



April 5, 2023

The Honorable Janet D. Howell
Co-Chair, Finance and Appropriations Committee
Senate of Virginia
P.O. Box 2608
Reston, VA 20195-0608

The Honorable Barry D. Knight
Chair, Appropriations Committee
Virginia House of Delegates
1852 Mill Landing Road
Virginia Beach, VA 23457

The Honorable George L. Barker
Co-Chair, Finance and Appropriations Committee
Senate of Virginia
P. O. Box 10527
Alexandria, VA 22310

Dear Senators Howell and Barker and Delegate Knight:

Item C-21.75, 2019 VIRGINIA ACTS OF ASSEMBLY, CHAPTER 854 requires a report on the future operations of the Northern Virginia Science Center. The attached report includes a project description, the local and the private funding for the project, and a pro forma with various scenarios projecting revenue from admissions and sales. The project has completed preliminary design and is now ready for construction funding.

Thank you for your work on behalf of the Commonwealth and your support of this critical project.

With Warm Regards,

A handwritten signature in black ink, appearing to read "Richard C. Conti". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard C. Conti
Director/CWO

Project Summary

The Northern Virginia Science Center is a division of the Science Museum of Virginia. The project is being delivered via a public-private partnership among the Commonwealth of Virginia; the Northern Virginia Science Center Foundation, a Fairfax based 501(c)3 non-profit organization doing business as Children's Science Center; Loudoun County; and private investment from organizations in the region. The partnership leverages the Science Museum's more than four decades of expertise in informal science learning at their Richmond and Danville locations which serve hundreds of thousands of guests each year. The new 69,000-square-foot science center will be located on five acres of donated land at the Kincora development in the Dulles area of Loudoun County. It will feature five expansive galleries with interactive exhibits to inspire guests of all ages; innovative educational facilities for hands-on programs, pop-up experiences, and special events; and direct access to a 200-acre nature preserve. The Science Center is projected to serve over 300,000 guests of all ages annually.

Detailed planning funds to construct the facility were appropriated by the General Assembly in FY20, and construction funds were appropriated by the General Assembly in FY21. Further project details include:



Building Design

The Department of General Services is leading the design and construction of the facility. HGA was selected for the architecture and engineering contract in fall 2019. HGA brings a significant portfolio of impactful arts, culture and community projects across the nation and in the Northern Virginia region, including Capital One Hall in Tysons and Loudoun County's Brambleton Library. The firm has demonstrated experience in designing public spaces that explore the intersections between learning, play and community. HGA completed the preliminary design for the facility in fall 2022. Balfour Beatty was selected as the Construction Manager at Risk.



Land Transfer

The Northern Virginia Science Center Foundation originally acquired a donation of land via proffer from the Kincora development. The site is located on Route 28 in the Dulles Technology Corridor within Loudoun County near the border of Fairfax County. Over 2 million people live within a 20-mile radius of the site. Kincora developers are conveying the land to the Commonwealth by way of a land donation agreement currently in negotiation. At the State's request, the developer has upgraded to a larger 5-acre parcel of land, valued at approximately \$5M. This parcel adjoins and overlooks 200 acres of county parkland on the Broad Run stream valley with an extensive nature trail system. The land transfer is expected to close in April 2023.

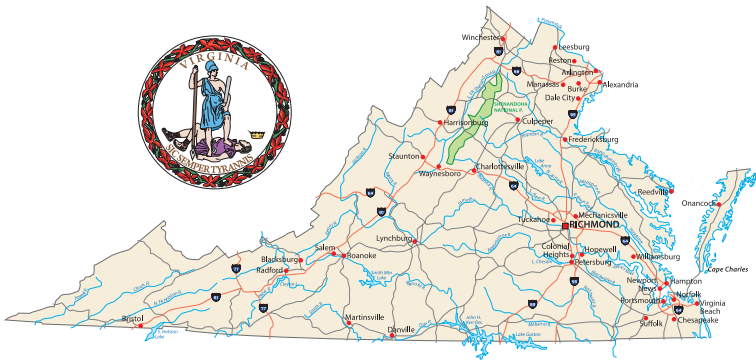


Exhibit Development

Northern Virginia Science Center Foundation is leading the procurement of the exhibit design in collaboration with the Science Museum's scientists and exhibition professionals. Roto was selected for the exhibit design and fabrication contract in fall 2019. Roto is an international leader in museum planning, exhibit development, full-service production and interactive engineering. Roto completed conceptual and detailed design for the planned 28,000 square feet of exhibits in spring 2022.



Northern Virginia Science Center



Brand Architecture

Fable Branding, a Richmond-based creative firm, was engaged to develop an exciting new brand for the Northern Virginia Science Center that was cohesive with the Science Museum of Virginia and Danville Science Center brands. Fable conducted thorough market research and developed a comprehensive messaging strategy resulting in a powerful new visual identity which was completed in July 2020 and launched in May 2021.

Partnerships

The Northern Virginia Science Center is being created via a pivotal public-private partnership. Partners' support of this project includes State support for design and construction of the facility, Loudoun County outfitting the building with world-class, hands-on exhibits with a \$15M commitment, and the Northern Virginia Science Center Foundation's campaign to raise \$25M from private sources to fund remaining costs of construction and exhibits, operating reserves, and to establish an endowment. As of March 2023, the Foundation has raised \$17.2M in private funding, including a lead gift of \$10M from Northwest Federal Credit Union, headquartered in Herndon, Virginia.

Project Benefits

This regional science center will inspire hundreds of thousands more students and citizens of all ages in STEM learning, driving growth in the Commonwealth's workforce and economy. It expands access to STEM education resources to 600,000 preK-12 children in the Commonwealth; creates a state-wide network of science centers bringing greater access to industry partners in Northern VA and DC; delivers significant new economic impact to the Commonwealth and region; and showcases the Commonwealth as a science/technology hub to citizens and visitors from across the world.

Operating Plans

Operating sustainability is a core component of the partnership and plans for the Science Center. In addition to establishing the operating reserves and endowment with the private sector campaign, plans include:

- Loudoun County operating support in the first five years at \$250,000 annually.
- Service contracts with public school systems for school programs and teacher professional development.
- Science Museum of Virginia administrative support including Finance, IT, HR, graphic design and media services.
- Facility design to leverage Northern Virginia market potential to generate earned revenue through admissions, programs and events.

Fundraising Status

March 2023



The Northern Virginia Science Center Foundation embarked on the *Launch the Future* Capital Campaign in 2019. Despite the pandemic, the Foundation experienced a ground swell of support from the region's families, foundations, and corporations in addition to unprecedented support from Loudoun County.

Funding Status Highlights:

- \$32.8M raised from private philanthropy and Loudoun County.
- Funds raised-to-date will cover the cost of exhibits, operating reserves and endowment, including the additional funds needed due to inflationary pressures and time delays from the pandemic.
- This will result in a total private philanthropy and local raise of \$40M.
- Based upon the Foundation's current operating and capital giving, the Foundation estimates it can raise over \$700,000 annually for ongoing operating support.
- In addition, the agreement with Loudoun County includes \$250,000 in operating support for the first five years of operation.



Proforma Income Statement

Northern Virginia Science Center, Dulles, Virginia • Updated April 2023

Scenarios - Year 1 (Today's \$)

● Earned Revenue

	Baseline	Low	High	Zero State Support
Admissions	\$ 2,250,000	\$ 1,884,000	\$ 2,639,000	\$ 2,137,500
Groups	\$ 347,700	\$ 288,900	\$ 373,500	\$ 312,930
Memberships	\$ 450,000	\$ 375,000	\$ 525,000	\$ 405,000
Education Program Fees	\$ 150,000	\$ 127,500	\$ 172,500	\$ 127,500
Events, Rentals & Parties	\$ 112,500	\$ 93,750	\$ 131,250	\$ 93,750
Retail and Food Vending	\$ 46,000	\$ 31,000	\$ 60,000	\$ 31,000
Sub-Total	\$ 3,356,200	\$ 2,800,150	\$ 3,901,250	\$ 3,107,680

● Contributed Revenue

Private Support	\$ 695,000	\$ 575,000	\$ 745,000	\$ 650,000
Public Support (Loudoun)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Sub-Total	\$ 945,000	\$ 825,000	\$ 995,000	\$ 900,000

Total Revenue	\$ 4,301,200	\$ 3,625,150	\$ 4,896,250	\$ 4,007,680
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● Operating Expenses

Salaries and Fringes	\$ 3,177,039	\$ 2,771,234	\$ 3,474,154	\$ 2,596,374
Facility	\$ 735,520	\$ 698,520	\$ 754,406	\$ 661,968
Exhibits	\$ 75,000	\$ 35,000	\$ 106,350	\$ 67,500
Advertising and Marketing	\$ 332,952	\$ 279,960	\$ 342,941	\$ 332,952
General & Administrative	\$ 383,300	\$ 359,300	\$ 397,089	\$ 348,886

Total Expenses	\$ 4,703,811	\$ 4,144,014	\$ 5,074,939	\$ 4,007,680
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<i>Net Income</i>	\$ (402,611)	\$ (518,864)	\$ (178,689)	\$ 0
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Annual Subsidy from General Fund	\$ 402,611	\$ 518,864	\$ 178,689	\$ -
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	\$ 0	\$ 0	\$ 0	\$ 0
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Notes & Assumptions

1. State operating support request includes \$1M to offset required personnel costs. Value of SMV core support estimated at \$500,000 per year.
2. Baseline assumes 320k attendance; Low & High scenarios are 275k and 365k visitors.
3. Proformas were derived from: 1) SMV & ChildSci operating experience with historical revenue and expenses, 2) industry data compiled by the Association of Science & Technology Centers, 3) data compiled by Northstar Museum Advisors (NSMA) for Foundation.
4. Low scenario reflects slower ramp up in staffing costs should demand be lower than typical for population.
5. Private contributions towards annual operations based on historical results for Foundation in 2022.
6. All projections are cash basis, in today's dollars, before depreciation expenses, and do not include any capital expenditures from the museum build-out.