

PASO ROBLES MUNICIPAL AIRPORT • P O BOX 570, PASO ROBLES CA 93447

ESTRELLA WAR BIRDS MUSEUM



City of Paso Robles
1000 Spring Street
Paso Robles, Calif 93446

Atten: Mr. James App
City Manager

Dear Sir,

As you are aware, the Estrella Warbirds Museum has worked very hard for the last three years to make the aircraft/military museum a reality. In this short period of time, we have installed or built the infrastructure of the facility that includes dirt work, undergrounding of utilities, paving, curb and gutters, three buildings, sprinkler system and landscaping.

Also in this short time we have gathered eight warplanes, nine vintage military vehicles, and various artifacts that we feel should be shown in the museum.

As we are now entering a new phase in our life, it is now apparent that we need a person (professional curator type) to make our displays attractive and interesting to museum goers. We think that if we can hire or contract this type of person, the benefits will be very apparent in a very short time by the number of persons that will visit our facility and the notoriety that we will surely attain.

When we started the museum, most of the members were pilots or enthusiasts, but surely not curators! So we believe that the way for us to make the museum more professional and successful will require a paid professional to arrange and show the articles that we have gathered and will continue to gather.

We are formally requesting from the City of Paso Robles funding in the amount of \$12,000.00 per year to allow us to seek out and contract a person of this caliber. In addition to these funds, we could supplement this persons salary with additional funds received from the yearly Paso Robles Airshow revenue.

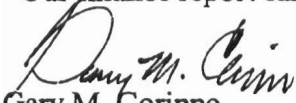
We feel that this person could be put in place to start the 1999 season on/or about January 2, 1999

We have done research about the traffic pattern that travels past our facility and find that the traffic count on State Route 46 is about 18,000 cars per day. If we could attract one half of one percent of these cars, it would ninety cars or 180 persons per day.

This may seem like a lot of people, but if we attract one third of this number , you can see the potential. As we grow in size and reputation, these numbers will most likely go up. In addition to this traffic, we can schedule in schools, touring groups, and other special events. Although the Estrella Museum is free of charge, we accept donations and this seems to do very well.

Attached is an ESTRELLA WARBIRDS MUSEUM business and operating plan that should explain our goals and problems that we have had in the past and ways that we want to solve them.

Our finance report can be made available to you if you have a need to review it.


Gary M. Corippo

By Direction- Estrella Warbirds Museum

ESTRELLA WARBIRDS MUSEUM BUSINESS PLAN - 1999

December 9, 1998

PURPOSE

This plan is intended to outline the actual pathway our organization has determined is the most logical route towards attainment of our goals and objectives for the coming year.

Our Paso Robles community is dynamic and growth oriented and we want to become part of that image. The Estrella Warbird Museum should join our numerous wineries, golf courses, and other unique and scenic local attractions, giving people an additional reason to gravitate to Paso Robles.

For the purpose of projecting annual performance this report has considered the Air Show as one entity and the entire balance of the Estrella Warbird Museum operation as another. This division is dictated by the fact that the Air Show produces around three quarters of both our annual revenues and our annual costs.

AIR SHOW

Income

Estimates are optimistic based on the following:

- The 1998 air show results were good in spite of poor weather and the fact that we lacked professional long-term advance planning.
- This year we will benefit from excellent year-long leadership and advance planning. Col. Charles Miller has assumed the duties of full-time Air Show Director for the Museum.
- The chances of poor June weather two successive years is remote.
- We are presently well ahead of last year in planned exhibitions, number of planned visiting aircraft, and other attractions.

These combined factors will result in added interest, increased attendance and higher revenue-per-attendee than previous years. We believe that revenues will be 30% higher than last year, amounting to approximately \$15,000.

Costs/Expense

Air Show expenses will increase by a small percentage due to the additional volume of visiting aircraft and pilots. Improved management will exercise prudent cost controls which will hold the line to a minimal increase of no more than 5%.

MUSEUM OPERATION

Income

We should experience modest gains;

- Our plan to add a professional full-time curator will create well-managed, attractive exhibits and eventually (probably by mid-year) begin to produce significant gains in visitor donations. For example, if we attract as few as 14 visitors daily the museum will receive added revenues exceeding \$13,000 annually (based on a 6 day week and average visitor donation of only three dollars).
- The Curator's duties will include the exploration of new methods to generate of additional sources of income. This effort will include the attraction of tour groups, renting out of museum equipment and making the assembly area available for outside group meetings.
- Increased visitations will be encouraged by a variety of methods aimed at enlarging public awareness of our facility. We plan to work with the Chamber of Commerce, all local media, and to explore the possibility of public highway signage.
- We are confident that these actions will also attract additional sponsorships, members and volunteers, compounding the additional revenues.

Cost and expense

Major increases will be incurred.

- The added utility and maintenance of the newly completed three building complex (v/s the original single building) will have substantial impact.
- The new costs will reflect increases to our electrical, heating and telephone expenses by approximately 10 %.
- The addition of the proposed professional Curator will result in a new cost burden of approximately \$12,000 per year. The Curator will be administered as a consultant, operating on a contract basis, for a fee of \$1,000 per month.

Overall expenses are expected to rise by approximately 65% due to these two major factors.

CONDENSED PROFIT / LOSS COMPARISON

| | <u>1997</u> | <u>1998YTD</u> | <u>Projected 1999</u> |
|---------------------|---------------|----------------|-----------------------|
| <u>INCOME</u> | | | |
| Air Show | 30,641 | 55,724 | 72,441 (+30%) |
| All other sources | 20,926 | 19,359 | 22,263 (+15%) |
| <u>Total Income</u> | <u>51,567</u> | <u>75,083</u> | <u>94,704 (+26%)</u> |

COSTS / EXPENSE

| | | | |
|----------------------------|---------------|---------------|----------------------|
| Air Show | 27,135 | 46,340 | 48,657 (+5%) |
| All other costs/expenses | 23,565 | 20,253 | 33,468 (+65%) |
| <u>Total Costs/Expense</u> | <u>50,700</u> | <u>66,593</u> | <u>82,125 (+23%)</u> |
| <u>NET</u> | <u>867</u> | <u>8,490</u> | <u>12,579 (+48%)</u> |

OVERALL ANALYSIS

The overall prospects for the Estrella Warbird Museum for 1999 indicate a transitional year with satisfactory results. The outlook for the future is excellent with outstanding growth prospects.

ESTRELLA WARBIRDS MUSEUM OPERATING PLAN

Purpose

The following is an Operating Plan, stating the goals, philosophies and aspirations of the Estrella Warbirds Museum of Paso Robles. It does not include actual or estimated fiscal statistics (eg. a forecast of expected revenues, planned expenses, or foreseeable gains and losses) since, in this operation. it is extremely difficult to predict these factors in quantifiable terms.

We plan to continue the growth of the museum

In less than a decade we have (starting from nothing) created the substantial foundation for a reputable institution dedicated to the preservation of military aircraft and equipment, along with the memory of patriotic accomplishments of the American people.

We have completed construction of three buildings, each designed to serve a specific purpose for (1)display of aircraft and other artifacts, (2)restoration activity and (3)member social and business activities. Our objective now is to fully utilize these facilities to the best advantage, a task which will require thoughtful planning, coordination and execution.

Our present collection of aircraft and vehicles includes a fairly wide range, but would be enhanced by additional airplanes and equipment. We will continue to vigorously pursue future acquisitions and are currently negotiating on several fronts towards expansion of our fleet. We are especially interested in adding older (WWII and previous) equipment, which is rapidly becoming extremely scarce, increasing the need for preservation.

We also will focus even more attention on the restoration of aircraft and vehicles which are already secured but require considerable work to be attractively displayed.

We will increase our effort to publicize and market the museum to the public.

We are aware that our museum is unknown beyond the immediate local area. Our efforts will be directed towards increased public awareness and publicity. Education programs, school field trip tours, pursuit of local media opportunity and possible highway signage are among the factors we intend to explore.

Geographically and competitively we are well positioned. Santa Maria has an attractive, but small, museum which is focused on general aviation rather than military. The closest military aviation museum is located in Merced (former Castle AFB) .

The stepped up marketing activity will also produce positive results in our constant efforts to attract financial sponsorship as well as stimulate group membership and volunteer recruiting.

We will continue to strive for financial independence.

The Paso Robles Air Show has proven it is capable of producing substantial revenue on an annual basis. We will continue to produce the Air Show and feel that while it is already the source of the great majority of our revenue, it can be utilized to an even greater advantage. Our past success at gaining wide financial sponsorship for the event from local businesses and individuals has been impressive and we feel that with the growth of the museum and increased professionalism on our part, that record can be improved.

We presently have no plans to charge admission to the museum. Past donations from visitors have been sporadic and sparse, but we are confident that with increased attractions and broadened exhibits this situation will improve. A system of encouraging visitor donations may be implemented as the museum's appeal is enhanced. Visitor donations will certainly increase as visitor volume increases and may become a viable source of revenue in the future. .

We will attempt to become more efficient and professional in our operation.

Our members possess a wide variety of talents and are dedicated and well-meaning, but our efforts are often scattered and inefficient. Labor is all on a volunteer basis and needs cohesive direction and coordination. Our leadership is aware of this need and are now focusing considerable attention towards potential solutions to this problem.

