovery Center, significant additional capital investment will be required to enhance the visitor experience. An enhanced Capital Budget is included as an Appendix.

Original Budget

The 2006 budget for this project was \$18.5 million. Since that budget was created, construction costs have increased substantially. The nature of the project has changed so that the Discovery Center now includes additional facilities designed to allow for programming for the local community, rather than focusing primarily on visitors to Manhattan. Because of these factors, the capital budget included here is \$22.9 million.

For the sake of comparison, we have included as an appendix an \$18.5 million budget for the project that uses current construction costs and is modeled on the budget included in the body of the report. The building, if built to that reduced budget, would have substantially lower visitation and earned income because of significant reductions in the Immersive Experience and the reduction or elimination of major exhibit components.

Capital Budget Notes

The Outline Facility Program included in this Master Plan recommends 34,900 GSF as the area needed in the new building.

- Overall construction cost for the building is estimated at \$300 per square foot. This estimate is based on similar high-quality museum buildings constructed recently in other areas. The construction cost has been adjusted for the local conditions in Manhattan.
- The project fees and expenses estimate of 30% is consistent with our experience of overall fees and costs for projects of this size managed by a small municipality.
- The cost for the Immersive Experience includes both production costs and the costs of equipping the space with specialized seating and other equipment.
- The endowment amount is a placeholder. Any additional amount that can be raised for endowment will raise the quality of the programs or reduce the operating costs of the Discovery Center.
- The Fundraising Costs are based on the potential need to conduct a capital campaign to raise the additional funds needed to reach the Project Budget of \$22.9 million.

Capital Budget Projections



Capital Budget	2009 Dollars
1. Construction: 34,900 SF @ \$300/SF <i>Assumes full first phase program of 34,900 SF will be built initially including Temporary Gallery, Immersive Experience, and Administrative Areas.</i>	\$ 10,470,000
2. General Site Development <i>Includes site utilities, landscaping, etc. Does not include parking.</i>	520,000
3. Project Fees and Expenses @ 30% of Construction <i>Includes project management, architectural and engineering fees, testing during construction, special consultants for security systems and environmental controls, reimbursable expenses, furnishings, and equipment.</i>	3,297,000
Construction Subtotal	14,287,000
4. Core Exhibition Design and Construction: 6,750 SF @ \$400/SF. <i>Assumes 90% of 7,500 SF of exhibit area will be built out initially.</i>	2,700,000
5. Immersive Experience	1,500,000
6. Temporary Exhibit Gallery Fit Out	deferred
7. Lobby, LED Sculpture, Observation Deck Exhibits	300,000
8. Exterior Exhibit Elements	150,000
9. Exhibit Design Fees and Expenses <i>30% of Exhibit Costs. Includes exhibit design, project management, specialist consultants, and reimbursable expenses.</i>	1,395,000
Exhibitions Subtotal	6,045,000
10. Contingency at Approximately 10% of Construction and Exhibition Costs	2,068,000
Project Budget	22,400,000
11. Endowment required to fund operating costs	100,000
12. Fundraising Costs <i>Approximately 10% of Project Budget amount above \$18.5 million.</i>	390,000
Total Capital Cost in 2009 Dollars	\$ 22,890,000



Funding the Capital Budget

Funding for the Capital Budget will come from multiple sources. The following table outlines current projected sources of funds and potential alternatives.

Funding Options

1. STAR Bonds and City Support	\$ 18,500,000
<i>This is the amount originally included in the STAR Bond Application for the Discovery Center budget.</i>	
2. Additional STAR Bonds Funding	---
<i>If the STAR bonds funding can be re-allocated or if additional funds are available, the funding necessary from the capital campaign will be reduced. Such a change will require state approval.</i>	
3. City Bonding	---
<i>The City could also bond a portion of the budget, particularly to fund portions of the Discovery Center planned for local audiences, including the Community Activity Rooms and Temporary Exhibit Gallery.</i>	
4. Capital Campaign	4,390,000
<i>The Capital Campaign will be funded with 390,000 included in line 12 of the Capital Budget. Potential funding sources for the capital campaign will include business and corporations, foundations and individuals.</i>	
Total Funding	\$ 22,890,000

Portions of the Discovery Center particularly suited to capital campaign fundraising, in all or in part, include: *

The Immersive Experience	2,100,000
Upgrading exhibit construction to \$500/SF	1,100,000
Lobby, LED Sculpture, Observation Deck Exhibits	400,000
Exterior Exhibit Elements	200,000
Temporary Exhibit Gallery and fit out	1,600,000
Upgrading building construction to \$500/SF	2,500,000
Green Roof (estimated)	500,000

Individual Building elements could be funded as naming opportunities at approximately \$500 per gross square foot.

* All budget amounts include fees, expenses, and contingency.



Discovery Center Naming and Sponsorship Opportunities

Many museums attract and honor significant benefactors and commemorate their generosity via naming and sponsorship agreements. Naming opportunities may correspond to both capital-intensive projects and shorter-term programming and operations initiatives. In both regards, such recognition vehicles are important arrows in the fundraising quiver. At the upper end of the spectrum, museums commonly offer major donors a naming opportunity associated with buildings/wings, galleries and permanent exhibits. More modest supporters may purchase the proverbial brick paver or affix their names to water fountains and benches. Factors to consider include:

- Relationship between actual cost and naming opportunity
- Payment plan
- Term limit... not all naming and sponsorship opportunities should exist in perpetuity. Some agreements are structured as remaining in force "for the life of" the [building, exhibit, etc.]
- Recognition form... will it be a plaque, a listing in an annual report, etc.?
- Exclusivity... to avoid industry overlap
- Related "benefits" designed to nurture and maintain the relationship, which might range from private tours or priority event tickets to a seat on the board of directors for the Friends group

No demised space or specific building feature is too small to become a naming opportunity. Examples of naming and sponsorship opportunities include:

Naming Opportunities

- Galleries, Theatres and Other Major Spaces
- Classrooms/Multi-Purpose Rooms
- Lobby
- Endowed Staff Chair
- Art/Sculpture/Artifact
- Offices
- Visitor Amenities (coat room, water fountain, etc.)
- Endowment Funds (the John and Jane Doe Fund for X)
- Exhibits
- Shop
- Children's Area
- Auditorium/Theatre seats
- Storage space
- Elevators

Sponsorship Programs and Projects

- Exhibitions: Long-term, Short-term, Travelling, and Temporary
- Educational programs: from a multi-year, regional or national initiative to a short-term, local initiative
- Publications: books, exhibition catalogues, exhibition guide, etc.
- Web site
- Events: annual fundraising gala and other public programs

Budget Increases and Reductions

The following potential increases and reductions to the Capital Budget would primarily affect the quality of the visitor experience, which can have a direct affect on both paid and other kinds of attendance.

- \$300/SF is the minimum recommended construction cost. A construction cost of \$350/SF would be more consistent with the quality visitors will expect in the Discovery Center. Increasing the construction cost to \$350/SF would increase the Capital Budget by approximately \$1.6 million.
- If reductions are necessary because of funding constraints, the Temporary Exhibit Gallery and some of the Exhibit Support areas associated with the Gallery could be deferred. This would impact paid attendance somewhat and might affect Other Visitor Contacts significantly as the temporary gallery will provide an important venue for exhibits that will attract local community members to the Discovery Center. Deferring the Gallery would decrease the overall budget by approximately \$1.7 million.
- We recommend deferring the Temporary Exhibits Gallery fit out in this budget primarily because it is easily added later when funding is available and the space can be used for other activities until it is fully fitted-out for traveling exhibits. Ideally, it would be included in the initial phase of construction.
- \$400/SF is the minimum recommended exhibition fabrication cost. A fabrication cost of \$500/SF would allow for more multimedia and a higher level of interactivity in the exhibit areas. Increasing the exhibit fabrication cost to \$500/SF would increase the Capital Budget by approximately \$1.1 million.
- The cost for the Immersive Experience includes both production costs and the costs of equipping the space with specialized seating and other equipment. If funds can be found, we would recommend this area be budgeted at \$2 million, increasing the overall budget approximately \$700,000.
- Costs for the Lobby, LED Sculpture, Observation area exhibits, and exterior exhibit elements are preliminary estimates. Additional funding would enhance these highly-visible exhibits and perhaps attract greater visitation.

