

Transportation/HUD Appropriations, Fiscal Year 2008

Amendment XXXX: Strikes \$250,000 in funding for construction of a new museum in Peoria, Illinois.

Background

The Transportation-HUD appropriations bill funds the Department of Housing and Urban Development, whose core mission is to combat homelessness, increase homeownership, and provide access to affordable housing.¹ Housing and Urban Development, as its name suggests, also cites urban development as one of its responsibilities.

Unfortunately, Congress has greatly abused this ambiguous term and under the guise of “economic development”, has used this function of HUD to fund thousands of projects that are neither for Housing or Urban Development.

Current Community and Economic Development policies are flawed

The Community Development Block Grant (CDBG) program, where Economic Development Initiatives funding derives from, was established in 1974 to provide flexible annual assistance to States and local governments to fund a wide range of community and economic development activities that principally benefit low- to moderate-income persons, eliminate slums and blight, and address urgent needs.²

The Office of Management & Budget recently conducted a review of the CDBG and determined the current program is not well-targeted and the results of its assistance have not been adequately demonstrated or reported. This review found that many of these programs had unclear objectives, did not coordinate effectively, were

¹ <http://www.hud.gov/library/bookshelf12/hudmission.cfm>

² <http://www.whitehouse.gov/omb/budget/fy2008/pdf/savings.pdf>

duplicative, and were unable to demonstrate measurable and sustained economic gains for communities.³

A HUD and Office of Management and Budget analysis also found that CDBG is ineffective and that its major problems include the lack of a clear purpose and annual and long-term outcome measures; weak targeting of funds to areas of greatest need; and the inability to produce transparent information on results.⁴ The Administration recommends consolidating 17 Federal economic and community development programs within HUD and the Economic Development Administration.⁵

In June of 2006, for a Federal Financial Management oversight hearing on CDBG, the subcommittee discovered the following:

- Since CDBG formulas have not been updated since the late 1970's, many wealthy communities receive 3-4 times more CDBG funds per capita than many poor communities.

- As one example of unfair targeting, Temple, TX has an average \$20,000 per capita income and receives \$15 per capita in CDBG funds. Meanwhile, wealthy Oak Park, IL averages \$36,000 per capita income and receives \$39 per capita from the program.

- Once a community becomes a CDBG "entitlement community," no matter how wealthy the community becomes over time, it is guaranteed CDBG funding every year. There is no mechanism for graduating out of the program, resulting in real per capita CDBG funding to all communities declining from \$48 in 1978 to \$13 in 2006.

- During the past 2.5 years, the Inspector General has audited a small number of grantees (only 35 audits for 1,180 grantees)

³ <http://www.whitehouse.gov/omb/budget/fy2008/pdf/savings.pdf>

⁴ <http://www.whitehouse.gov/omb/budget/fy2008/pdf/savings.pdf>

⁵ <http://www.whitehouse.gov/omb/budget/fy2008/pdf/savings.pdf>

and yet found more than \$100 million in waste, fraud and abuse of CDBG funds.⁶

Homeless Rates have remained consistent the past 20 years

Consequently, due to failed federal policies such as the CDBG, homeless rates have remained consistent for decades. In 1984, HUD conducted a homeless study and the report estimated that there were between 250,000 –350,000 homeless people at a point in time.⁷ Another study reported that anywhere between 2.2 million and 3.5 million were homeless during that year.⁸

A decade later, in 1996 a national count of homeless people found that 842,000 people in the United States were homeless during a week in February.⁹ In an estimate of annual homelessness based on that studies data, another study concluded that the number of persons experiencing homelessness during a one-year time period was between 2.5 and 3.5 million.¹⁰

In 2005, a survey identified 804,212 homeless people in during the month of January.¹¹ The study also estimated that between 2.3 and 3.5 million people were homeless during the year.¹²

While these studies over the previous two decades are anything but definitive, they do, however, demonstrate the fact that our countries homeless issues are not being remedied.

Misguided funding and policies such as the Community Development Block Grant and Economic Development Initiatives within HUD waste efforts that could effectively combat our nation's monumental homeless problems.

⁶ http://coburn.senate.gov/ffm/index.cfm?FuseAction=Hearings.Home&ContentRecord_id=b92c9b57-802a-23ad-4003-7cef267cdfa6&Issue_id=

⁷ <http://www.endhomelessness.org/content/article/detail/1440>

⁸ <http://www.endhomelessness.org/content/article/detail/1440>

⁹ <http://www.endhomelessness.org/content/article/detail/1440>

¹⁰ <http://www.wsws.org/articles/2007/mar2007/home-m19.shtml>

¹¹ <http://www.endhomelessness.org/content/article/detail/1440>

¹² <http://www.endhomelessness.org/content/article/detail/1440>

Peoria's new museum does not align with the goals of HUD

In S. 1789, the Economic Development Initiatives program is an earmark slush fund that sends over \$140 million towards projects of this body's choosing.¹³ While some of the 304 earmarks in this section go towards meeting the core goals of HUD, most do not.

One example of waste is \$250,000 to aid in the construction of a new museum in Peoria, Illinois. The Peoria Waterfront Museum will be a monumental \$65 million, 110,000 square foot facility.¹⁴ This museum will showcase numerous arts, science, and cultural exhibits. This ultra modern museum will replace the current 38,000 square foot Lakeview museum in Peoria.

While the new modern facility will be a welcome upgrade over the current Lakeview Museum in Peoria, nowhere in the facility will it provide shelter for the 16,599 homeless in Illinois¹⁵. If Illinois spent the \$250,000 on feeding Illinois homeless, you could feed all the homeless of Illinois dinner for a week. Instead, what it will provide are some of the following exhibits:

-Imaginarium: A multi-purpose planetarium with a retractable digital dome that can cover a range of topics, including earth sciences, energy, astronomy and space exploration.¹⁶

-The Illinois River Encounter: The "Encounter is a river that acts like a timeline, allowing people to experience a progression from Ice Age to present day." A special screen could "transport" visitors to different settings - everywhere from under a river to a tornado scene.¹⁷

-Art Science Plaza and Café: A free outdoor area with terraced gardens and sculpture and open-air amphitheater.¹⁸

¹³ http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_reports&docid=f:sr131.110.pdf

¹⁴ <http://www.peoriamuseumsquare.com/html/news/archive/n20.html>

¹⁵ <http://www.endhomelessness.org/content/article/detail/1440>

¹⁶ <http://www.peoriamuseumsquare.com/html/news/archive/n12.html>

¹⁷ <http://www.peoriamuseumsquare.com/html/news/archive/n12.html>

¹⁸ <http://www.peoriamuseumsquare.com/html/news/archive/n12.html>

-Laboratory / Art Studio: Hands-on areas for creating art or, for example, analyzing river water.¹⁹

-Planetarium: The new planetarium appears suspended in a 65-foot glass box, will also be covered in metal, allowing it to be dramatically lit, especially at night. Jim Richerson, president and CEO of Lakeview Museum, is excited about lighting the sphere to look like a huge basketball during March Madness.²⁰

-One new interactive area will offer life-size street scenes of Peoria's past - from its famous vaudeville days to Abraham Lincoln's Courthouse Square speech on human rights.²¹

The museum will be "edgy and modern," say designers, referring to the stainless steel shingles that will cover the museum. These are reflective shingles and the buildings are going to look different, depending on the time of day and season, "They'll reflect the sky."

Peoria, a three time winner of "the All-American City" award, also is not a community in need of economic assistance. According to Forbes, in 2004 the Peoria was ranked the most affordable U.S. metropolitan area to live in out of the nation's 150 largest metro areas.²²

In 2005, Peoria was named the 51st best place to live by one publication.²³ Peoria also ranked 33 out of 274 population centers on Inc. Magazines "Most Balanced Economy and Growth List".²⁴ One prominent company, Caterpillar, a fortune 500 company, is headquartered in Peoria, Illinois.

¹⁹ <http://www.peoriamuseumsquare.com/html/news/archive/n12.html>

²⁰ <http://www.peoriamuseumsquare.com/html/news/archive/n3.html>

²¹ <http://www.peoriamuseumsquare.com/html/news/archive/n2.html>

²² <http://www.city-data.com/us-cities/The-Midwest/Peoria-History.html>

²³ http://www.bestplaces.net/docs/studies/bestplaces05_list.aspx

²⁴ http://www.edc.centralillinois.org/resource/June07FASTFACTS_PeoriaPekinMSA.pdf

The Peoria Riverfront Museum has fallen short in fundraising

The goal was for the museum to land \$30 million from local, state, and federal sources. The ambitious \$65 million project has received the following federal funding from the projects inception:

-NASA: This summer NASA contributed \$500,000 in funding aid for the museums planetarium.²⁵

-Institute of Museum and Library Services: In 2005, the Institute of Museum and Library Services provided the Peoria Waterfront Museum a \$140,985 "Museum for America" grant to aid in construction of the new museum.²⁶

-Earmarks: The museum was slated to receive a \$250,000 earmark in last year's Senate THUD appropriations bill. The House earmarked \$500,000 in FY 2007 and \$275,000 in FY 2005 for the construction of the museum.

In addition to federal funds, the museum has only mustered \$6 million from other public sources when you include state and local funding, \$24 million short of its original public financing goal.

Finally, the Museum expected private contributions of \$35 million.²⁷ Unfortunately, private donations have only totaled \$18 million. Combining the both public and private donations, the project has raised \$24 million, \$41 million short of the \$65 million needed.²⁸

The Museum construction is at a crossroads

Not only has the project fallen well short of its goal, the fundraising efforts of the museum have been stagnant as they have only raised a nominal amount this past year.

²⁵ <http://www.lakeview-museum.org/highlights/lakeviews.pdf>

²⁶ <http://www.imls.gov/results.asp?year=10&program=1052&description=on&sort=year>

²⁷ <http://www.peoriamuseumsquare.com/html/news/archive/n16.html>

²⁸ <http://www.peoriamuseumsquare.com/html/news/archive/n17.html>

On August 29th, Peoria's city council voted for the third time to defer fundraising deadlines from the end of this year to the end of 2008 so supporters have time to raise needed funds for the planned \$65 million regional museum.²⁹

Lakeview board Chairman Jim Vergon admitted to the council that officials are waiting to hear if they can secure \$100 million in New Market Tax Credits, which will generate the necessary money needed for construction to begin. "Our understanding is the U.S. treasury Department will notify those entities (receiving tax credits) sometime around the end of October," Vergon said.

In response to what happens if the tax credits do not pan out, Vergon responded, "there are things we are exploring, and one of those is going back to our representatives," at the state and federal level, Vergon said. "That is definitely in our plans."³⁰

Brad McMillan, head of Lakeview's site selection committee and speaking on the process of federal earmarks, said: "How this generally works, you get your foot in the door the first year and you staircase up."³¹ It appears that Peoria community leaders are now prepared to turn to federal earmarking to save the failed project.

Peoria will still have has a quality museum

If the new museum plan fails, Peoria still has a legitimate museum that serves Peoria and Illinois. The current Lakeview Museum is a 38,000 square foot facility that already possesses many of the same exhibits that will be included in the new Peoria Waterfront museum.

The museum consists of a state of the art planetarium projection facility, staffed with professionals qualified in astronomy education and interpretation serves about 30,000 visitors per year, including 20,000 students from area schools and colleges.³² The museum also has a sculpture garden, art displays, and educational classes.

²⁹ <http://www.peoriamuseumsquare.com/html/news/archive/n22.html>

³⁰ <http://www.peoriamuseumsquare.com/html/news/archive/n22.html>

³¹ <http://www.peoriamuseumsquare.com/html/news/archive/n12.html>

³² <http://www.lakeview-museum.org/>

Moving Forward

Given that this project is a want, not a need, and does nothing to accomplish the goals of HUD, the federal government should not be charged with bailing out the Peoria Riverfront Museum.

U.S. Representative Ray LaHood, the Congressman who represents Peoria, stressed that "there's just simply not enough money in Washington D.C." to foot the bill given the expensive war in Iraq and hurricane-related recovery efforts. "If this is truly going to be the jewel of the prairie, it will only happen if the community is willing to contribute," LaHood said. "Our community has to step forward."³³

³³ <http://www.peoriamuseumsquare.com/html/news/archive/n3.html>

Current lakeview museum:

Lakeview Museum's planetarium is an astronomical resource serving all of Central Illinois. It consists of a state of the art planetarium projection facility, staffed with professionals qualified in astronomy education and interpretation. Public programs bring the wonders of the universe and current astronomical discoveries to the residents of Central Illinois utilizing the latest projection technologies available. The planetarium serves about 30,000 visitors per year, including 20,000 students from area schools and colleges.

A portable planetarium provides educational programs coordinated to class studies.

The Lakeview Museum Community Solar System is the world's largest, as listed in the Guinness Book of Records. It is a unique model of our Sun and its nine planets, in which both size and distance are represented on the same scale (42 ft. = 1 million miles/1 m = 1.4×10^5 km). The planets are centered around the sun, depicted on the Lakeview Planetarium dome, offering an earthbound concept of the vastness of space.

While models of the solar system may be common, virtually all of these show only relative sizes or relative distances to the same scale if any attempt is made at all to be accurate. (Frequently such models only show the relative order of the planets from the sun). In any case, the impression is created that our solar system is much smaller and the planets much closer than they actually are, and a correct understanding of the vastness of space is totally lost.

Since the space between the planets is enormous relative to the sizes of the planets, few models exist in the world which show the true scale of our solar system, since they have to be miles across.

Peoria's model starts at Lakeview Museum of the Arts and Sciences. (1125 West Lake Avenue, Peoria IL 61614 (309) 686-7000) The Sun is the planetarium dome, and is also painted on the outside of the building. Descriptive graphics about the Sun and the model are located in the planetarium lobby. At each planet location visitors find a custom molded Plexiglas sphere, painted by local space artist Walter Kinsman. Planets

approximate the detail seen in the best space probe astronomical photographs. The 45 inch sphere of Jupiter is surrounded by a 76 inch ring system of clear Plexiglas, and Saturn's 3 foot sphere is surrounded by a 90 inch ring plane, painted in full detail. Uranus and Neptune also have their rings represented.

The museum has a sculpture garden, a duck decoy, art displays, and educational classes.

<http://www.lakeview-museum.org/highlights/lakeviews.pdf>

The Second Annual Hotel Père Marquette Gala to Benefit the Peoria Riverfront Museum held in March was a resounding success. Nearly 600 attendees enjoyed the incredible gourmet meal created by the Père, bid on items given to us by generous donors, and laughed out loud at the Second City show. This extraordinary event raised more than \$120,000 for the new Peoria Riverfront Museum.

More than 20,000 visitors and members remember the spectacular Chihuly exhibition at Lakeview Museum nearly four years ago.

The U.S. space agency provided \$500,000 in federal funding. The money goes towards digital planetarium equipment that will be installed in Lakeview Museum while we are here and then moved to the Peoria Riverfront Museum when it opens. We sincerely thank Congressman Ray LaHood and Senator Richard Durbin for their help in securing this funding.

Thanks to these Museum Members who joined or renewed their memberships between January 20 and April 4, 2007.

They join the more than 3,000 individuals, families, businesses and corporations who support Lakeview Museum.

A Matter of Taste
Alcast Company
AmerenCILCO
apaceDesign Architects & Engineers
Aventine Renewable Energy
Bard Optical
Brewers Distributing Company
Carlson Studios
Caterpillar Foundation
Central Illinois Robotics Club
Children's Home Association
City Blue Technologies
Coldwell Banker Devonshire Realty
Core Construction
Cyd's Sensationals, Ltd.
Engineering Design & Development, Inc.
Farnsworth Group, Inc.
Federal Warehouse Companies
Feldman Printing Inc.
Fine Arts Society
Fritch Heating & Cooling
Gems of the Prairie Quilters
Gregg Florist
H&R Block
Hasselberg, Williams, Grebe, Snodgrass & Birdsall
Hawk Agency, Inc.
Herget National Bank
Hotel Pere Marquette
Ideal Troy Co. Cleaners
Illinois American Water Co.
Illinois Mutual Life Insurance

International Brotherhood of
Electrical Workers - Local 34
Jewish Federation of Peoria
Kidder Music Service
Knapp String Shop
L. R. Nelson Corporation
M & D Printing
Maui Jim Sunglasses
Morgan Stanley
Morton Metalcraft Co.
National City Bank
Oberlander Electric Co.
Old Timers Baseball Association
Otto Baum Company, Inc.
Par-A-Dice Casino
Pekin Insurance
Peoria Area Stitches Guild
Peoria Camera Club
Peoria Charter Coach
Peoria Disposal Co.
Peoria Garden Club
Peoria Journal Star, Inc.
Peoria Symphony Orchestra
PricewaterhouseCoopers
Quality Connection
Radisson Hotel Peoria
Rainbow Youth Outreach
River City Construction Co.
Riverside Tool & Die Company
Sanders Tools Inc.
Sprinkmann Insulation Inc.
State Bank Of Speer
Staybridge Suites
STS Consultants, Ltd.
The Hanson Financial Group
The School House
Trefzger's Bakery
Vonachen - Amsan
Widmer Interiors
Williams Brothers Construction

Please thank these generous supporters of Lakeview Museum as you patronize them.

2008

Lakeview Museum; Lakeview Museum construction; Peoria, Illinois; the museum will promote economic development and tourism in downtown Peoria.

2007

\$250,000 for the Lakeview Museum in Peoria to match non-federal funds for construction of a museum facility designed to promote economic development and tourism in downtown Peoria;

2005

Labor, HHS, Education Approps

Institute of Museum and Library Services

Lakeview Museum of Arts and Sciences – Peoria, IL

Year: 2005

Amount: \$140,985

Grant: [Museums for America](#)

Since 2000, the Museum Collaboration Group (a coalition of local museums, businesses, and organizations led by Lakeview Museum) has been planning the development and construction of a regional, interdisciplinary museum facility. Scheduled to open in 2008, this new facility will serve many pressing regional needs, including improved educational opportunities, quality of life, and economic development. It will be a place for both residents and tourists to engage in the disciplines of art, history, science, and nature. Audience feedback is essential to plan and construct the best possible facility and tie the project to the community and audiences it will serve. Thus, each step of the 10-step planning process will be accompanied by appropriate audience research and evaluation.

From the River & Weather Labs and the Planetarium/Imaginarium to the African American Hall of Fame Museum and the IHSA Peak Performance Center, the museum galleries will introduce you to a multitude of worlds. The Illinois River Learning Center and Giant Screen Theater further enhance your museum experience.

http://www.voices4kids.org/library/files/BT06_fy07finalbudget.pdf

From FY2004 through FY2006, the General Assembly authorized the transfer of approximately \$1.1 billion of surplus money from 360 state special purpose funds into the General Revenue Fund to support spending.

http://www.bestplaces.net/docs/studies/bestplaces05_list.aspx

In 2005, Peoria was named the 51st best place to live in the United States by Sperling.

http://www.edc.centralillinois.org/resource/June07FASTFACTS_PeoriaPekinMSA.pdf

Peoria ranked 33 out of 274 population centers on Inc. Magazine's "Most Balanced Economy and Growth List".

Tourism

Major Arts & Science

Lakeview Museum	www.lakeview-museum.org
Peoria Area Civic Chorale	www.peoriacivicchorale.org
Peoria Civic Opera Company	www.operaininois.com
Peoria Symphony Orchestra	www.peoriasymphony.org
Peoria Ballet	www.peoriaballet.com

Dinner Theatres

Barn II Dinner Theatre	www.barn2.com
Corn Stock Theatre	www.cornstocktheatre.com
Peoria Players	www.peoriaplayers.org
Eastlight Theatre	www.eastlighttheatre.com

Sports

Peoria Chiefs Pro Baseball	Bradley University
Peoria Rivermen Hockey	State Boys Baseball
Peoria RoughRiders Arena	Steamboat Classic
Football	

Shopping

The Shoppes at Grand Prairie	www.theshoppesatgrandprairie.com
Northwoods Mall	www.simon.com

Recreation

Peoria Park Districts	www.peoriaparks.org
Peoria Civic Center	www.peoriaciviccenter.com
Par-A-Dice Casino	www.par-a-dice.com
Wildlife Prairie State Park	www.wildlifeprairiepark.com
Landmark Recreational Center	www.landmarkrec.com

Annual Events

Peoria Air Show	Central Illinois Auto Show
East Peoria Festival of Lights	Heart of Illinois Fair
Morton Pumpkin Festival	Pekin Marigold Festival
Santa Claus Parade	Steamboat Days
The Taste of Peoria	Peoria Art Guild Fine Arts Fair
Eureka Lilac Festival	AND MANY MORE!

No. of Major Hotels/Motels

Peoria County	19
Tazewell County	14
Woodford County	2

(Peoria Area Convention and Visitors Bureau, November 2006)

Retail Sales for Fiscal Year

Peoria-Pekin MSA \$5,134,777,000

(Survey of Buying Power, 2005)

Lakeview puts ideas before public

Museum seeks input from community on proposed exhibits for Downtown facility

By JENNIFER DAVIS of the Journal Star

Peoria - Imagine a place where you could get a taste of what Peoria was like during its famous Vaudeville days - actually walking down a street and into storefronts and theaters from that era.

Months later, perhaps, the scene and storefronts change to Peoria as it existed in the mid-1800s, when Abraham Lincoln gave his speech on human rights on the Courthouse Square. The Street, as it's now nicknamed, could change again and again, constantly reflecting different times in Peoria's history - from French traders to old-time breweries.

This proposed exhibit is just one scenario unveiled Monday by Lakeview Museum officials as they seek public input on the \$65 million regional museum they plan to build on the old Sears block.

"It's no longer going to be an experience you can do in a day. It's more than that," said Jim Richerson, president and CEO of Lakeview Museum. "This is our time for a new legacy. There are our ideas. We want to discuss our ideas. It's critical that the whole community get their arms around this project."

Artist renderings of drafts for the museum's exhibitions are on display at Lakeview Museum and also online at www.lakeview-museum.org or www.pjstar.com.

Eighty people on four different teams came up with the ideas, which Massachusetts based White Oak Inc, museum planners and Montreal-based Design and Communication exhibition designers developed into sketches.

Officials hope to select an architect by spring. But first, Mayor Dave Ransburg says it's time to rework the redevelopment agreement signed last October with Lakeview now that Caterpillar Inc. no longer plans to have a space within the museum but is building its own multi-million facility adjacent to Lakeview.

Caterpillar still maintains that talk of its own facility is "premature."

Currently, the city has agreed to lease 3.2 acres, or 56 percent, of the Sears block to Lakeview for \$1 a year over the next 75 years. The deal also has the city contributing \$3.3 million for infrastructure.

"All of our discussions so far have been very, very exciting," Richerson said of Caterpillar's role.

Peter Couri Jr., former president of the Peoria Historical Society, remembers that discussion of a Downtown museum first started in 1989.

"To be here, 15 years later and it's still not done, is OK by me," Couri said Monday. "We are doing it right. That's made the wait all worthwhile."

Couri is pleased to see how history will be interwoven into every aspect of the museum - from the hands-on workshop and sci-tech area to The Transformer, a children's area complete with a French settlement from the 1600's that they can play in.

"We're working with the ag lab (National Center for Agricultural Utilization Research) right now to get as many inventions as we can. And we're thinking about maybe going to those corporations (which got those inventions) like Pampers for support," Couri said. "That process has just started."

The museum's ability to raise money obviously will directly impact the facility's final look. U.S. Rep. Ray LaHood, R-Peoria, is seeking federal funds.

"Congressman LaHood is very committed to doing everything he can at the federal level," said Brad McMillan, aide to LaHood and head of Lakeview's site selection committee. "He put in our first request this year. Hopefully, they'll be announcing the first round by the end of the year. How this generally works, you get your foot in the door the first year and you stairstep up."

McMillan said he didn't know exactly what LaHood was asking for financially.

Other proposed exhibit areas are:

The Illinois River Encounter: "Visitors walk up the river, along a timeline, experiencing a progression from Ice Age to present day." The idea is for living plants and water to be part of interactive exhibits. A special screen could "transport" visitors to different settings - everywhere from under the river to a tornado scene on the river's edge.

The Imaginarium: A multi-purpose planetarium with a retractable digital dome that can cover a range of topics, including earth sciences, energy, astronomy and space exploration.

The Oral History Center / African American Hall of Fame: Within interactive consoles, this area will detail the achievements of past civil rights leaders as well as "guide youths toward collecting interviews with community elders."

Art Science Plaza and Café: A free outdoor area with terraced gardens and sculpture and open-air amphitheater

Laboratory / Art Studio: Hands-on areas for creating art or, for example, analyzing river water.

The Heartland Cube: An area that primes visitors for their visit by offering information on featured exhibits.

Collections Gallery: A special space for quiet contemplation of fine art and folk art.

Journal Star

Thursday, December 2, 2004

Cat plans showcase center

By **JENNIFER DAVIS** of the *Journal Star*

Peoria - A new, three-way deal to turn the long-vacant Sears block into a "cultural campus for the heartland" would have the city giving Caterpillar Inc. a portion of the prime riverfront real estate for its own multimillion dollar facility.

Instead of a Caterpillar wing within Lakeview Museum's planned \$67 million regional museum, as was originally planned, the company is going to create a high-tech center to rival the John Deere Pavilion in Moline, one of the top five tourist attractions in the state.

"This is not going to be a history museum," said Mark Johnson, one of several executives who helped develop the vision. It includes interactive exhibits and an "open pit mine" theater for displays of Caterpillar equipment.

In exchange for two acres at Main and Water Streets, Caterpillar will handle all the demolition and site preparation for the entire block - something that both sides say is an even trade worth about \$3.5 million.

Meanwhile, Caterpillar on Monday will announce a major contribution to Lakeview Museum, hoping to jump-start its fund raising.

Lakeview needs \$40 million to start construction. So far, the museum has about \$4 million in state grants and \$275,000 in federal grants towards its goal of \$32 million in public funding. The museum is also banking on another \$35 million in private funds, but won't say how that fund-raising is going since it began soliciting board members in August.

"Even in this (behind-the-scenes) phase, people ask, 'Where's Cat?'" Lakeview CEO Jim Richerson said. "I think Caterpillar coming out early and strong will really strengthen what we're able to do with the board phase."

Before anything happens, however, the City Council will have to sign off on this new redevelopment deal. The vote could come as early as Tuesday.

City Manager Randy Oliver also Tuesday may ask the council to seek condemnation of some small parcels of land on the Sears block that are still owned by private individuals.

"We've made some offers for those slivers of land," Oliver said recently. "We're fairly confident that one of them we aren't going to be able to get. There are four parcels owned by three different people. One strip is only 18-feet wide. It's not really even buildable. I did note that when Sears was built, they didn't get the strip. They built around it. All the other parcels are built on and the space is currently being leased.

Parts of the old agreement remain. The city still will lease 3.2 acres of Lakeview for \$1 a year over the next 99 years. TIF money will be given to Lakeview for the life of the tax-increment financing district - although that portion may from \$225,000 annually to \$500,000. The extra is because Caterpillar's investment and the fact it's paying property taxes, will boost the TIF's revenue.

One major shift, however, is Caterpillar's presence now precludes the city from seeking other private retail development on those two acres.

There will be some retail. Lakeview and Caterpillar will both have some type of retail shop. Plus, Lakeview still is required under the new agreement to develop 15,000 square feet of additional retail along either Water Street or Liberty Street.

Caterpillar's involvement changes another aspect of the old agreement. Previously, the city was going to give up 10% of certain tax revenue to Lakeview to help reimburse some of its infrastructure costs. That work, now would be done by Caterpillar, and Lakeview won't be eligible for that tax revenue.

The new agreement also calls for the Sears block portion along Water Street to become a surface parking lot - a change from the original parking plan, which called for diagonal parking along Washington Street. Surface parking along Water Street is much less costly than raising the street out of the floodplain to be build upon.

On the downside, parking lots go against the "new urbanism" principles the city is trying to adopt in the Heart of Peoria plan. Generally, pedestrians don't like to walk through large parking lots, according to new urbanists. Placing the parking lot there could deter some people from visiting Riverfront Village.

Still, if everything goes as planned, Caterpillar hopes to begin asbestos removal at the site in February and start demolition in April. It may take until July to finish demolition and filling in the site.

Both Lakeview and Caterpillar hope to submit conceptual designs to the city in January 2006, final designs by July that year and start construction by January 2007.

Back in September 2003, when the city first inked a deal with Lakeview to build a 110,000 square-foot museum, the intent was to open in 2007.

"We have a general feeling we want to work together in terms of timing," said Henry Holling, manager of social responsibility initiatives at Caterpillar. "We can continue to be patient. Our motivation is not to sell machines or engines. Our motivation is to show a commitment to this community and to support and enhance a museum vision, in short to tell a story about what this community was, is and can be."

Journal Star
Tuesday, December 7, 2004

Cat gives big green

Company donates millions toward Downtown museum

By **ANDY KRAVETZ** of the Journal Star

Caterpillar Inc. announced Monday it would contribute up to \$11 million toward the proposed Downtown museum and, in the process, help the museum raise up to \$20 million through matching funds.

The announcement had been anticipated for nearly a week and shrouded in secrecy. Many at the afternoon reception hosted by Lakeview Museum wondered aloud how much the Peoria-based earth-moving giant would contribute toward the facility on the Sears block.

So when Lakeview President Jim Richerson announced Caterpillar would donate \$11 million, the crowd of about 100 became excited. But when Richerson told the crowd that donation could grow to \$20 million through matching funds, the crowd got more excited, talking amongst themselves and clapping loudly.

"We're very pleased to support this landmark undertaking for the community," said Jim Owens, Cat's president and CEO. "This is a bold initiative. This is a terrific project and it merits our support."

Specifically, the company will give Lakeview \$7 million outright. The remaining \$4 million is contingent on whether others donate to the project. Caterpillar has pledged to match contributions of its employees and retirees, up to \$2 million. For companies that have their own matching program, Cat will donate \$1 million if those companies raise \$2 million. Caterpillar will also donate \$1 million to match \$5 million in city, county and state money.

But the company's contributions to changing the Sears block into so-called Museum Square doesn't end with the \$11 million. The company has agreed to demolish the existing Sears building and the parking garage, worth about \$3.5 million, in exchange for two acres of the block for its own multi-million dollar corporate visitors center. If all goes according to plan, and if the City Council signs off on the deal giving Caterpillar the land, demolition could start this spring.

Lakeview officials were thrilled.

"This is one of the largest corporate contributions in the nation this year," Richerson said. "The matching grant will encourage the entire community to join Caterpillar in supporting this legacy project."

Jim Vergon, a member of Lakeview's board, said having Caterpillar on board and in such a large way would make it easier to solicit money from other corporations and communities in central Illinois.

"While the museum is in Peoria, it is for all of Central Illinois. It's a regional museum, and needs the support of the entire Tri-County Area and beyond," he said.

Owens said the idea behind the large donation, said by company officials to be the second largest in the company's history, behind a \$20 million gift to Bradley University in 1994, was to create an attraction that would bring high-caliber employees to the area.

"If you want to have large corporations in small cities like this, then you have to have attractions that will bring and keep (those) employees here," Owens said.

With Caterpillar's part in the project clear, museum officials are now focusing on raising the remaining money, about \$49 million, Richerson said. The overall price tag for the project is \$67 million.

So far, the museum project has about \$5 million from seed money donated by Caterpillar a few years ago and about \$4 million in state and federal dollars.

When asked about the daunting task, Richerson expressed optimism.

"If you approach this with that type of an attitude, you will never get to the finish line," he said. "We have done our homework. We have been working on this for three years."

Owens and others talked about the opportunity to create a legacy for future generations, and that ties into the matching program. "A lot of our money is tied to our employees' contributions so it is incumbent on the museum project to win the hearts and minds of our employees," Owens said.

Journal Star
Sunday, December 12, 2004

Two museums are next 'major enterprise' for Cat, Peoria

By **JIM OWENS**, Chairman and CEO of Caterpillar Inc.

Someone once said, "If you seek average gifts, you'll get below-average results." I'm confident that won't be the case in the Peoria area as we come together in support of the new Central Illinois regional museum. We as a community have a well-deserved reputation for our above-average generosity and support of worthy causes. And what could be more worthy than this celebration of our hometown - past, present and future?

I'm proud that Caterpillar has stepped forward to be the opening donor in what will be a landmark project for Central Illinois, one that reflects the very best of our community's rich history, arts and sciences, cultural diversity, technology, physical environment and more. Our \$11 million contribution - with the potential to generate as much as \$20 million through matching grants - is one of the largest in our company's long history of giving. It stands as a fundamental statement of our belief in the power of social responsibility, our strong commitment to our world headquarters community and our desire to help improve the quality of life here.

But money isn't the only contribution we at Caterpillar plan to make to the museum block. We're also taking responsibility for demolishing the run-down buildings on the existing site - an event many in the community have looked forward to for years. In exchange for demolition and site development, the City of Peoria will transfer to Caterpillar ownership of the north end of the block, which will become home to our new worldwide corporate visitors center.

For years, we've heard from customers, employees, retirees and others in the community that Caterpillar should have a world-class exhibit that's worthy of our global leadership in manufacturing, technology, logistics and financing. Our new visitors' center will do all that and more. The "Caterpillar Experience" will tell the story of our people and their accomplishments, build understanding of our rich heritage, showcase our award-winning technology and celebrate our commitment to the communities in which we work and live around the world.

We also want it to be a fun, interactive experience for people of all ages. Plans are still in the early stages of development, but one idea that's being explored is a theater designed like a mine pit, where visitors enter through the gigantic tires of a 793 mining truck and relax in actual backhoe loader seats as they're surrounded by tiers of simulated dirt and rock.

The Caterpillar experience will not only complement the central Illinois regional museum; it will help create a Museum Square in Peoria that will achieve two goals in one fell swoop - a destination museum attraction for our community and a world-class Caterpillar center for residents and visitors alike. Together with other large community projects - an expanded Glen Oak Zoo, a new enhanced Civic Center, Peoria NEXT developments on the Main Street corridor, an upgraded I-74 and more - Museum Square will contribute to Central Illinois' attraction as a primary destination for visitors and its reputation as a first-class community for business and industry of all kinds.

Back in 1909, when the Holt Manufacturing Company (one of the two companies that eventually merged to become Caterpillar) was considering a possible relocation to the Peoria area, company leader Pliny Holt wrote the following statement in a letter to Murray Baker: "This deal marks the beginning of one of the largest enterprises in the Middle West, and assures the city of Peoria of an industry that they will be proud of in the future."

I believe Holt's words are equally relevant today, nearly 100 years later. The campaign underway for the Central Illinois regional museum does indeed mark the beginning of a major enterprise for our community, and the end result assuredly will be a true source of pride for generations to come. We at Caterpillar are honored to play a role in it.

Please join us in helping make this long awaited Downtown museum a reality, as we transform a dilapidated city block into a splendid statement of what we believe in as a community - progress through partnership, pride in our history and the power of social responsibility as a way of life.

Journal Star
Wednesday, December 22, 2004

Museum deal gets city's OK

Agreement allows Lakeview, Cat to build Sears block facilities

By JENNIFER DAVIS of the Journal Star

Peoria - The City Council made history - again - on Tuesday, sealing the deal on what most members believe is an even better plan for the long-vacant Sears block.

By involving Caterpillar Inc., Peoria's homegrown Fortune 500 company, the council says the city is poised to become an international draw with plans for a new Lakeview Museum and Caterpillar's world visitors center. Tuesday's agreement replaces a deal passed in September 2003, which gave Lakeview nearly 60 percent of the block and reserved the remainder for retail uses.

"Caterpillar is recognized from Bangladesh to Brazil," said At-large Councilman John Morris. "And I have a challenge for Lakeview. Do not build a regional museum. Build a national museum. Everywhere we go, people know Peoria. "Will it play in Peoria?"

Specifically, the new three-way deal allows Lakeview to build a \$67 million new museum as planned on the southern two-thirds of the block. Caterpillar will build its visitors center on two acres at Main and Water Streets. In exchange for the land, Caterpillar will handle all the demolition and site preparation - something both sides say is an even trade worth about \$3 million.

But as city officials were praising this opportunity to revive Downtown and the riverfront, residents from the East Bluff and South Peoria pleaded for help with the drug houses and violent crime in their neighborhoods.

"There's problems on the south side, in the East Bluff, West Bluff, the north end. It's all our older neighborhoods," said LaVetta Ricca, president of the Olde Towne South Neighborhood Association.

At-large Councilman Eric Turner complained of a drug house on the West Bluff that's been operating for a year, and the shoot-out on the East Bluff over the weekend "that was like the OK corral."

"The only reason I bring this to this forum is that it seems to die (without action) otherwise," Turner said.

Turner also abstained from voting on the Sears block deal since he works for Caterpillar.

But the council was nearly united in its support and praise of the new cultural campus plans, which are scheduled to open in January 2009.

Only At-large Councilman Gary Sandberg voted against it - not because he opposes the concept, he said, but because it doesn't follow either the city's comprehensive plan or Heart of Peoria plan.

At-large Councilman Eric Turner had to abstain since Caterpillar is his employer.

"Tonight truly is historic," Sandberg said. "Tonight we had a chance of breaking with the continued poor downtown planning that (the Heart of Peoria consultants) specified . . . If you stand at the corner of Liberty and Water Streets, all along the Sears block, is going to be a parking lot, with the buildings 100 feet away."

Sandberg also criticized allowing Lakeview to get \$500,000 a year from the tax-increment financing district this sits in until the TIF expires in 2021. The city is also required to work for a state-approved TIF extension. TIFs, by nature, freeze the amount of property tax revenue that taxing bodies, such as school districts receive. Any growth - or the increment from higher property values - goes directly back into infrastructure improvements in the TIF area.

Journal Star
Wednesday, July 13, 2005

Museum officials hire architect

Firm based in Portland, Ore. will create \$100 million 'legacy' project in Downtown

By ANDY KRAVETZ of the Journal Star

Peoria - Calling it a monumental step forward, supporters of the proposed Downtown museum announced the hiring of a Portland, Ore. based architectural firm to design the museum and Caterpillar Inc.'s visitors center.

With a computerized slide show highlighting the work of the Zimmer Gunsul Frasca Partnership on the screen behind them, Caterpillar and museum officials heaped praise on the firm, saying it possessed the vision and the resources necessary to create a "legacy" project worthy of the anticipated \$100 million price tag.

"This means so much to the future of this community that we have to do it right," said Sid Banwart, a Caterpillar vice president.

Added Jim Vergon, who sits on Lakeview Museum's board of directors: "In many ways, this is the most significant decision. ZGF will provide to those who come to visit that all-important first impression. The look, the feel, and most importantly, that wow factor."

ZGF has designed several other museums including ones in Portland, Des Moines, Iowa, Honolulu, and Los Angeles. The company has offices in Washington, D.C., Seattle, Los Angeles and Portland for a combined staff of more than 400 people.

Plans call for museum officials to work with ZGF and Caterpillar to product a master plan for the Sears Block, now dubbed Museum Square, by the end of the year. Preliminary design plans could be finished by then or early in 2006, said Robert Frasca, one of the founding partners of ZGF.

Demolition on Museum Square could begin shortly after Labor Day. If the city approves the design, construction on the buildings could begin in mid-2006. The museum is slated to open in mid-2009, officials said.

Frasca considered the Sears Block an ideal location for the museum because of the views of the Peoria Lakes and because of the view of the site from the bluffs on either side of the river. He vowed the design would link the visitor's center with the museum so they would build off each other, making the "whole greater than the sum of the parts."

He also said the design would incorporate flexibility, so as times change, so will the museum.

"As time goes by, the things that you are going to want to talk about in this museum will change," he said.

Among the design elements likely to be included are underground parking, a large-format theater, a planetarium and "one very special room that really defines the whole idea of the building and brings it all together," Frasca said.

Also working on the project is the local architectural firm of PSA Dewberry, which will assist ZGF and engineers STS Consultants.

ZGF's contract calls for them to work on a "cost plus" basis, which means the museum group will pay the firm's costs plus a yet-undetermined percent for profit. Vergon said the cost will likely be "several million dollars" but quickly added that Caterpillar has worked with architects the world over and ZGF's bill was within the going rate.

Frasca said the museum could act as a catalyst to spur Downtown development.

"It has to be a building that will provide other kinds of development around it so people want to be here," he said. "If it sits in isolation for the next 10 to 20 years, then we have not fulfilled our mission."

"Twenty years ago, Portland was in the same position as Peoria is now. I feel like a Connecticut Yankee in King Arthur's court. I can see your future, but you can't," he said.

Journal Star
Tuesday, October 11, 2005

Block busters

Demolition begins on old Sears Building

Museum plans move forward

By **JENNIFER DAVIS** of the Journal Star
Peoria - And the Sears block came tumbling down. Finally.

Before a crowd of about 300 dignitaries, politicians and residents, demolition started Monday on the long-vacant Sears store parking deck at Water and Main Streets.

In its place, Caterpillar Inc. and Lakeview Museum plan to build a \$100 million cultural campus, which will open in 2009. "It's the physical affirmation that this project is going forward," said Jim Richerson, president of Lakeview Museum. With a special pincer-like attachment, workers used Caterpillar equipment to tear away at the steel-reinforced concrete, which crumbled easily.

Using this method means about 95 percent of the concrete can be recycled, possibly even for the next phase of the Interstate 74 rebuild, said Randy Perau, chief estimator for N.E. Finch of Peoria, which has a \$2.2 million contract with Caterpillar for demolition.

It's expected to take up to four months to complete demolition.

Meanwhile, architects for both projects - Zimmer Gunsul Frasca of Portland, Ore. - are working on designs.

"We want a facility that will stand out, that the community can be proud of," said Mark Johnson, Caterpillar's project manager.

Years in the making

After about a dozen years and likely just as many design proposals, the city finally settled in December on a plan for what some say is the most valuable piece of real estate between here and Chicago.

Caterpillar is going to build a \$30 million worldwide visitors center. Lakeview has plans for a \$65 million regional museum. "This is a once-in-a-generation opportunity to have a lasting impact on central Illinois," said Sid Banwart, a Caterpillar vice president.

Jim Owens, chairman and CEO of Caterpillar, called the start of demolition "symbolic of a turning point for this community."

Expected to attract a worldwide audience, Caterpillar officials have said they envision a visitors center that will be very interactive and "truly memorable."

A sneak peek of what's ahead can be seen in the new Caterpillar headquarters lobby, which was also unveiled Monday. The Maude Group of Glen Ellyn designed that and will design the interior of the visitors center.

"This is an introduction to Caterpillar," Joe Maude said of the new lobby, which includes 3-D exhibits, with each corner having a different focus. "In the visitors center, it will be an immersion into Caterpillar."

As for Lakeview, the museum is growing from 38,000 square feet to more than 111,000 square feet and will include everything from a multi-purpose planetarium to a giant-screen theater.

Special to the museum will be The Street, an area that can constantly transform to reflect different times in Peoria's past - from vaudeville to French traders to Abraham Lincoln's historic courthouse speech on human rights.

There's also the Illinois River Encounter, where living plants and water become interactive exhibits and a special screen can "transport" patrons everywhere from under the river to a tornado scene on the river's edge.

The museum also will include an African-American Hall of Fame, an Illinois High School Association Replay theater, art studios and laboratories and expanded gallery space.

As Richerson often says, "It will be vibrant and active 12 months a year."

A live Web cam of the ongoing demolition will be available at www.cat.com, ending once site preparation is complete in January.

Journal Star
Wednesday, October 19, 2005

New plan unveiled for Museum Square **City Council to vote on site plan in January**

By **MOLLY PARKER** of the Journal Star
Peoria - Museum Square is taking shape.

A preliminary blueprint of the site includes a T-shaped Central Illinois Regional Museum and a wide, V-shaped Caterpillar Inc. Visitor Center connected by an elliptical plaza that would allow guests to look out onto the Illinois River.

The new site plan presented to the City Council Tuesday night also includes an underground parking garage as opposed to the originally planned L-shaped, above-ground parking deck.

This is the third site plan that has been presented to the council, which is expected to take a vote on the site plan in January.

"Those were visions, and now we have some definitive plans," said Mark Johnson, project manager for the Caterpillar Visitor Center.

More details on the building structure will be available before the council takes action, he said.

The original plan was to put the parking deck next to the Caterpillar Visitor Center, but it must be built on public ground to secure a \$3.2 million federal grant.

Several council members raised concerns about whether the underground parking deck, which must be built to support the weight of the attached building will increase the estimated \$100 million price tag for the project. At-large Councilman Gary Sandberg also said he doesn't want the city to get stuck with upkeep costs.

"You're building a very dynamic, urban building that is going to have ongoing maintenance considerations that I don't want to become pregnant with five years from now when the pond start leaking," Sandberg said.

Johnson said that although the city would own the garage, Caterpillar would operate it and commit proceeds to an escrow account for ongoing maintenance costs. The overall price is not expected to increase because the parking garage won't be as large as the originally planned deck, he added.

Caterpillar also plans to contribute nearly \$1 million to the parking garage, the funding match required to tap the entire federal grant for the project.

Following recommendations of the Heart of Peoria Commission, the new plan also removes proposed off-street parking along Water Street and places 15,000 square feet of commercial space there. The museum would own the space and lease it to retailers.

The new site plan can be viewed online at www.cat.com.

Journal Star
Thursday, January 5, 2006

Officials unveils plans for Downtown museum "edgy and modern"

**Plan for facility includes glass-enclosed planetarium, reflective steel shingles,
indoor/outdoor cafe**

By JENNIFER DAVIS of the Journal Star

Peoria - With a striking glass-enclosed planetarium as its icon, officials on Wednesday unveiled the design of a planned \$65 million new regional museum, along with the proposed Caterpillar Inc. worldwide visitors center.

"We're finally looking at something on that block that is going to set Central Illinois apart from everyone else in the state and probably the Midwest," Mayor Jim Ardis said at Wednesday's official unveiling.

Both buildings, scheduled to open in 2009 on the old Sears block, will be "edgy and modern," say designers, referring to the stainless steel shingles that will cover both in a unique yet complementary way.

"These are reflective (shingles). The buildings are going to look different, depending on the time of day and season," said John Thompson, lead architect from the Portland based Zimmer, Gunsul, Frasca Partnership, which was chosen over 100 firms to design both projects. "They'll reflect the sky."

The planetarium, which appears suspended in a 65-foot glass box, will also be covered in metal, allowing it to be dramatically lit, especially at night. Jim Richerson, president and CEO of Lakeview Museum, is already excited about lighting the sphere to look like a huge basketball during March Madness.

Lakeview is just one partner in the regional museum, which also includes the Illinois High School Association, the Peoria Historical Society, The Nature Conservancy, the African American Hall of Fame, the Heartland foundation and the Peoria Regional Museum Society.

"We realize we're building on a number of legacies," Richerson said. "It's all these legacies coming together to build Museum Square.

Though some design details have yet to be decided - such as the color and texture of the stainless steel shingles - officials are hoping the City Council will approve the overall look at the council's February 7 meeting.

Tim Elder, Caterpillar's director of corporate public affairs, said he's heard concerns about the scale and grandeur of the projects, to which he responds: "It isn't too big. It isn't too encompassing. It isn't too technical. It's just what Peoria needs."

Indeed, Elder adds that this is just the type of quality-of-life project that the Fortune 500 company hopes will attract young professionals to Peoria.

"We're going to need to hire about 80,000 people over the next dozen or so years," Elder said, referring to expected retirements combined with planned growth. Even though "probably more than half" of those new hires will be employed outside the U.S., Elder says Caterpillar still wants to "grow the future in our own back yard."

Renderings of both projects - inside and out - can be viewed at www.PeoriaMuseumSquare.com. Still, some of the signature design elements include: an indoor/outdoor café underneath and outside the planetarium; a reflective pool on the public plaza connecting the two buildings; a balcony about 40 feet above Water Street offering "commanding views" of the Illinois River and a cascading fountain ending with a large globe that will visually connect Caterpillar's headquarters with its visitors center.

From vision to reality

The designs are almost done. Demolition should be complete by the end of this month. The only remaining hurdle is whether museum proponents can raise the money.

About \$21 million of \$65 million has been raised or pledged to date, and the public aspect of the capital campaign has yet to start.

"I suspect a lingering question that might be on your mind is, 'Can we afford this museum?' Absolutely," said Scott Cisel, president of Illinois energy delivery for Ameren, including AmerenCILCO, AmerenCIPS and AmerenIP, and chair of the museum's capital campaign. "The coming year of 2006 will see the full implementation of our campaign strategy."

U.S. Rep. Ray LaHood, R-Peoria, who has helped guide this project and secure some federal funding, stressed that "there's just simply not enough money in Washington D.C." to foot the bill given the expensive war in Iraq and hurricane-related recovery efforts.

"If this is truly going to be the jewel of the prairie, it will only happen if the community is willing to contribute," LaHood said Wednesday. "Our community has to step forward."

And Caterpillar says it will not move forward without the museum.

"We wouldn't have come as far as we have if we didn't have confidence this would happen," Elder said. "But we will not move first. There will be two facilities on this block. We will walk hand-in-hand."

"Thirty years, we've been looking at this," Elder said of the visitors center concept. "Waiting a year or so or a month or so isn't going to kill us."

Journal Star
Monday, February 6, 2006

City asked to chip in more for Downtown museum

Underground parking will cost \$3 million more than anticipated; project collaborators working through price tag issues

By JENNIFER DAVIS of the Journal Star

Peoria - The city is being asked to chip in more toward the planned \$100 million cultural campus on Peoria's riverfront - something that is causing various levels of heartburn among City Council members.

As a result prior plans for Caterpillar Inc. and museum collaborators to come to the City Council on Tuesday have been scrapped.

"The only thing I've heard is that they are reassessing what the situation is and what they need to ask us for," Mayor Jim Ardis said Friday.

Caterpillar and the museum backers recently proposed changing their contract with the city after learning that underground parking for the site is expected to cost up to \$3 million more than planned.

Lakeview Museum is teaming up with numerous other groups - the Peoria Historical Society, the Peoria Regional Museum Society, the African American Hall of Fame, the Illinois High School Association, The Nature Conservancy and the Heartland Foundation - to build a \$65 million regional museum on the old Sears block as Caterpillar plans to build its worldwide visitors center next door.

Even though the project is expected to be an international draw because of Caterpillar's reach, the initial reaction from the city for more help was less than lukewarm.

City Manager Randy Oliver's response to proposed changes: the city already has invested millions in this project and "it is time that others participate on a more equal footing.

"For one, they now want us to construct the parking deck," Oliver said. "The city doesn't have the expertise or the staff to do that. That's just one of a number of changes they've requested."

Parking raises another concern for Oliver. "The addendum requires the city to construct and pay for street parking, which was not provided for in the original agreement," Oliver wrote back in response to their request. "The preliminary estimated cost is \$200,000 to \$500,000 depending on who provides the curb and gutter."

Oliver also worries that long term leasing of more than 10% of the parking garage spaces "is a violation of the Internal Revenue Code."

Another "substantial" change is a request to now give all city sales tax revenue from the site to repay bonds from the tax increment finance district - something that "easily represents a potential loss in revenue to the city in excess of \$100,000 annually depending on sales," wrote Oliver.

But Oliver's reaction is more likely a bruise, not a death-blow to the deal.

The art of compromise

Just as there were obstacles 30 years ago when city leasers were trying to build a controversial Civic Center, the players in Museum Square are struggling to find a comfort level with who pays for what.

"We are, we have and we should get it worked out," says At-Large City Councilman Chuck Grayeb. "We went through this with the Civic Center expansion. This is nothing unusual. We're going to have various hurdles along the way." Caterpillar also characterizes it as such - minor and expected bumps in the road.

"This is a \$100 million project," says Caterpillar spokeswoman Linda Fairbanks. "There are going to be delays that are going to take longer than we expect."

First District Councilman Clyde Gulley, who represents the area, believes it's "a problem that we as a community can solve.

"What we need to do is find out how can we find \$3 million? As a community, how can we bridge the gap? We just need to continue to talk about it," Gulley said, adding, "I think there needs to be other players involved in this regional investment we're making."

At-large Councilman Gary Sandberg says he's been concerned about the lack of regional investment from the start. "From day one, I've been telling (the museum folks) to sell this as a regional museum," said Sandberg, adding that he has "no appetite" for the proposed changes to the contract.

Meanwhile, 4th District Councilman Bill Spears says he doesn't necessarily oppose offering more assistance, but he thinks the timing is bad.

"It is an important project, and I'm hoping it develops to be the best it can possibly be, (but) why not try and collect as much money as you can then come to us if you're short?" Spears said. "It's way too early to be asking now."

Currently, the museum group has raised just shy of \$21 million of an estimated \$65 million project. That price tag may continue to change, as it recently did for the parking, as architects get updated cost estimates during the more detailed design phase.

Plans for a public fund-raising campaign will kick off sometime this summer.

"If we as a community really see this as the civic forum that it can be, then we can meet our fund-raising challenges," said Jim Richerson, president of Lakeview Museum. "Partnering with Caterpillar makes us unique. There is no benchmark anywhere (in the museum industry) for this type of collaboration.

On the bright side

Richerson says reactions have been "very positive" to recently released 3-D images of the proposed museum and visitors center. A model is on display at Lakeview and the plans can be viewed online at www.peoriamuseumsquare.com

"This block will truly be a bridge between Downtown and the riverfront," Richerson adds.

The museum will feature a striking, glass-enclosed planetarium that will appear to float and can be dramatically lit for special events. For example, during March Madness it can become a huge basketball.

Other signature design elements include an indoor/outdoor café underneath and outside of the planetarium; a reflective pool on the public plaza connecting the two buildings; a balcony 40 feet above Water Street with "commanding views" of the Illinois River and a cascading fountain ending with a large globe that will visually connect Caterpillar's headquarters with its visitors center.

More importantly, however, Richerson says is the three-plus years spend deciding how to program the museum so that it will be an exciting, interactive experience.

In addition to showcasing its current art collection, and national traveling exhibits; there is a four-story theater screen and space for the first IHSA museum and hall of fame.

One new interactive area will offer life-size street scenes of Peoria's past - from its famous vaudeville days to Abraham Lincoln's Courthouse Square speech on human rights. The Illinois River Encounter will feature living plants and water, and a special screen will even "transport" patrons everywhere from under the river to a tornado scene on the river's edge. "We realize we're building on a number of legacies," Richerson said during the recent unveiling of the design. "It's all these legacies coming together to build Museum Square.

Journal Star
Wednesday, April 5, 2006

Council gives more money to museum

Cap on TIF funding lifted, but don't ask for seconds

By JENNIFER DAVIS of the Journal Star

Peoria - The City Council agreed Tuesday to spend more to keep Museum Square on track, but tweaked the contract so that the developers agreed not to come back for seconds.

Only at-large Councilman Gary Sandberg opposed the contract change, which, in part, lifts the cap on tax-increment financing (TIF) funds flowing back into the \$100 million-plus cultural campus. Originally, the TIF revenue for the new \$65 million regional museum was capped at \$500,000 a year.

But Caterpillar Inc, which is building its worldwide visitors center adjacent to the museum, believes its property taxes will generate an estimated \$627,000 in the first year - money they would like to see go toward the museum.

Sandberg argued that won't leave any additional TIF money for city-funded infrastructure improvements, such as streets and sidewalks.

"That cap was put there so that the necessary infrastructure has an avenue of repayment," said Sandberg, who added the money isn't going to the museum per se, but a planned underground parking garage which he believes isn't needed due to existing excess Downtown parking.

At-large Councilman George Jacob said he would support this amendment with the understanding that he won't support the city paying for operating expenses. Third District Councilman Bob Manning later made a motion that the developers won't come back for any more financial help.

"With our scarce resources, we cannot afford to have a potential unfunded liability," Jacob said.

Meanwhile, several other council members praised the project for its expected future impact on Peoria.

"Let's send them a nice bold signal tonight, a pat on the back," at-large Councilman John Morris said.

Mayor Jim Ardis added, "I think it would be a shame to let some past projects that used TIF financing cast a negative shade. This is money that can't be used for other operating or capital expenditures. I feel very comfortable with this."

At-large Councilman Eric Turner was absent Tuesday.

Journal Star
Tuesday, September 1, 2006

Museum, Cat center may mean \$14 million boost

By JENNIFER DAVIS of the Journal Star

About 12 million people live between two and three hours from Peoria, and officials are only counting on one half of one percent of them making the trek here to visit the proposed Caterpillar Visitors Center and adjacent regional museum.

And if at least 56,000 visitors spend the night, as expected, then officials say Peoria's cultural campus will pump between \$7 million and \$14 million annually into the local economy. The low figure is if they spend \$130 during their overnight stay, which is what the average traveler to Peoria spends now, according to the Peoria Area Convention and Visitors Bureau.

But if they - like most average "cultural visitors" - spend twice that, then this area is more likely to see the \$14 million boost.

"We think this is a very reasonable projection," said Mark Johnson, project manager for the Caterpillar Visitors Center; who released the information Thursday during a Peoria Area Convention and Visitors Bureau breakfast. The statistics are a not-so-subtle rebuttal to some recent concerns about the widespread draw and financial viability to the projects, which are expected to start construction in the first half of 2008, opening by late 2009 or early 2010. Officials are also counting on a total of 252,000 local visitors each year from the 600,000-plus people who live within an hour of Museum Square.

"So, one out of four people within this population" would be expected to visit, Johnson said. "Again, we think this is very reasonable."

Meanwhile Thursday, Johnson unveiled more detailed drawings of the exhibit areas planned within Caterpillar's visitor center.

"The visitors center is intended to focus on people. It's not a product showcase," Johnson said, although several machines and engines will be featured in the interactive displays.

The facility will have 13 exhibit galleries, will also have a theater built inside a life-size version of a 797 mining truck - one of Caterpillar's largest machines. The tires alone stand 12 feet high.

"Very few people who work at Cat have even see it," Johnson said of the 797. "Even though it's constructed in Decatur, it's so massive that it ships on rail cars and is assembled on the mine sites."

Caterpillar also hopes to get the Smithsonian to release "Old Betsy," the first American made, mass-produced diesel engine, which was donated to the museum in 1973.

"We'll try and get it back now that we'll have a facility befitting it," said Johnson.

Caterpillar is also looking for a Cat 20, the first tractor designed after the merger of the C.L. Best Tractor Co. with Holt Manufacturing Co. to become Caterpillar Tractor Co.

Johnson said the exhibit designers have expressed "being overwhelmed" at how to condense everything about the worldwide company into one place.

"It'll be a challenge," Johnson said. But the company knows it wants "to have lots of interactives that will give our visitors something to do more than just looking at pictures and reading text on a wall"

One area, for instance, will feature the same simulators that Caterpillar uses for training so visitors can see what it feels like to drive some of the heavy-duty earth-moving equipment.

A classroom is also planned so visiting school groups can get a more in-depth lesson after their tour.

"Perhaps geography or science - anything appropriate for their curriculum and age group," said Johnson, noting it will be run and operated by "Caterpillar University" employees

Journal Star
Tuesday, October 4, 2006

Geothermal masterpiece

By Scott Hilyard of the Journal Star

Caterpillar Inc. intends to use the constant warmth of inner earth to heat its as-yet-unbuilt visitor's center at Museum Square in the winter and keep it cool in the summer. Tests performed Monday and Tuesday indicate the site at the old Sears block can sustain at least a partial geothermal heating and cooling system in the new facility.

"The company already has a tremendous commitment in the area of sustainable development," said Mark Johnson, Caterpillar's museum project director. "And we thought our visitor's center at Museum Square was the ideal place to make a bold statement about our continuous support of sustainable development"

STS Consultants Limited hydrogeologist Gary Braun ran tests, crunched data and baby-sat a generator that ran a pump on the site for 18 straight hours that ended at 11 a.m. Tuesday. He sought to determine whether the aquifer beneath the site had sufficient water flow to make a geothermal system possible.

The results? Mixed, but encouraging.

"The water temperature and water flow rates were not sufficient to design all of the heating and cooling system with geothermal," Johnson said. "We'll be refining that design to see how much of it can be geothermal and how much will be a more traditional system."

Johnson said he believed the tests showed that a geothermal system might work on all but the hottest days of summer and the coldest days of winter.

There are many different kinds of geothermal energy. And although the system had not yet been designed, the kind that Caterpillar is considering for its new visitor's center relies on the steady temperature of underground water to heat and cool buildings. Monitored for one year, the water 30-feet below the surface of Museum Square never varied one degree of 61 degrees, said Larry Stevig, an engineer with STS in Peoria. The testing required the digging of five wells on the site, Stevig said.

"The 61-degree water is drawn from the aquifer into a heat exchanger and would then take heat out of the building in a cooling condition (summertime) or provide heat in a heating condition (winter)," Stevig said.

Geothermal energy systems are typically more expensive to construct than more conventional electricity or gas systems but recoup their value with significantly lower energy costs over time.

"Studies show geothermal gives a pretty significant energy savings, as much as 30 to 50 percent," Stevig said.

It's also planet-friendly because it doesn't rely on nonrenewable fossil fuels to generate warm or cold air.

Johnson said the water tests were a sign of progress being made on the museum site. Caterpillar has tied its \$35 million visitor's center to the museum collaborative on the other side of the site that hopes to raise \$65 million for a multi-disciplinary museum.

Journal Star
Tuesday, October 13, 2006

Nameless no more

After two votes and lots of complaints, Peoria Riverfront Museum gets the nod

By Scott Hilyard of the Journal Star

The process of naming the proposed \$65 million Downtown museum took twice as long as expected and endured a heap of public criticism after an initial slate of names was roundly criticized for being corny and vague.

On Thursday the process was described as "arduous," "difficult," and a "long, hard job."

But today, the museum on the square has a name.

The Peoria Riverfront Museum

And, considering what's ahead - raising \$43 million of the project's proposed \$65 million cost, naming it might have been the easy part.

I couldn't be happier," said Peoria Mayor Jim Ardis at Thursday's name announcement party in the Maxam building across Harrison Street from the empty museum site. "You can put specialty names on things, but sometimes simple says it best."

Jim Richerson, the director of Lakeview Museum, one of the five museum partners, acknowledged the struggle to name the museum and to find a meaningful middle ground that would have wide appeal.

"If this were easy, everybody would be doing it," he said. "I think we had the fortitude to move forward."

Mark Johnson, the project director for the \$35 million Caterpillar Inc. visitors center that will site adjacent to the Peoria Riverfront Museum on the same square, thought the name was a solid choice. Caterpillar, which has the funding for it's visitors' center, is awaiting the fundraising certainty of the other museum before it starts building its own.

"The name reflects the pride of the citizens in their community and the unique location of the city on the riverfront,"

Johnson said. "And it will serve the museum as well as being an identifying landmark. It reflects what the citizens felt comfortable with."

After regrouping from the negative public attention that names from the first list, such as AMAZeum and ExploraSphere provoked, the naming committee decided it best to err on the side of bland than on the side of cutesy. Beside the winner, the names on the second list (in descending order of popularity) were Illinois River Valley Museum (26 percent); the top tow vote-getters from the first list, Port of Exploration Museum (12 percent) and Museum on the Square (7 percent); and Heartland Center (3 percent). Two percents of voters checked the "other" option. A total of 5,328 votes were cast, up from more than 4,000 in the first vote.

With a shiny new name in its back pocket, the collaborative museum group that includes the Illinois High School Association, the African American Hall of Fame, Lakeview Museum, the Peoria Historical Society and the Peoria Regional Museum Society now finds itself \$43 million short of its \$65 million goal. Hopefully, Richerson said, the fundraising would pick up now that the public has a model for the museum, a cleared site on the old Sears block and a name.

We're north of \$22 million raised," he said. "I think finally having a name really moves that forward."

All naming issues are not necessarily settled. Richerson said the door is always open to a big-time contributor interested in attaching a name to any one of many museum assets.

"There are lots of naming rights left," he said. "We've got a planetarium and a big screen movie theater and other potential assets. We'd be happy to entertain offers."

Journal Star
Tuesday, November 17, 2006

Firm donates \$1 million for museum **Insurance company's gift will go toward IHSA center**

By Scott Hilyard of the Journal Star

A \$1 million donation to the Peoria Riverfront Museum by Bloomington-based Country Insurance & Financial Services made Thursday a good day for supporters of the proposed Downtown museum on the old Sears block. But the group is still 42 identical million-dollar fundraising days behind its ambitious \$65 million goal.

"It's an important investment because it shows that the museum is not just about Peoria but truly about the entire region," said Jim Richerson, the director of Lakeview Museum, and the representative Thursday of the museum collaboration group. That group includes Lakeview, the Illinois High School Association, the Peoria Historical Society, the Peoria Regional Museum Society and the African American Hall of Fame Museum.

The Country Insurance donation will go toward sponsorship of the proposed museum's IHSA Peak Performance Center, a section of the museum that will include a high school Hall of Fame and several exhibits devoted to high school sports and activities in Illinois. Details of whether the \$1 million would also buy inclusion of the insurance company's corporate name in the name of the center were still being worked out, Richerson said.

Country Insurance CEO John Blackburn announced the \$1 million dollar donation before a mixed crowd of press, museum dignitaries and insurance people at a catered event inside the Gateway building Thursday morning. "We're about kids and families at Country Insurance, about protecting what they have and planning for what they want," Blackburn said. "This (donation) is a continuation of our association with the IHSA."

Country Insurance has sponsored IHSA televised boys sports for 30 years and girls sports for 25 years. It's donation was the biggest corporate gift since Caterpillar Inc.'s multi-million dollar donation to the museum last year.

The gift brings the fundraising total to "just north of \$23 million," said Richerson, who a month ago at the museum naming news conference described the fundraising total as "just north of \$22 million."

By his math, the total museum project including the adjacent \$38 million Caterpillar Visitor's Center is 66 percent funded. Caterpillar, which had said it will only build its center if the Peoria Riverfront Museum is built, is already good for its \$38 million. Add to that the \$23 million raised by the museum group, the \$10 million in site preparation and infrastructure already completed and another unspecified \$1.5 million in infrastructure work, and the \$125 million project is almost two-thirds paid for, Richerson said.

"We're still in the silent portion of our fund drive," Richerson said. "What we're hoping for is that gifts like the one from Country Insurance will now inspire others to come aboard."

The public fundraising goal for the riverfront museum is \$30 million, including \$12 million from the federal government, \$12 million from the state and \$6 million from local governments. The private campaign goal is \$35 million.

Museum developers pursue new funding **Federal program offers tax credits to investors**

By Scott Hilyard of the Journal Star

With federal and state government funds drying up and private donations stalled, Caterpillar Inc. and Peoria Riverfront Museum developers faced a stark choice in 2006. Find new ways to raise a lot of money or watch the project begin to wither.

On Friday, they officially introduced and explained a complicated new strategy they hope will re-energize the moribund fundraising campaign for the proposed \$65 million museum.

Called the New Markets Tax Credit program, it's a federal program run by the U.S. Treasury Department that could generate \$20 million to \$25 million for the museum and narrow the money gap between what's been raised and what's still needed.

Started in 2000, the program was designed to spur \$15 billion of private investment in community enhancing projects located in low-income areas. The Museum Square site, located at the old Downtown Sears block, qualifies as a low-income area, museum officials said. Jim Vergon, chairman of Lakeview Museum's board of directors, called the Peoria Riverfront Museum the "poster child" of projects eligible for this tax credit program. "It's just the kind of project they are looking for," he said.

Examples of New Markets projects include a commercial and cultural center on an abandoned aerospace factory in San Diego and the rehabbing of a National Guard Armory into a performing arts center in Portland, Ore.

The program makes available a 39 percent credit against federal income taxes spread over a seven-year investment. To date, after nearly four years of asking for money, the Peoria Riverfront Museum Collaborative Group has raised \$24 million, about 37 percent of the overall total, which includes public and private dollars.

The group had hoped to hit up local, state and federal government sources for \$30 million, but so far have raised just \$6 million, with another \$6 million in sight. Private donations total \$18 million, or 51 percent of the \$35 million being sought. Something had to be done.

"Projects like this don't happen overnight," said Mark Johnson, project manager for the Caterpillar Visitors Center proposed to be located adjacent to the museum on Downtown's Museum Square. "We're at halftime, and it was time to assess what went right and make appropriate adjustments to the game plan."

Lakeview Museum director Jim Richerson learned of the New Markets Tax Credit program six months ago. Here's how it works, briefly:

By the end of this month, banks or other investors interested in participating in the program as something called a Community Development Entity (CDE) must apply to the Treasury Department. A CDE is basically a subsidiary business of the investing company. The application would include an amount of money the CED intends to invest in whatever eligible project it chooses. It would receive a corresponding credit against federal income taxes.

The Treasury Department will respond to the applications by late summer, informing each CDE of the amount of tax credits allocated. The CDE's then look for projects to help finance. Project officials, such as the Museum Collaborative Group, become suitors in the process as they try to sell their proposals and make them attractive to the people with the money.

That's where Caterpillar's connection to the Peoria Riverfront Museum comes in handy, Mark Johnson said. The company already is comfortable and knowledgeable inside the world of the kind of financial institutions that would be interested in participating in the tax credit program. Caterpillar corporate tax and treasury staff are involved in the development of the

financing plan for the Riverfront Museum. Caterpillar has said it won't build its \$35 million visitors center if the Riverfront Museum is not built.

"The Caterpillar name behind the project means something," Johnson said. "We've got instant credibility when we walk through the door."

Caterpillar corporate treasurer Kevin Colgan, who is also treasurer of the Lakeview board of directors, said the tax credit money could make the museum project economically viable. Money raised so far plus the amount possible from the tax credit program totals \$46 million. Add \$19 million in targeted private and public money and the \$65 million goal is reached. Changing fundraising plans in the middle of the process has moved back deadlines. Officials hope to finish the New Markets financing plan by late summer and start construction of the underground parking deck by September 2008. Construction would begin on the visitor's center and museum by January 2009. Exhibit installation would begin in March 2010 with a grand opening scheduled for November 2010, about a year behind original projections.

Journal Star
February 11, 2007

Finding creative ways to fund Downtown Museum

Planning group hopes to tap promising tax-credit program

By Sid C. Banwart and Kevin E. Colgan of the Journal Star

As members of the Lakeview Museum Board of Directors, and employees of Caterpillar Inc., we feel fortunate to have the opportunity to assist with the Museum Square development project.

It represents the most exciting recent project in central Illinois. It will impact our community for decades to come.

Together, the Peoria Riverfront Museum and the Caterpillar Visitor Center will offer unique educational opportunities while providing a new focus on Peoria as a visitor destination.

When the Museum Collaboration Group originally identified a \$65 million capital campaign target for a new downtown museum in 2002, it was recognized that this was a bold and aggressive goal. However, the members of the collaboration group felt that the benefits of building a remarkable new regional museum made this a worthwhile challenge. This vision was the impetus for Caterpillar to commit to building a new visitor center, contingent on the success of the museum project.

Based on an in-depth feasibility study, and when compared with other Midwestern museum capital campaign efforts, the \$65 million target appeared both reasonable and achievable. Today, the private commitments to the project have the potential to meet the original \$35 million goal. Public financing, on the other hand, has fallen short of the \$30 million goal. After four years, only \$6 million in commitments have been received from the federal, state and local governments. While elected officials remain very supportive, several events have negatively impacted government funding. In response, we have actively explored alternative funding options over the past six months. Most notably, a new federal funding opportunity.

Called the New Markets Tax Credits (NMTC), this program was a bipartisan initiative of President Clinton and House Speaker Hastert. The program was designed to spur \$15 billion of private investment in projects located in low-income areas. Basically, the program permits investors to receive a credit against their federal income taxes for making equity investments through designated Community Development Entities, which in turn support qualified projects. Since this legislation was approved, the NMTC program has served as the catalyst for over \$10 billion of investment throughout the country.

The museum square site in Downtown Peoria qualifies for NMTC assistance. NMTC benefits can total 20 to 25 percent of the total project investment. Based on the approximately \$100 million cost of museum square, including the CAT Visitor Center, NMTC could provide between \$20 million and \$25 million for Museum Square - a very attractive possibility. To maximize the potential benefit to the museum, Caterpillar's investment in the visitor center would be involved in the NMTC financing arrangement, with all of the benefit accruing to the museum. Because of this, Caterpillar staff has been involved in development of a NMTC financing plan.

Current expectations are that the NMTC financing strategy can be implemented by the end of 2007. If successful, the NMTC benefit would boost the Museum fund-raising to well over \$45 million. Once the NMTC benefits are in place, we're convinced the larger community will rally around this project to assure its successful completion.

We are realistically expecting that the last \$20 million will come from two sources - an additional \$6 to \$9 million in state and federal funding over the next five years, and \$12 million to \$15 million from private donors who need to be assured the project really will succeed. Two community leaders will lead the private fundraising effort as soon as the NMTC benefits are finalized.

Clearing the NMTC gate would clear the way to begin construction of the underground parking garage on Museum Square in 2008, with construction of the museum itself targeted to begin in 2009.

We're proud that our company is doing its part by investing 50 cents on every dollar for a \$100 million project that will create a lasting legacy for future generations.

While substantial work remains to turn this strategy into a successfully executed plan, we're optimistic that this is an achievable approach, and that, with the support of the community, the Peoria Riverfront Museum will become a reality. Sid C. Banwart (Caterpillar Inc. Vice President - Human Services Division) Kevin E. Colgan (Caterpillar Inc. Corporate Treasurer) both Mr. Banwart and Mr. Colgan are members of the Lakeview Museum Board of Directors

Journal Star

Tuesday, July 3, 2007

Museum plans shrink

Officials will propose changes, including doing away with pool, glass sphere with planetarium

by Jennifer Davis of the Journal Star

The proposed Peoria Riverfront Museum is shrinking and losing its signature look, despite earlier denials from museum officials.

According to city sources, the museum group will give a presentation to the City Council at its July 10 meeting to describe the changes, which will include: shrinking the building by about 15,000 square feet and doing away with both the reflecting pool and the large metal sphere enclosed in glass, which held the planetarium. Further, thought it will look like a two-story building in places, the second floor will house mechanicals and no longer be accessible to visitors. The retail space along Water Street also will be put off for now.

The planetarium still will exist, but in a silo-looking structure. Originally, it was to appear suspended in a 65-foot-tall glass box - the building's most dramatic feature.

Museum officials apparently have updated renderings, but they could not be reached for comment Monday. They are spending this week updating City Council members on the changes.

Lakeview Museum Director Jim Richerson, who was out of town and couldn't be reached, said last month that they are still "committed to a \$65 million project and are still on track to achieving that goal."

According to one city source, the museum "will still have the same amount of exhibit space, but not the grandeur." At the July 10 meeting, the museum group is expected to request amendments and deadline changes to the existing intergovernmental agreement with the city.

Specifically, the group will request to reduce the size from about 95,000 square feet to at least 80,000 square feet. A deadline of Sept. 30, 2007, for construction plans, financing details, insurance information and an estimated operating budget would be pushed back to Nov. 30, 2008. The project closing date is being proposed to change from Dec. 31, 2007 to Dec. 31, 2008. Rising construction costs have forced the redesign, according to the sources. For instance, the glass-enclosed planetarium would have been extremely costly to heat and cool, and museum officials are very conscious of building a facility they can afford to operate. It's unclear how much pushing the deadlines back is related to the redesign and how much is because of sluggish fundraising.

As of February, the latest figures available, the museum group had raised about \$24 million in public and private funds, about 37 percent of the total \$65 million needed. Public dollars from local, state and federal governments have fallen far short of the original \$30 million target. After four years, there is only \$6 million in commitments from those sources. Private donations total \$18 million, or a little more than half the \$35 million being sought.

In February, officials announced a new strategy using the New Markets Tax Credit program, a federal program that rewards private investment in community-enhancing projects. It could generate from \$20 million to \$25 million. Officials said last month that the tax credit program is "going well" without providing details.

Journal Star
Saturday, July 7, 2007

Downtown Museum is no sure deal

Without tax credit, deadline extension, Riverfront Museum will not be built

by Jennifer Davis of the Journal Star

Lost in the fuss over scaled-back designs for the proposed Peoria Riverfront Museum are two upcoming hurdles that will decide if the museum group gets to build anything.

First, museum officials must convince the City Council to push back deadlines since they can't meet either a Sept. 30 deadline for construction plans to a Dec. 31 project closing deadline.

Museum officials will make a presentation to the City Council on Tuesday, but no vote is expected until July 24 at the earliest.

Secondly, but more importantly, museum officials should know by October is the gamble they're taking to raise money through the New Market Tax Credit program will pay off.

If not, there's a chance that the regional museum - a collaboration of Lakeview Museum, the Peoria Historical Society, the Peoria Regional Museum Society, the African American Hall of Fame, the Illinois High School Association, The Nature Conservancy and the Heartland Foundation - won't happen.

"The next six months will be make or break for us. It really will be," said Jim Vergon, chairman of Lakeview Museum's board of directors, and a spokesman for the Museum Group.

To date, officials have only raised \$24.5 million of an estimated \$65 million cost. Still, they are counting on the New Market Tax Credits, a U.S. treasury Department program that rewards investment in community-based projects, to generate \$20 million to \$25 million. Also, Vergon adds they have "probably over \$10 million is asks pending," in the private sector.

"The good news is they haven't said no. Our challenge is to go back to them and lay out how we've dealt with our design issues and get them to sign on," he said.

Scaling Back

The new design - scaled back in size and style - was officially unveiled Friday.

The most obvious change is the loss of the building's most dramatic feature - the metal sphere suspended in the 65-foot glass box, which was the planetarium. Now, the planetarium will be housed in a metal "elliptical cylinder," officials said. Rising construction costs also mean the loss of 15,778 square feet and the removal of the reflecting pool on the plaza between the museum and the planned Caterpillar Inc. Visitors Center. Still, officials stress that only 6,445 square feet is being lost in "usable space" because of new efficiencies in the design.

"I applaud them for living within their means," said Brent Lonteen, president of the Peoria Area convention and Visitors bureau. "They're being responsible, and they're still trying to bring greatness to the riverfront."

Still, some wonder if they are being responsible.

Kim Armstrong, a Peoria resident who attended Friday's news conference, questioned assurances that they can afford to build and operate this new design.

"You've had so many backpedals on this. Perhaps the operational costs should be re-evaluated as well," Armstrong said. Vergon, who estimated the annual operating budget at \$4.2 million compared to Lakeview's current \$1.6 million, said they don't anticipate a taxpayer bailout.

An evolution

Since 1998, when the city bought the two blocks between Main and Liberty streets, there have been numerous proposals for its use. In 2003, the first agreement to build a museum was signed by the City Council. The price tag was \$65 million then, but it was a 110,000-square-foot facility, scheduled to open in 2007. Caterpillar was going to have a wing. By 2004, the earth-moving giant had decided to build its own multimillion-dollar visitors center next door to the museum, thereby not jeopardizing the museum group's not-for-profit status.

At some point, fundraising stalled. In January 2006, museum officials unveiled the initial renderings.

"We asked ourselves if we should wait another six to nine months (for final cost estimates) but this community had waited a long time so we challenged our architects that the design would fit our budget," Vergon said Friday.

"So, the decision to share our design sooner rather than later was made."

Rather than increase the budget, officials decided to revamp the look - keeping the visitor experience as much the same as possible.

"It remains unique and very, very compelling, I think," said Jim Richerson, president of Lakeview Museum. It's a place where we can deliver the Midwest to the world. And with Caterpillar (next door), this is a project with international reach.

The New Peoria Riverfront Museum

Museum officials unveiled the following design changes to the \$65 million regional museum, set to open in January 2011, because of rising construction costs:

- > Reduction of 15,778 square feet, bringing the facility to 80,562 square feet. The majority - 55 percent - of that will be lost in the cafeteria that was planned underneath the planetarium. In exchange, the concession area around the giant screen theater was expanded for more food service.
- > Revamp of the planetarium. Instead of a metal sphere suspended in a 65-foot glass box with a café underneath, the planetarium will be housed in a metal "elliptical cylinder" building. It will still have state-of-the-art equipment - the first of its kind in the U.S. and considered the "Mercedes Benz" of the planetarium world, officials said.
- > Instead of parking underneath the building, the lower level will now be used for offices and classrooms and will now open out onto Water Street.
- > The second floor will no longer be accessible by visitors but will instead house mechanicals. But museum officials stress this allows for easier access for everyone.
- > The 15,000 square feet of retail space along Water Street would be put off until a developer is found.

Journal Star
Wednesday, July 11, 2007

Council's museum vote in August

Proposed changes, deadline extensions for Downtown project to be decided Aug. 14

by Jennifer Davis of the Journal Star

Proposed changes to the Peoria Riverfront Museum will come back to the City Council for a vote at the Aug. 14 meeting. Because of rising construction costs, museum officials aim to stay within budget by shrinking the building by about 15,000 square feet and doing away with both the reflecting pool and the large metal sphere enclosed in glass, which housed the planetarium.

They need the City Council to agree to the new, smaller size as well as to push back deadlines from Sept. 30 for construction details to Nov. 30, 2008, and from Dec. 31 for project closing to Dec. 31, 2008. If approved, the museum would open in January 2011.

"We have certainly achieved a more efficient design," Jim Richerson, president of Lakeview Museum, one of the partners in the \$65 million proposed facility, told the council. "Again, I stress, there is nothing else like this in Illinois." Though the museum would still look like a two-story building, the second floor would house mechanicals and no longer be accessible to visitors. The lower level, however, which faces Water Street would now be part of the museum and not underground parking, as originally planned.

"We still have two floors. And now we have a presence on Washington and Water Streets," said Lakeview Museum spokeswoman Kathleen Woith, noting that the visitor experience remains the same as the exhibits haven't changed. Museum officials had asked for council action at their next meeting on July 24, but at-large Councilman Gary Sandberg will be out of town and urged a different date.

Journal Star
Wednesday, August 29, 2007

Council adjusts museum deadlines

Agreement gives supporters until end of 2008 to raise funds

by Jennifer Davis of the Journal Star

Facing a third surprise deferral on the topic of Museum Square, the city council on Tuesday instead recessed briefly and crafted a new compromise agreement.

The agreement pushes back deadlines from the end of this year to the end of 2008 so supporters have time to raise needed funds for the planned \$65 million regional museum, but it also tightens language so retail space will be developed on the site. Specifically, the museum group has three years after the facility opens to begin construction of the retail space, after which the city takes back that right as long as the exterior design and tenant are approved by Lakeview Museum.

Further, any tax increment finance (TIF) revenues generated by the retail space will go back to the developer, who also will be able to lease the ground for \$1 a year.

The City and museum group were close but hadn't quite reached agreement on how to handle the retail space, so 3rd District councilman Bob Manning suggested another two week deferral, prompting Mayor Jim Ardis to ask attorneys for both sides to try and settle their differences during a recess.

"I'd like to get this done tonight," Ardis said.

The council passed the compromise 9-1, with at-large Councilman Gary Sandberg opposed and at-large Councilman Eric Turner abstaining because he works for Caterpillar Inc., which is building its worldwide visitors center on the other half of Museum Square.

Thought Tuesday's deal means the museum won't default on deadlines put forward in the initial agreement, it doesn't mean that Museum Square is a foregone conclusion.

Lakeview board Chairman Jim Vergon admitted to the council that officials are waiting to hear if they can secure \$100 million in New Market Tax Credits, which will generate the necessary \$22 million needed for construction to begin.

"Out understanding is the U.S. treasury Department will notify those entities (receiving tax credits) sometime around the end of October," Vergon said.

Manning asked about the museum group's "Plan B." "there are things we are exploring, and one of those is going back to our representatives," at the state and federal level, Vergon said. "That is definitely in our plans."

A big reason the museum group is relying on tax credits is because state and federal funding dried up because of Hurricane Katrina rebuilding efforts and the escalating costs of the Iraq war.

\$24 million space museum launched

Published: December 9, 2006

By NICOLE MONTESANO

Of the News-Register

Thirty feet underground, visitors will crowd around the base of a massive Titan II missile to marvel at the behemoth once

considered the most powerful intercontinental ballistic missile in the United States' nuclear arsenal.

Later, it was used to launch manned and unmanned Gemini capsules into space. As pumps hiss and metallic parts clank, visitors will realize it's about to take off again.

Upstairs in the launch room, it will be all business, as schoolchildren operate consoles designed to send missiles into space, listen to a realistic countdown and scramble to address any last-minute glitches. As the Titan II lifts off with its characteristic deafening roar, the entire room will shake.

On screen, they'll be able to watch the long trail of flame heading skyward - not from the missile on display, of course, but from others, courtesy of launch videos provided by defense contractor Lockheed Martin, builder of the Titan.

That's the vision Colin Powers, director of restoration at the Evergreen Aviation Museum, has for Evergreen's new \$24 million space museum. And the facility is now beginning to go up beside its air museum twin, so his vision should soon become a reality.

The 30-foot pit that will house the exhibit hall's showcase Titan II missile has already been dug, and the cement foundation to support it has been poured. Workers are now beginning to put up the massive pillars that will support the equally massive roof.

Powers has his head stuffed with visions of the amazing experiences he will be able to create for visitors. But first, he faces a staggeringly busy 18 months, dedicated to acquiring and restoring exhibits enough to fill 121,500 square feet of floor space, the same amount being devoted to the Spruce Goose and other artifacts of human flight in the existing museum.

Meanwhile, construction is continuing on a state-of-the-art IMAX Theater, originally billed at \$6.8 million before more than 18 months of delay and numerous design changes swelled the pricetag to untold levels.

Originally expected to open in November 2005, the theater is now targeted for opening in February or March 2007.

The prospect of getting going on the space half of what will become a true air and space museum has Powers delighted.

Although there are other fine space museums in the United States, there will be nothing quite like this one, he said. "It's going to be a world-class museum," he said, matching the aviation original it's being modeled after.

It will feature a footprint and look identical to that of the Goose's gleaming home, according to museum spokesman James Nelson. He said construction is expected to take 16 to 18 months, giving the new facility a projected opening date somewhere in the spring of 2008.

Some of Evergreen's current pieces will be transferred to the new exhibit hall, including, in addition to the Titan II SLV missile, a Titan IV SLV missile, piece of the Willamette Meteorite, replica of the Lunar Module, replica of the Lunar Rover and Russian Photon space capsule. A launch room with real consoles will permit the museum to offer an interactive simulation of a missile launch.

With exhibits weighing thousands of pounds each, the construction crew is having to pour an unusually heavy floor for the museum, Powers said.

The 30-foot pit will enable the 114-foot-tall Titan II to stand vertically, as if poised for liftoff. But it will still rise high enough to afford motorists passing by on Highway 18 a glimpse of its nose cone.

The Titan IV is even taller, so will have to be displayed horizontally. But that's not all bad.

Powers said, "People be able to walk right up to it, walk along it and get a good idea how big these missiles really are."

Powers recently returned from a trip with other museum representatives to the Smithsonian Air and Space Museum, which is offering a generous package of exhibits, some on a donation basis and others on a loan basis.

Among them is an escape vehicle built for the Skylab, the first space station built by the United States. "This vehicle was going to be attached to that, so if there was a problem, the astronauts could jump into that and come back to Earth," Powers explained.

There's just one problem. The vehicle, now located in Virginia, weighs 70,000 pounds - 35 tons.

"We have to figure out how to get it here," Powers said.

Several other museums are also offering assistance, including the Kansas Cosmosphere and Space Center. It is building a 35,000-square-foot gallery for the new museum.

"The Cosmosphere is excited to be partnering with the Evergreen Aviation Museum once again on a significant project that will bring the dramatic and inspirational story of human space flight to their already world-class aviation museum," said Jeff Ollenburger, Cosmosphere president and CEO. "We look forward to working closely with their team over the next two years in creating a comprehensive exhibit that will position their museum as one of the leaders in aviation and space education."

Many of the items will have to be restored before they can go on display, as some of them have been in storage 40 or 50 years. Eventually, the museum plans to build a restoration shop, but for now, Powers said, the challenge will be finding some sort of makeshift space while the museum is under construction.

He hopes that many of them will be able to remain with their donors for the time being. Some, he said, can probably be stored in the IMAX Theater's spacious new quarters.

With the help of Congressman David Wu, whose clout just increased significantly with the Democratic takeover in Congress, the museum is also working to acquire a space shuttle.

Competition is fierce. "There are only four available, and a lot of museums are after them," Powers said.

However, Powers believes he and Wu have one big argument they can wield in their favor. "We feel the people that live on the West Coast ought to be able to have the opportunity see one of them up close without having to go back east," he said.