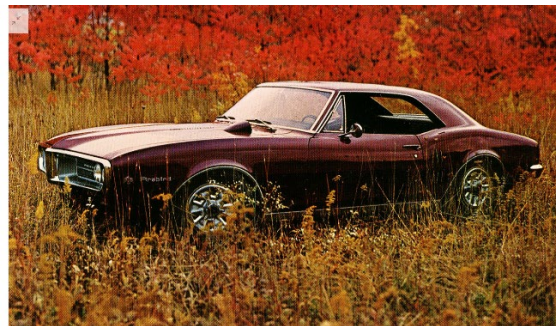


Pontiac Transportation Museum

Appendix: Pontiac Transportation Museum Overview and 5yr. Plan

Museum Proposal Background

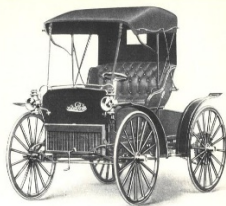
Beginning in the 19th century, the transportation industry became the pulse of Pontiac, MI. This community saw decades of phenomenal “boom” growth, some economic “down” cycles, huge industrialization, and recently a newly re-emerging downtown “avant-garde” culture. The Pontiac Transportation Museum intends to tell this remarkable story, as well as play a key role in energizing community development and re-vitalization. This community is historically “underserved” and needs the civic pride and economic foot-traffic a museum can bring to its downtown area.



Situated in a historic neighborhood location, the museum is well-equipped for involvement with Pontiac schools and community. Intended museum programs include science, technology, engineering, art, and math outreach meant to engage youth with perspective of how those technical capabilities grew their own community.

Background of Pontiac’s Legacy

In the mid-1800s, a carriage-making industry sprouted in Pontiac. Pontiac-built carriages found markets all across the US, and as the early automobile was born, these wood manufacturing skills became critical to body construction – indeed an early Pontiac body-builder, O J Beaudette, produced over 2 million Model T bodies.



Coinciding with this, Pontiac innovators developed and built their own cars and trucks at the start of the 20th Century. Beyond the Oakland brand that eventually spawned Pontiac “excitement”, Rapid trucks were the predecessor of the commercial and light-duty trucks GM built in Pontiac for over 100 years. Rapid was arguably the world’s first successful commercial truck and was shipping to Europe by 1905. Ingenious Pontiac people constructed an electric car (Flanders) as early as 1911, then GMC electric trucks starting a year later. Even now an electric vehicle (Chevrolet Bolt) is built just 5 miles north of the city center. Buses, motorhomes, wartime production, motorized bicycles, amphibious vehicles, and even a few tractors are all a part of this rich legacy!

Pontiac Transportation Museum

Background continued:



Our Plan

The Pontiac Transportation Museum's mission is to portray this fascinating and still evolving story and the effect it had both on our local community, and reflected broadly across America. The Museum will also examine industrialization of this community, the many people whose work inspired these efforts, and the resulting social history. Through the museum's existing and growing collection we will endeavor—through displays, teaching, and community programs—to help educate and inspire young people to chart their own destiny in an increasingly technical world. We aspire to a role bringing STEAM education to Pontiac Schools. We also have a demonstrated and convincing case of the economic benefits museum foot traffic can bring to downtown merchants.

The Pontiac Transportation Museum (registered 501[c]3) has acquired, and is now renovating a 55,000 square foot building that will include vehicle and artifact display galleries, a theater, research library, classrooms, and restoration spaces. A very significant collection of vehicles and artifacts is already in place. Partnering and strong endorsement with many Southeastern Michigan groups has been very promising. Fundraising is now active on the first of three renovation phases (which in aggregate will comprise approximately \$5M). The facility and its grounds will be able to host special events, private parties, vehicle shows/conventions, business meetings, and other community events. A museum store will offer a full complement of attractive merchandise and relevant memorabilia.

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Visit: www.pontiactransportationmuseum.org or friend us on Facebook/Instagram



Pontiac Transportation Museum

Plans and Financial Sustainability

Synopsis of work-to-date and current state:

- Active committee researching and planning for 18 months, friend-raising and fundraising for about 9 months, significant volunteer labor on museum/grounds/vehicles
- Significant assets assembled: building/land, vehicles, archives (includes several very unique vehicles and historically significant archives in collection)
- Involvement and support from Pontiac Mayor and City Council, partnership with many community and automotive affinity groups, Oakland Pioneers Historical Society
- Expanding awareness and involvement through active social media and website
- Universal respect for mission/intent, selected success in early fundraising
- Already began a lecture series and have had several events at the building for community outreach in advance of opening

The Pontiac-Oakland Museum and Resource Center (POMARC, title of our 501[c]3 organization) has experience operating a successful automotive museum (in Pontiac IL over the last 10 years). The PTM committee has also done significant “benchmarking” of other successful and unsuccessful auto-related museums. Selected conclusions we drew and have incorporated in our plan are offered here:

- Although a “car museum” appeals to many loyalists, expanding the museum theme to portray how Pontiac’s transportation industry related to the community social and economic history (including people stories, social environment, architecture) offers themes that appeal to a much broader audience. This also engages a potentially broader set of patron demographics.
- A static “history” museum offers “one time” appeal, but a successful museum must engage it’s community for continuing visits with exhibit refresh, a parade of new material/themes on diverse topics (but obviously still true to the overall mission).
- The museum needs to establish its relevance to daily life in its community. This requires outreach activity that continually engages the museum in the community’s current challenges, interests, and focus.
- In today’s information-intense world, innovative exhibit technology that includes interactive experiences will be critical to fascinate particularly younger generations.
- Sustainability of operations needs careful planning and attention
 - Admission receipts of such a museum typically might provide 20% of necessary revenue.
 - Aggressive promotional plans for events, conventions, private parties, tours, merchandise, etc. will be critical to financial health.
 - Very lean museum staffing/spending will be an ongoing reality. If organized appropriately, there is ample opportunity to engage volunteer and in-kind support work in the operation.
 - Last, a reality of nearly all museums is to typically require some ongoing philanthropic involvement (although this ongoing requirement cannot be on the scale of a capital campaign).



Pontiac Transportation Museum

Assets

The Pontiac-Oakland Museum and Resource Center (the 501[c]3) has been fortunate enough to accumulate significant physical assets and archives. Admittedly, many are difficult to place specific value on. Our internal tracking total these assets to slightly over \$1M in total, approximately 60% of which has been confirmed in third party assessment (no assessment sought on the other 40%). High level summary of this collection is described below.

Shared assets between the two museums (these will continue to be available/rotated to the two museums):

Vehicles

- Total of 85 vehicles, 28 are 501[c]3 owned, remainder on long-term indefinite loan (majority from our Board members)
- Eight restored Pontiac-built carriages, including the only known surviving Pontiac Buggy sleigh
- Includes some truly unique vehicles (e.g. 1 of 4 remaining Rapid Trucks, the only 2 surviving Olympians, exceedingly rare '70 Judge, the only surviving 1908 Pontiac, 5 Oaklands, a Cartercar, Whizzer motorbike, etc)
- Includes vintage trailers, boats, auto-related camping equipment

Archives (examples from our very extensive library)

- Original automotive artwork of GM studio designers
- Many internal GM records – for example: Pontiac General Manager Staff meeting minutes from the 60's
- Collection of nearly all periodicals relevant to Oakland and Pontiac brands
- Personal archives of several prominent Pontiac executives
- Virtually all published material on Pontiac and Oakland brand history
- Largest single collection of service literature that exists for these brands
- Dealer/franchise communications/training materials

Artifacts (examples): display engines, go-karts, automotive technology exhibits, wood Native American statues and totem poles, vintage auto service equipment, gas pumps, vintage auto and oil industry promotional signage/banners, automotive toys. extensive car model collections, dealer promotional exhibits, huge vintage map collection, huge oil/additives/maintenance artifacts collection, complete century-old print shop/equipment, historic Pontiac awards/honors, Pontiac motorsports artifacts. Includes period-specific clothes, furnishing, artwork, etc. to augment such displays.

Owned assets of the Pontiac, Michigan Museum (~55,000 sq ft under renovation)

- Building and grounds of 250 W. Pike

Assets specific to the Pontiac, Illinois Museum (~20,000 sq ft, existing museum)

- Largely limited to site-specific exhibits and furnishings
- The Museum building is a zero-cost lease from the City. Museum development/spending has increased value of this substantially (but that is not now a museum asset)



Pontiac Transportation Museum

Financial Outlook Introduction

The following analysis is a high-level summary of our intended financial spending and revenue outlook. Several points of explanation are offered:

- This 5 year outlook covers the execution of three phases of renovation. The museum opens (at approximately 10,000 sq. ft.) after Phase 1, aggressively targeted for late in 2021. Capital spending is shown on this summary (shaded in the disbursements section).
- Timing of building renovation execution is significantly uncertain. The construction timeline is understood and realistic, but our spending rate will depend on the rate of success in our capital fundraising programs.
- Analysis of the future “steady state” (year 5) assumes a continuing need for approx. annual \$200k from philanthropy. The analysis shown suggests museum sustainability even without this.
- The PTM would be pleased to share our assumptions behind these projections. Much of it is based on our Illinois museum experience. It is fully understood that the performance shown will result only from very strong promotion and management practices.
- Not included here is the PTM Phase 1 capital appeal fundraising plan. Status and ongoing activity can be shared separately.



Pontiac Transportation Museum

Five Year Financial Outlook

PONTIAC TRANSPORTATION MUSEUM PRELIMINARY BUDGET FORECAST							
	Year 1	Year 2	Year 3	Year 4	Year 5	SUM TOTALS	
<i>Year 1 doors open - starts 6 months post reaching Phase 1 Capital Commitment</i>	(000's)	(000's)	(000's)	(000's)	(000's)	FIVE YEARS (000's)	Assumptions
CASH RECEIPTS:							
General Fund:							
Memberships	\$ 50	\$ 25	\$ 20	\$ 15	\$ 10	\$ 120	Sponsoring Patron memberships, Family membership - speculation
Admissions	88	175	263	350	350	1,225	Partial yr 2020, ongoing attendance growth to approx 35k/yr
Promotions:							
Events - Museum Sponsored	70	100	120	120	120	530	Pontiac Drive-In, Affinity group cruises, auctions - speculated
Events - Outside Organizations	6	12	24	48	72	162	Corporate events, individual gatherings/weddings - speculated
Contributions - General Operating	20	20	20	20	20	100	Ongoing philanthropy of "PTM friends"
Contributions - Buy a Brick Campaign	10	20	10	5	5	50	Focused on '20 and '21, becomes ongoing gift shop item after yr 3
Contributions - In-kind						-	Expect this to be significant and affects statement of assets, but not budgeted here
Museum Earned Income	-	25	25	50	50	150	Operating plant tours and possibly Heritage Center tours with GM
Merchandise Sales	44	88	131	175	175	613	Based on straight ratio to attendance and POMARC experience
	287	465	613	783	802	2,950	
Restricted Funds:							
Contributions - Vehicles						-	Expect this to be significant and affects statement of assets, but not budgeted here
Contributions - Equipment						-	Expect this to be significant and affects statement of assets, but not budgeted here
Programs Financed by Grant	20	40	80	80	80	300	Costs specifically allocated to this - typically will be basically reimbursed
Contributions - Vehicle Restoration						-	Expect this to be significant and affects statement of assets, but not budgeted here
	20	40	80	80	80	300	
Building Renovation Fund:							
Building Fund - Phase 1/2/3	750	500	500	750	100	2,600	Building fund to support Phase 1/2/3
Building Fund - General Long Term Campaign							This might begin after year 5 to accumulate endowment capital
Building Fund - Naming Opportunities	250	200	500	500	-	1,450	Also part of Phase 1/2/3. Peaks during Phase 2 and Phase 3 campaign
Building Fund - In-kind Contributions						-	Expect this to be significant and affects statement of assets, but not budgeted here
	1,040	780	1,160	1,410	260	4,650	
Total Cash Receipts	\$ 1,347	\$ 1,285	\$ 1,853	\$ 2,273	\$ 1,142	\$ 7,900	
CASH DISBURSEMENTS							
General Fund:							
General Operating Expenses	\$ 114	\$ 228	\$ 341	\$ 455	\$ 455	\$ 1,593	Salaries, heat, lights, insurance, expendables, assumed @ 130% of adm/attendan
Promotions (Events) Exp. - Museum Sponsore	42	60	72	72	72	318	Based on 60% of Event Revenue
Promotions (Events) Exp. - Outside Organizati	3	6	12	24	36	81	Based on 50% of Event Revenue
Buy a Brick Campaign Expense	2	4	2	1	1	10	Based on 20% of Paver revenue
Merchandise Costs	26	53	79	105	105	368	Based on 60% of revenue
Vehicle costs - non-restoration	5	10	20	30	40	105	Gas, titles, transportation
Building & Grounds Maintenance - General	7	7	7	7	7	35	Assumes executed with mostly volunteer labor
	199	367	533	694	716	2,509	
Restricted Funds:							
Program Expenses	16	32	64	64	64	240	Assumes 20% of program grants applied to offset of general operating expenses
Vehicle Restoration Expense	-	-	-	-	-	-	Assumes this is funded by philanthropy or specific grants
	16	32	64	64	64	240	
Building Renovation and Grounds:							
Architectural & Design Costs	20	40	40			100	Assumes some in-kind/donated work on architecture plan
Building Renovation Costs	1,000	500	1,250		750	3,500	Assumes Phase 1 in 2020, Phase 2 in '21/'22, Phase 3 in '23/'24
Building Construction Costs (Garage)				500		500	Assumed to be part of Phase 3 costs
Equipment	175		125			300	Office equipment tied to Phase 1 and Phase 2 expansions
Ongoing display/exhibit growth costs					200	200	Phase 1/2/3 costs include their own exhibit development - this is annual ongoing
Un forecasted maintenance / rainy day costs					200	200	Annual beginning in yr 5. Expect this may be roof-related in the first 10 yrs.
Landscaping Costs	100	5	5	30	5	145	Assumes bump for restoration garage landscaping
Signage	30					30	Exterior signs
Roadways			60		250	310	Restoration garage paving, yr 5 entrance from M59
	1,325	545	1,480	530	1,405	5,285	
Total Cash Disbursements	1,540	944	2,077	1,288	2,185	8,034	
Surplus/Deficit (UNAUDITED)	\$ (193)	\$ 341	\$ (224)	\$ 985	\$ (1,043)	\$ (135)	
Non-recurring capital spending			Non-recur capital	1,000			End of Phase 3 spending adjustment to estimate recurring.
Revenue from philanthropy			Steady State "surplus"	(43)			The year 5 "surplus" extrapolated to steady state
			Phil'py dependence	215			This is the "year 5" expectation of ongoing philanthropy

Year 5 is viewed as "steady-state" with the exception of Phase 3 building renovation and grounds costs (\$1M)
 Estimates above indicate museum sustainability with a realistic amount of philanthropy dependence

Pontiac Transportation Museum

The PTM Team

Pontiac-Oakland Museum and Resource Center Board of Directors (L to R)

*Jay Leeper, Mark Thomas, Traci Miller, Penny Dye, Tim Dye, Terry Connolly, Dimitrie Toth
(not pictured – Jennifer Neri, Rick David, Michael McGuinness, Tom Kimble)*



This Board has guided an automotive museum in Pontiac, IL for 10 years, with 2 of the Board Members managing daily operations. Brief biographies of the POMARC Board of Directors are available on request. In late 2018, this Board authorized a PTM Study/Execution Team operating in Pontiac, MI and organized as shown. This volunteer team consists of a combination of retired and active automotive background people, experienced non-profit leaders, and motivated Pontiac community leaders.

