

Peoria's Community Service Museum

By John W. Jacobsen and Jim Richerson

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How can a museum provide public value without annual public funds?

The new Peoria Riverfront Museum (PRM) in Peoria, Illinois, which opened on October 20, 2012, may have an answer. It has to have an answer, as it is charged to operate without public operating funds¹. Its approach reflects today's priorities and economics, and is a good example of a new, or perhaps revitalized, movement toward *community service museums*. Community service museums, like the PRM, are distinct from *mission-driven museums* in important ways, principally in their multiple purposes and diversified business models. There are other community service museums with some public funding; the innovative challenge for Peoria is to succeed without any public operating funds.

The Peoria Riverfront Museum's Intent and Aims

The new 80,000 SF multidisciplinary (art, history, science and achievement) museum has flexible spaces and programming strategies that can relate over time to a wide range of audiences in the Peoria region and serve many purposes over the years. Jacobsen and White Oak Associates have been closely involved in planning this museum, Richerson is the Museum's President and CEO, and so we write with both knowledge of and an inevitable bias toward PRM's achievements to date and the new Museum's aspirations for its future success.

¹ There is about 1% of public funding in the proforma, but that assumes grants and fee-for-service funds from government sources, rather than operating subsidies.

The Museum's architecture and opening exhibits are attractive and popular, but not in a flashy, or techy way - is designed to increase the range of the PRM's potential private and public values. The Museum has 22 *learning spaces*, thirteen within the paid museum galleries, and nine in other parts of the strategically programmed building. The strategy includes different business models (admission, program fee, facility rental, etc); architectural infrastructure (windows, height, lighting control, collection quality HVAC, etc.); and learning method. There are nine galleries (five collection-quality and four hands-on water based), four theaters, eight program spaces, and one library, with a wide selection of sizes and architectural characteristics.

Community needs guided planning

How did the museum get to these learning spaces and this approach? Roll back a dozen years, when the vision was formed. In 2001, Peoria had needs and aspirations. The community needs analysis conducted by White Oak Associates revealed several issues that might be addressed in part by a new downtown museum. The downtown core was blighted by a derelict Sears store surrounded by a sea of weedy asphalt and cyclone fencing. The school district was in distress; the social fabric was divided racially and economically; and political leaders were characterized more by arguments than by leadership. There was loose talk of Caterpillar reconsidering their HQ in Illinois because of skilled labor shortages, the cost of doing business in that state, and their difficulty in attracting employee families to move to Peoria, where folks joked that the main tourist attraction was Big Al's, a downtown strip joint with a proud lineage to the speakeasies of Capone's gangs and their vaudeville babes.

Peoria also had assets and aspirations. Caterpillar added global vision and weight. There were dreams for downtown renewal, economic development, quality of life improvements, support for education and community gathering. There were existing cultural organizations and their committed volunteer boards that might collaborate. Peorians wanted a place they could proudly bring their visiting friends and family. Volunteerism, we were told, is big, and so is civic engagement.

The Lakeview Museum of Arts and Sciences, an Alliance of American Museums (AAM) accredited collection-based museum in a suburban cultural park, was one of the assets. Lakeview was already a multi-disciplinary museum. In the early 1960s Peorians rallied together together to create a multi-faceted Lakeview Center that hosted 26 different groups from the arts to the sciences and others. By 1973 they organized their efforts into a museum and changed their name to Lakeview Museum and were accredited by the AAM that same year. Such an effort saved a lot of duplication of cultural services in the community and led to cross-disciplinary experiences for a visitor.

Unlike the other museum collaboration partners in town, Lakeview had professional staff, an on-going operation, and adequately stored collections. Lakeview took the organizational lead in the project, bringing on to its board representatives from collaborating museums, including the Peoria Historical Society, the African American Hall of Fame and Museum, and the Nature Conservancy. Organizationally, the new museum project brought together a number of nonprofit cultural organizations that needed a museum-like setting, consolidating and strengthening their appeal to funders.

Richerson, hired as the President and CEO of Lakeview Museum in 2000, understood that a new museum for Peoria could not simply be an expansion of Lakeview, but would need to be a different kind of organization in order to earn the broad support and capital funding needed. Lakeview was perceived by some as elitist and remote. The need for a new model came internally from the collaborating partners, and externally from the community profile and needs.

Many Peorians are more comfortable in construction, manufacturing, agriculture and healthcare matters than they are in museums. Straightforward, no bells and whistles attitudes prevail in psychographic profiles – this is not an Armani and Jaguar social set. Bradley University and the healthcare training organizations leaven the mix with students, researchers and faculty, and of course there are arts festivals, a symphony and a lively creative community, but lifestyle profiles show Peorians to be more conservative than trendy and edgy. It is also a limited market in population, geographic reach, disposable income and average education. Peoria is not an ideal museum demographic, and so planning and funding a new museum was challenging. Caterpillar's HQ is in Peoria, and, as the largest employer, CAT looms large in the culture and economy. Caterpillar was an early supporter, and has invested in both PRM and its own visitor center next door, with both facilities opening the same day on the old Sears block, now the showpiece of downtown.

This context required an appropriately scaled museum project that embraced all disciplines - art, history, science and achievement - and that served the Illinois River Valley region in more ways than traditional museum galleries that tell stories and exhibit collections. Most public authorities were vehemently against any on-going funding or support, and, in this conservative region, voters agreed. The business model had to work without public operating funds. As the average public funding for U.S. museums was 24% (2008), operating at near zero will be a significant challenge. As public funds continue to decline, the lessons learned in Peoria could be of interest to all museum managers.

PRM's Logic Model and three purposes and outcomes

These community needs, aspirations, and audience profiles were distilled into the new Museum's purposes: **Educationally** it could offer Peorians of all ages opportunities for lifelong learning, and support the school district with teacher professional development and inquiry-based student programs; **Socially** it could serve downtown as its public square and gathering place, offering its flexible spaces to organizations and its galleries and theaters as people magnets connecting people and increasing their quality of life; and **Economically** it could reinvigorate downtown, increase abutting property values, help inspire tomorrow's workforce and, with the next door Caterpillar Visitor Center, contribute to building a tourism market.

These needs and their purposes were organized into PRM's Logic Model, which has guided planning and will structure institutional evaluation in the future. This was an early use of logic models at an institutional scale, and the development of the model shed light on another key difference: The PRM is built conceptually and physically on a *multiple-purpose logic model*, that starts with *community needs* and ends with *community outcomes* in three prioritized purposes to: Advance learning and education; build social capital; and develop the economy, in that priority. Yes, there is still a mission statement, but the PRM has three intentional purposes, not just one.

Fund raising and governance

Lakeview Museum President and CEO Jim Richerson and his team raised \$41 million of the \$77 million total from private, corporate, foundation and some public agencies. Missing were the large public capital funds that helped fuel the museum boom; since the Great Recession, these earmarks have largely dried up. The lack of public capital left a \$36 million hole in the capital and pre-opening budget to build, outfit, manage and endow the new downtown museum facility, with its galleries, giant screen theater, multipurpose auditorium, digital dome, learning studios, lobbies, retail and food services, plus getting a good start on an endowment. The full scope of the entire development was \$140 million, which includes the cost of the Caterpillar Visitors Center, a public parking deck, the value of the seven acre site and surrounding street and utility work. These were funded by Caterpillar or other sources outside the \$77 million. Without more public capital funding this project would not have gone forward.

In 2008 Richerson and his local advisers decided on a public referendum for a sales tax increment, and they ran a successful campaign to “Build the Block,” placing an emphasis on creating a new downtown amenity to replace an eyesore. Richerson made over a hundred public presentations of the Museum's plans and components, including the projected business models. There were also direct mail and telephone campaigns. In all of this communication, the new Museum's community services were featured. Because of these potential benefits and Lakeview's well-run campaign, voters passed a referendum for a sales tax increment that provided \$36 million in capital funding to build the museum building.

In principle, the passage of the referendum assured the project. In practice, there was a year and a half delay, while the County of Peoria took control of the referendum funds; decided that the new museum needed to be a new 501 (c)(3) with a new board with the majority appointed by the County², including the founding Chair. The County made it very clear they did not want to have to fund operations, even if required by the referendum to fund the capital. Further, the County decided it would use these funds to build and own the building, already at bid documents stage by local architects PSA Dewberry³, and turn it over to the PRM to operate under a lease and operating agreement that extends over 99 years. This delay and change in governance structure affected many assumptions, but several were not allowed to change: the opening date, the capital budget total, and the assumption of running in the black without public funds. Richerson now finds himself juggling between the promises and proformas that sold the public on the referendum and that the Lakeview structure could fulfill, and the new governance of a brand new entity with its own agendas and assumptions. For instance, the Lakeview board understood that they were a fund raising board, while PRM board has focused its efforts on operational policies, monitoring budgets and managing the political waters.

Lakeview Museum has left its former site, and folded its operations and assets into PRM. The collection has been transferred to off site storage, except for the objects cycling through the Museum's collection-quality Fine and Folk Art Galleries, in dispersed exhibits and in the Illinois River Gallery.

² A minority were from the Lakeview Board, which already included representatives from the other collaborating museums.

³ Zimmer Gunsul Frasca Architects, LLP (Portland, OR) gets the design credit.

Peoria Riverfront Museum was born as a community project because of its willingness to be flexible, open, changing and collaborative with the community and serve multiple purposes, not just one mission. The original team was also willing to be flexible and continue under a new structure. Whether they will be able to keep their promises to the people within this new structure remains to be seen.

Diversified Business Model Aligns with Purposes

There is an intentional alignment between PRM’s prioritized purposes and what its revenue sources are expected to buy, as shown in Table 1. The *proforma* operating budget is based on comparables, market analysis and Peoria economics; the revenue shares are from a detailed operating budget for 2015, assumed to be a stabilized year. Note the purpose priorities align with revenue share.

PRM’s Revenue Sectors and Community Services
(Projected Typical Operating Years)

Operating Revenues	Revenue Share	Mission	2nd Purpose	3rd Purpose
		Education & Learning	Social Capital	Economic Development
Support Revenues				
Private Supporters	19%	19%		
Corporate Supporters/Sponsors	9%	3%	3%	3%
Restricted Gifts/Grants	1%	1%		
Government Funding	1%			1%
Endowment Income	7%	4%	3%	
Earned Revenues				
Visitor Spending	37%	15%	15%	7%
Program Fees	6%	6%		
Movie Tickets (Eve)/Concess	12%		12%	
Function Rentals & Pkg	6%		6%	
Other Revenue	2%		1%	
Total Revenue	100%	48%	40%	12%

Table 1

Source: White Oak Associates Master Plan

Assignments to purposes are the author’s targets for future evaluations of reasons for spending on the Museum.

The Museum’s 22 learning spaces are linked in many ways. Centralized digital signs say what is scheduled to happen next in every program space; centralized scheduling keeps track of who wants to use which spaces. Conceptually, the selection, sizing and outfitting of each learning space reflect the Museum’s brand values and its strategies for engaging multiple audiences. They work as a family, or menu of community resources, sharing Lakeview Museum’s legacy prestige as a Smithsonian Affiliate and AAM accredited museum.

A flexible menu of learning spaces requires forethought, commitment and some extra cost. It means thinking of every learning space in multiple modes of operation and then investing in the infrastructure to economically facilitate those changes in the future – what we call *Delta*

thinking. Learning spaces can operate independently if they have independent access, and circulation of people and supplies is critical to functional operation. Only three of PRM's exhibit galleries have long-term exhibits; the rest have built-in provisions and expectations to change content.

As an example, "The Street" has three Delta galleries and an object theater that are designed to change scenarios every few years. There is an armature that holds changeable scenic elements, collections cases that can change objects, interactive media that can be re-programmed, and an oral history workshop and a hands-on history studio that will continuously change. The opening scenario focuses on innovation in Peoria. Future scenarios will cover other Peoria stories, like civil rights and vaudeville. The digital Dome is another learning platform already being used for school shows, college astronomy lectures, fulldome shows and dinners under the stars. There are function support facilities near all gathering spaces, and food is separately routed from the collections galleries.

The Giant Screen Theater (GST) is a clear example of a decision process driven by community service. Originally slated for an IMAX® flat screen theater, the Museum's management and staff felt more comfortable taking the considerable risk of opening a first-ever digital theater that could screen a wide open schedule, from classic giant screen documentaries in full, immersive height (4:3 aspect ratio), to Hollywood 3D studio releases in conventional shapes, to live action coverage of sports events and Metropolitan Opera broadcasts. Museum leadership felt that the community would be better served with a multiple-purpose theater that exceeded all others regionally in image and audio quality, seating comfort and screen size. As of this writing, the GST is screening *Sea Monsters 3D* and *Rescue 3D* during the day, and it is about to screen the James Bond classic *Dr. No*, for a special gala the night before launching the next Bond studio franchise, *Skyfall*, for a run of evenings.

This approach to the building as a set of 22 flexible learning spaces diversifies PRM's revenue sources. The revenue from different sectors for different services provides leadership with one perspective on institutional evaluation metrics that acknowledge the Museum's multiple purposes and services to the community. Who knows what the actual split will be in 2015 and beyond? Or what community services will be most needed? The intent is that the Museum has the facilities and flexibility to evolve to fit the community needs.

The Community Service Museum approach may be a better model for some museums

The PRM's community service approach can be adopted by existing museums, but there are major implications for museum management, facilities, programming and economics – many of which may be challenging for mission-trained museum professionals.

Many museums may already be operating as community service museums if they have multiple revenue sectors buying different values. They may be calling these other revenues 'ancillary' or 'mission-enabling,' or 'non-branded activities,' but this is a shell game that demeans the professionals delivering these desired community services. In practice, museums and their communities are becoming dependent on these off-mission revenues/services, and, as competition arises, these museums become more intentional and better at delivering these services. It is much better up front to claim your booming function rental business is a response

to the museum's intentional purpose of community gathering, than it is to be embarrassed by its intrusions or commercial aspects and apparent lack of mission.

Opening evaluation results

Mary Ellen Munley & Associates ran the Museum's "dress rehearsal evaluations" with over a thousand invited visitors in sessions held over two weekends before opening. Only some galleries, The Dome and toward the very end, the GST were ready, but these test audiences loved what they saw. Exit interviews asked the Net Promoter Score question, which scored 100, the highest possible.

It will take a while for the staff to learn to operate this flexible facility, and to tune its activities and scheduling mix to fit the market demands and to build its grant-funded programs. It will take them a while, in fact, to finish the facility, due to approval delays in everything but the opening date. These learning and launch issues were foreseen by start-up and reserve funds in the capital budget, but of course there is already pressure to run purely on operating revenues without using reserve funds in order to allay fears of public funding appeals.

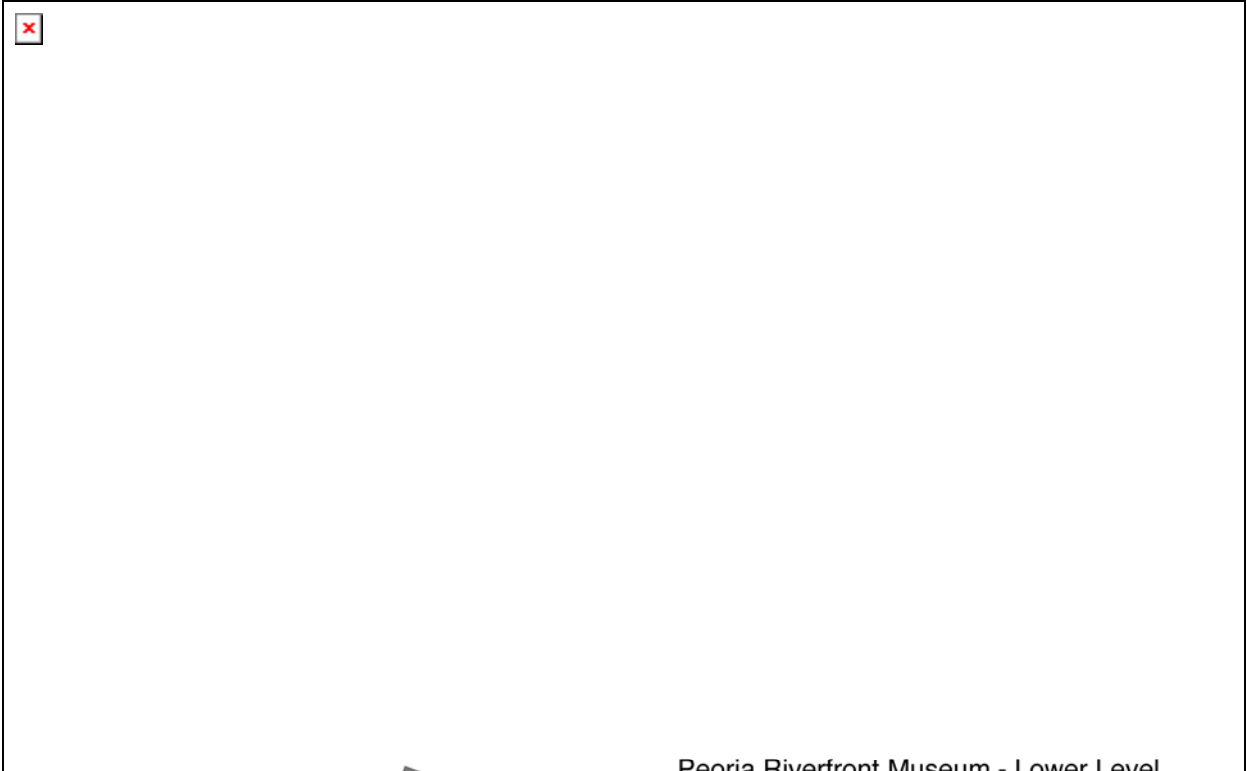
Over the next years, the Peoria Riverfront Museum should evaluate its outcomes in at least two ways: Traditional evaluations (eg surveys and interviews with end users) to determine what public and private values they are receiving; and revenue and engagement numbers for each community service to determine the scale and trend of the community's interest in that service. For instance, the Museum can interview the corporate support sector to find out why they sponsor or support the Museum, and it can track the changing amount of corporate revenues from year to year. Do those values and trends align with the Museum's intentions?

However, Peorians and the County of Peoria will be looking at a much more basic evaluation metric: Can the Museum run in the black without public funds, once it has used up its capital budget cushion? This is a question relevant to any museum facing declining public funds.

The viability of private-sector, community service museums will be tested by the ultimate evaluation: "Will it play in Peoria?"

John W. Jacobsen is President of White Oak Associates, Inc (museum planning and production), and CEO of the non-profit White Oak Institute (museum-field research and innovation). He can be reached at jjacobsen@whiteoakassoc.com. White Oak Associates is the museum planner for the PRM.

Jim Richerson has been President and CEO of the Peoria Riverfront Museum since 2010 and was the President and CEO of Lakeview Museum of Arts and Sciences since 2000. He started his museum career at the University of Chicago and has had the opportunity to work on museum projects in three countries and in three US states. He can be reached at jricherson@peoriariverfrontmuseum.org.



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Peoria Riverfront Museum Logic Model

