

Joint
Strategic Business Plan
2007 through 2011
for



The Alberta Aviation Museum Association
And
The Edmonton Aviation Heritage Society

**Edmonton Aviation
Heritage Society**



Completed May 4, 2007

EXECUTIVE SUMMARY

The Edmonton Aviation Heritage Society (EAHS) and the Alberta Aviation Museum Association (AAMA) have together achieved remarkable success over the past 15 years. The concept of a heritage hangar that hosts a museum and community centre has been proven, and has resulted in an increasingly prominent city attraction.

Growth is the major challenge facing the “hangar community” (ie, the EAHS, the AAMA, all other member groups, cadet units, and all the part-time volunteers). Realizing its full potential demands full-time professional management, a clear vision, and a viable growth strategy. The pattern of informal cooperation between the EAHS and the AAMA that has existed up to now is being replaced by a more formal, business-like system.

In recognition of its growing prominence, the City of Edmonton has applied resources to assist the hangar community. In 2006 an operating grant was made that enabled the hiring of a full-time Executive Director, and consultants were retained who produced the *Diane Lougheed Keefe Report*, which examined all hangar activities and made a number of recommendations.

In response to both internal and external stimuli, a variety of changes and initiatives have been instituted (though none will interfere with activities of the cadet organizations, which enjoy protected status in the hangar lease with the City.) Many recommendations have been implemented and new initiatives are advancing thanks to the financial support received by the City of Edmonton in 2006/2007. This document, the first joint EAHS-AAMA long-term planning initiative, outlines joint goals and objectives and discusses the steps that have been taken, and that are being taken, to achieve them.

Governance issues have been resolved by forming a joint Hangar Business Group with the authority and responsibility to coordinate all hangar activities and to act as a business agent for the two groups. The Executive Director reports to this group. Plans exist to transform the business group into a management company closely held by the EAHS and the AAMA.

Methods to maximize business revenue are being refined. The areas with the greatest revenue growth potential are: increased museum admissions and facility rentals to outside organizations.

Being not-for-profit charitable organizations, the EAHS and the AAMA are also able to develop funds through charitable donations and memberships, corporate memberships and sponsorships, corporate partnerships, and government funding. A systematic plan to seek monetary donations, or donations of services-in-lieu, from such sources is being developed.

The AAMA will develop a public aviation-related education programs titled “Access to Aviation”. It will focus on programming designed to enrich existing curriculum-based instruction in elementary schools, junior high schools, and high schools, and will also offer aviation pre-employment training and adult interest education. Though education will earn revenues, public service and outreach are the driving factors, not revenue generation.

The hangar’s community profile will be further enhanced by establishing an ongoing relationship with the city’s arts community. It is hoped that two prominent and worthy residents may be persuaded to become an artist-in-residence, and a writer in residence. Increased facility rentals to the arts community will augment revenues and enhance the hangar’s public profile.

To maintain and enhance the ability of the EAHS and the AAMA to achieve the goals above, a number of challenges must be met and overcome.

Existing museum displays will be maintained and enhanced, but work is required to bring artifact displays up to the desired standard. Rotating and travelling exhibits will be introduced, as well as audio-visual systems to augment static aircraft displays. Computer based simulators and interactives will be developed in conjunction with the education program above. There are few problems with aircraft displays but due to a lack of space, acquisition of new aircraft is effectively stalled.

Marketing of the hangar and museum will be coordinated, and overseen by the Executive Director. Due to the separate mandates of the EAHS and the AAMA their marketing and branding will be distinct but complementary. Coordinated marketing is expected to enhance admissions, as well as revenues from special events and gift shop sales. New rental markets will be explored, such as the arts community and the film and television industry. All this will be enhanced by the presence of the EAHS and the AAMA on the web.

The physical plant requires much work. A recent City of Edmonton engineering survey gave the 1942-vintage hangar a clean bill of health, but identified necessary upgrades. These, and other needs identified in this document, demands a 5-year maintenance and engineering upgrade program. Apart from landscaping, routine maintenance and painting, we will be addressing several major engineering upgrades identified by the City of Edmonton:

- Upgrading the water supply to the east side of our facility (Scheduled for 2008),
- Complete electrical system renovation (scheduled for 2009)
- Heating and ventilating plant replacement (scheduled for 2011)

Water supply upgrades are fairly routine, but electrical renovation and heating and ventilation system replacement will be costly and complex. All repairs and projects will be conducted in cooperation with the City and NAIT, and will not compromise the historic appearance and quality of the facility, a requirement to maintain provincial heritage site status. Much of 2007 will be devoted to working out details of the five-year upgrading plan.

The challenges described above can be categorized as either “operational” or “facility-based”. Operational challenges include recruiting volunteers and paid staff to implement the programs described above, and finding sources of funds to pay for it all. Facility-based challenges include the upgrading of the current facility infrastructure, and making allowance for expansion.

We are confident that the EAHS and the AAMA, acting in concert, will meet these challenges. The result will be a historic hangar with modern engineering amenities, suitable to host a world-class aviation museum and a community facility that will further enhance the lives of Edmontonians.

A INTRODUCTION

This Business Plan is a joint undertaking of the Edmonton Aviation Heritage Society (EAHS) and the Alberta Aviation Museum (AAMA). It is intended to outline their joint short-term, medium-term, and long-term objectives, the challenges facing the two groups, and to clarify the means by which these objectives will be achieved.

The EAHS is an incorporated society which leases the former Hangar 14 and its grounds from the City of Edmonton. There are no individual members of the EAHS. Rather, members are themselves incorporated societies or cadet units, and presently there are 15 member groups. The largest and most prominent EAHS member group, and the only group with significant revenue-earning capacity, is the AAMA. For this reason, these two organizations must plan in concert. The EAHS and all its member groups are not-for-profit entities, and Canada Revenue Agency has designated both the EAHS and the AAMA as charitable organizations. Though there are several paid staff, the majority of the work at the hangar site is carried out by volunteers who belong to one or more of the EAHS member groups.

The AAMA has created the premier aviation collection in Alberta. Not content to merely warehouse aircraft, the AAMA conducts public presentations, education programming, and a series of significant special events. The EAHS has taken a once derelict building and created a historic site, not for just the Alberta Aviation Museum, but for 14 other aviation and community based organizations. The EAHS and the AAMA working in partnership have authored a hidden gem that operates to preserve Edmonton's history and acts as a major community centre in North Central Edmonton. Together the organizations provide:

- A youth centre and seniors centre located on a Heritage Site,
- A Centre of Education,
- An affordable rental facility for arts, culture and community events
- an aviation museum, archive, and aircraft restoration facility

Located prominently on Kingsway Avenue, the Edmonton Aviation Heritage Centre is a visible and prominent facility. The hangar has been designated as a historical resource by all levels of government, and has become a prominent feature of the Edmonton heritage and aviation communities. It is a significant tourist attraction. In recognition of its growing importance, the City of Edmonton commissioned a consultants report, hereafter termed the "Diane Loughheed Keefe Report". In response to this report, and to a growing internal recognition of the need for a combined approach to problem solving, the EAHS and the AAMA, through the Hangar Business Group, have prepared this Strategic Business Plan.

Growth is the major challenge facing the hangar and its organizations. Together they have matured to the point where they are now "too big to be small and too small to be big". In order to establish a self sustaining model and achieve the next level of success short term bridge financial assistance is required.

Using the “Diane Lougheed Keefe” report as a foundation the organizations have reviewed the recommendations and combined additional research and information to create a multi year vision based on realistic growth projections. Many of the recommendations of the Report have already been implemented and many new initiatives are already advancing thanks to the support received by the City of Edmonton in 2006/2007. Extensive research and planning has addressed the issues of growth and long term viability as outlined in the table of contents. A reference of sources of research and information is included in the attachments.

The organizations expect that by following the Strategic Plan they will achieve and maintain a high level of financial self-sufficiency while contributing to the community by:

- Heightening the appeal of the Edmonton region as a tourist destination, and
- Enhancing education programming available in the Edmonton region

B BUSINESS PLAN OBJECTIVE

- To develop management structures, procedures, and milestones that maximize the ability of the EAHS and the AAMA to jointly provide the citizens of Edmonton and area with a world class aviation museum, an aviation-oriented community learning centre and a focal point for local aviation heritage, without compromising the volunteer nature and heritage underpinning of the hangar community.

C GOVERNANCE

The EAHS and the AAMA have recently implemented several demonstrably successful improvements to the hangar's governance model. The two organizations are now looking to further build on this success.

Organization Background

Many of the early years of the EAHS were characterized by low-key but chronic organizational friction between it and the AAMA. To some extent this was inevitable given that in some respects, the establishment of the EAHS was a "shotgun wedding" of 12 different volunteer societies. The most prominent group, and the only one whose mandate included the creation of a public revenue-generating facility, was the AAMA. (To be fair however, in the early 1990's the AAMA was not a museum, *per se*. It was more accurately described as an aircraft restoration club and archive with ambitions of someday *becoming* a museum.) All this was exacerbated by the fact that the mandates of the EAHS and the AAMA were similar in many respects. As a result there were many misapprehensions and ambiguities about the proper relationship between the EAHS and its member groups, most especially the AAMA.

Friction resulted as volunteers would pursue their own group's legitimate goals, only to find themselves in conflict with the other group as it pursued its own legitimate goals. Had it been a business such problems would have been ironed out in short order, but this is not as easily accomplished in ventures dependent on volunteers. Petty disputes arose over scheduling, use of space, budgets, priorities, fundraising, and a host of other issues. Notwithstanding problems though, members of the hangar community sympathized with the goals and activities of all the groups and whenever a genuine crisis arose everyone cooperated to overcome it. The goals of the hangar community were never at issue - agreeing on how to achieve the goals together took time. Amalgamating the EAHS and the AAMA seemed to offer a solution, and on several occasions serious merger discussions began. However amalgamating the EAHS and the AAMA was

abandoned because, despite their similarities, the two organizations are sufficiently different that much would be lost by merging. The EAHS focused on the hangar and the physical plant, while the AAMA's focus was on a museum.

Ultimately the biggest factor militating against merger was the inevitable loss of Casino revenues. Both the EAHS and the AAMA depend heavily on funds raised in government-approved Casinos. Roughly every two years the Alberta Gaming and Liquor Commission authorizes each organization to sponsor a Casino which typically yields that group revenues in the range of \$75,000.00. The fact that *both* organizations are entitled to a Casino was not mere good fortune. After significant discussion in the early 1990's the EAHS and the AAMA persuaded the Alberta Gaming and Liquor Commission that they should be entitled to separate fund-raising Casinos, notwithstanding that they were both aviation heritage organizations using the same facility. This was approved because each group had separate uses for the Casino funds: the EAHS primarily raised funds for the hangar and the physical plant, while the AAMA raised funds for museum operations and aircraft restoration. The financial reality is that amalgamation would eliminate one Casino and cost the hangar as a whole about \$75,000.00 per year. For this reason, amalgamation was considered financially untenable by 2005.

Recent Improvements

With merger an untenable option, there was general consensus that the hangar community would never realize its potential without organizational innovation. In 2006 at the joint suggestion of the presidents of the EAHS and the AAMA, two key initiatives were undertaken:

- The establishment of a "Hangar Business Group", and
- The hiring of an Executive Director.

These two initiatives have succeeded and have been the catalyst to a new chapter in hangar governance.

The *Business Group* is presently constituted as a joint committee of the EAHS and the AAMA, comprised of each organization's President and Treasurer. These members select a fifth person to be Chairman. The mandate of the Business Group is to:

- coordinate EAHS and AAMA business and operational matters;
- minimize conflicts, and maximize cooperation between the EAHS and the AAMA as they each implement their business strategies;
- receive strategic directives from the EAHS and AAMA and develop workable plans and programs to achieve the goals contained in the directives.
- receive feedback from the business and operational elements of the EAHS and AAMA, and keep the Boards and Executives informed about performance, needs, and opportunities.
- supervise the Executive Director and generally oversee daily EAHS and AAMA operations.

The *Executive Director* is a paid staff member who is responsible to the Boards and Executives of the EAHS and the AAMA, through the Hangar Business Group. In effect, he "works for" the Hangar Business Group, though his Terms of Reference are very broad:

- Promoting, individually and in concert, both the Edmonton Aviation Heritage Centre and the Alberta Aviation Museum, so as to generate increased revenues therefrom;
- Seeking out and obtaining government, charitable, and other grants and donations to the EAHS and the AAMA, and maximizing revenues there from;
- Overseeing volunteer recruiting and coordination;
- Supervising volunteers, staff and employees of the EAHS and of the AAMA;
- Coordinating, or assisting in coordinating, major events;
- Responding in a professional and courteous manner to inquires from the public, media and other organizations;
- Generally overseeing the hangar, the physical plant and related facilities, ensuring hangar security, and enforcing safety and security policies;

The EAHS and AAMA Boards, like those of most volunteer societies, meet only monthly and are unable to supervise day-to-day hangar operations. By taking these steps the two Boards can delegate much of the day-to-day operational management authority to key executives and the full-time Executive Director. The Business Group communicates frequently and meets monthly. The Executive Director is present on a full-time basis, thus enabling hangar business to be done on a timely basis. Together they form a single point of accountability, responsibility, and authority for routine day-to-day operations, regardless of which group is primarily engaged. In commercial relationships with outside entities (eg, renters of hangar or museum space) the Hangar Business Group acts as the agent for the EAHS or the AAMA, as appropriate.

Though the Hangar Business Group and the Executive Director are encouraged to develop broad policy initiatives for consideration by the EAHS and AAMA Boards, neither has the authority to actually implement any policy not approved by the EAHS and/or the AAMA. The creation of a Hangar Business Group and hiring of an Executive Director do not relieve the directors of the EAHS and the AAMA from their obligation to lead and oversee their groups. The EAHS and AAMA Boards remain legally responsible to their own members, and to outside entities (such as the City of Edmonton, the Landlord), for their respective obligations. They alone bear responsibility for developing and implementing broad strategic and policy goals, and for internal management of their own organizations.

Shortly after its formation, many hangar staff noted that, in function, the Hangar Business Group resembled a management corporation. Upon further consideration there seems to be widespread agreement among directors of both the EAHS and the AAMA that the next step in the evolution of hangar governance is to transform the Hangar Business Group into an actual management corporation.

A Management Corporation

At present the Hangar Business Group is merely a joint committee of the EAHS and the AAMA which, as a legal entity, is fairly nondescript and malleable. Given the significant number of commercial relationships entered into by the EAHS and/or the AAMA, it is widely considered prudent to incorporate a management company to daily manage the hangar and legally, and to act as agent for the EAHS and AAMA when required. Finally, because outsiders are often confused by our one-of-a-kind organizational structure, creation of a management corporation would improve identity and certainty in commercial relations with outsiders.

The features of the Management Corporation follow:

1. it would be incorporated under the Alberta Business Corporations Act;
2. shares would be owned only, and in equal proportions, by the EAHS and the AAMA,
3. each group would contribute equally to the cost of operations and would benefit equally from any profit attributed to it;
4. the management company would not retain its earnings, apart from a budget to cover anticipated costs and expenses, but rather would return any earnings to the EAHS and AAMA;
5. The relationship between the two shareholders, the EAHS and the AAMA, would be governed by a Unanimous Shareholder Agreement that:
 - a. precisely defines the scope and authority of the Management corporation,
 - b. limits the authority of the Management Corporation to act independently of the express wishes of the EAHS and the AAMA,
 - c. prevents any other person or entity from acquiring an interest in the management company;
 - d. requires agreement by both the EAHS and AAMA to depart from the foregoing;
6. Members of the Board of Directors would receive no pay, salary or honorarium, though their actual expenses would be reimbursed.
7. The Board would be comprised of:
 - a. the Officers (ie, Presidents, Vice-Presidents, Secretaries and Treasurers) of the EAHS and AAMA, *ex officio*;
 - b. a limited number of individuals from outside the EAHS and AAMA, selected for having special skills and knowledge useful to the management corporation and the hangar generally;
8. The Executive Director would not be a voting member of the Board, but would attend meetings and otherwise be an active participant;
9. The tentative name for the management company is "Hangar 14 Management Ltd." (When part of the airport proper, the hangar was numbered "14").

The management corporation would always identify itself to outside persons or corporations as the "*authorized agent of the Edmonton Aviation Heritage Society*" and/or the "*authorized agent of the Alberta Aviation Museum*", as required. Thus the legal liability for fulfilling any contract remains with the management company's principal, the EAHS or the AAMA, as applicable.

Though many details need to be worked out, there is a consensus that the development of a Management Corporation is the next step in the development of effective governance at the Edmonton Aviation Heritage Centre.

D BUSINESS REVENUE GENERATORS

Both the EAHS and the AAMA are able to earn revenue, the EAHS primarily through facility rentals and the AAMA by museum gate receipts. Though these revenues are ultimately not pooled there is agreement that the continued health of the hangar requires that both groups be financially successful.

Museum Admissions

Museum admissions are the single most important economic driver for the AAMA's goal of long term economic self sustainability. As a result increasing admission revenues enjoys prominence in marketing efforts. While it is important to monitor museum admission fees to ensure they are competitive, the more important method of raising revenues is to broaden the museum target market to beyond Edmonton and environs.

Among aviation museums world-wide it is acknowledged that a key to long term success is to expand the target geographic market region. (Identified at the recent "Mutual Concerns" conference presented in San Diego by the Smithsonian National Air and Space Museum.) Aviation museums are identified as the leading "visit destinations" compared to other types of museums.

In other words, aviation aficionados are willing to travel to see rare airplanes. A review of the leading British magazines *Aeroplane* and *Flypast* reveals ads for international tour operations targeting Aviation Museums. With tremendous history, a substantial collection and a world class location Edmonton is an obvious choice for visitors. Our target market needs to grow to access this market more fully.

Facility Rentals

The EAHS is fortunate in being able to rent out the cadet parade square area when not in use by cadets. Facility rentals, specifically the parade square/trade show area, have been key to our growth and in early years, survival. Continuing upgrades and increased marketing of rental area will enhance revenues.

The hangar site has become important for a number of large community events. Many now-established events have started from our facility - the Model Train Show and Fragapalooza Computer Gaming to name but two. While never tracked, we feel it has also had an economic impact on the Kingsway area generally.

To increase rental revenues we will work more closely with Ken Fiske of Edmonton Tourism to better exploit both visiting and self-hosted convention opportunities.

Member Organization User Fees

While still an irreplaceable revenue source Member organization user fees are no longer the key to survival. Fees are reviewed each year and adjusted as required to reflect operational necessities and this policy will continue.

Special Events Fees

Special events are a minor contributor to overall revenues. However special events contribute greatly to public and business awareness of the hangar as a rental venue and of the museum as an attraction. Therefore special events form a key part of hangar marketing.

Education Programming Fees

Fees derived from education programming are potentially the greatest revenue growth area, though they will still not approach the importance of admissions and rentals. In 2007 we will take the first major steps to making the facility a true education centre. An Education Director has been hired and new curriculum-based programming is being developed for launch in the fall. Further details are found below in the section on Educational Programming.

Gift Shop Revenues

By focusing on stock-in-trade that appeals to the aviation aficionado, the Aviation Museum Gift Shop has recently become a Edmonton “destination shopping venue” unto itself. We expect to increase sales volume by combining the policy of being a *destination* store for aviation shoppers with a web-based sales & shopping capability. We will continue to offer popular products that tie into our history, and will be exploring the viability of producing our own products locally where it makes financial sense to do so.

Summary - Business Revenue Generators

We will focus on business revenue generators with the most revenue growth potential: increased museum admissions, and increased facility rentals to outside organizations. Achieving this goal requires renewed emphasis on the Marketing/Advertising programs discussed below. We will continue the prudent financial management in place now, and will implement joint quarterly review of the goals and achieved performance.

E FUND DEVELOPMENT

The EAHS and the AAMA are both not-for-profit societies, and enjoy charitable organization standing with the Canada Revenue Agency. Therefore in addition to earning conventional business revenues, each organization can financially benefit from donations and grants from individuals, governments, and other charitable organizations.

Private Memberships/Donations

Starting in September 2007 the Alberta Aviation Museum will be undertaking a major membership recruiting drive. The drive will be targeted to several target markets:

Market One (Traditional Markets):

- Retired and Semi-retired aviation industry professionals
- Retired and Semi-retired Air Force personnel
- Retired and Semi retired aviation enthusiasts

Market Two (New Markets)

- Aviation professionals aged 25-45 years
- Aviation enthusiasts aged 25-45 years
- Aviation industry Students/Apprentices aged 18-25 years

Market Three (New Markets)

- Families with children under 12 years
- Regional members

Method of recruiting:

General

- Promotion through use of existing exterior signage
- Increased on-site recruiting material in gift shop/admissions and display areas
- *Where Magazine* feature (Edmonton and region exposure)
- Television (as part of 2007 promotional agreement with Global TV)

Market One-specific (Special emphasis on planned giving)

- Target specific organizations catering to demographic (e.g., Quarter Century club, DND superannuates association, society for the retired and semi retired, etc)
- Budgeted advertising in print publications specific to demographic (e.g., area newsletters, Edmonton Seniors newspaper, etc)
- "Come Join Us" cards disseminated by current members as part of word of mouth campaign.
- Target aviation company newsletters to target demographic (SPAR, L-3 Communications, Cascade Aviation, etc)

Market Two-specific

- Association newsletters specific to target demographic (AME association, COPA, ACPA, etc)
- Target aviation company newsletters to target demographic (SPAR, L-3 Communications, Cascade Aviation, Flight Schools, Training centres, Manufacturers, etc)
- Student targeted promotions specific to education centres (NAIT, SAIT, Flight Schools, etc)

Market Three-specific

- Parents and tots organization newsletters
- Heavy emphasis on word of mouth
- Targeting of regions such as Cold Lake, Lloydminster, Grande Prairie, Peace River

Corporate Museum Memberships/Sponsorships

Many Edmonton-area businesses have thrived because of aviation yet unfortunately, so far few actively support preservation of aviation history. Part of the reason has been the lack of a mechanism to do so. In 2006 the AAMA addressed this shortcoming by authorizing an aviation museum Corporate Members Program. We must now actively seek out interested corporations and sell both our corporate membership program and the value of the facility as a whole. The Alberta Aviation Museum is targeting 100 annual corporate members to the end of the 2008 year. The formal program will begin in September 2007 and the methods of approach will include:

- Direct mail to targeted corporations;
- Promotion through our Global Television partnership; and
- Personal approaches to high level prospects in a scheduled program.

Corporate Partnerships

The Alberta Aviation Museum formed important partnerships with two major media corporations in the 2006/2007 year. The AAMA receives no funds through participation in these partnerships; instead it receives highly valuable services in kind. Global Television will provide much-needed television marketing support, and early in 2007, Tanner Young Publications stepped up to the plate to provide targeted print advertising. These partnerships promote the facility and provide value to our partners by enabling them to publicly affiliate themselves with a valued, high-profile public facility. The creation of similar symbiotic partnerships is an ongoing endeavour and will continue indefinitely.

Government Funding (Municipal, Provincial, Federal)

The Alberta Aviation Museum and the Edmonton Aviation Heritage Society both currently work with all levels of government on annual capital grant project funding. This program has been in effect for many years and continues to be followed and grow.

In addition we are now working at the Provincial and Federal level on selected special projects targeted at facility expansion.

Our growth into the education field opens new doors to Provincial and Federal funding sources and much effort is now being expended on researching these programs. This is an area of tremendous growth potential and an ongoing program of research and follow up is now in the hands of the Executive Director and Education Director.

Summary - Fund Development

The key to the success in fund development is research, prospecting and hard work. Potential corporate donors and partners must be made to appreciate that the benefit to them of involvement with the EAHS and the AAMA is public association with a successful and high-profile volunteer organization that provides tangible benefits to the community. As our programs evolve and improve, the benefits to all participants will increase. Proven fund development formats are in place and are being implemented. The expectation is marked growth of memberships, partners and funding over the next five years.

F EDUCATION PROGRAMMING

Education has long been a core objective of the hangar community and as a result the AAMA has developed an integral service delivery and growth plan. This education plan is titled “Access to Aviation” and its goal is to increase both:

- educational services provided to the community by the AAMA, and
- resulting revenues for the Alberta Aviation Museum.

Access to Aviation covers five basic areas to be implemented over 2007-2010:

- 1) Elementary School Programming (curriculum based, 1 day), consisting of on-scene enrichment of the existing Alberta curriculum
- 2) Junior High School level (curriculum based, 1 day), consisting of on-scene enrichment of the existing Alberta curriculum
- 3) High School level (curriculum based, 1 day), consisting of on-scene enrichment of the existing Alberta curriculum
- 4) Pre-employment training, consisting of adult education in partnership with NAIT;
- 5) Adult interest education: consisting of Aviation-related training, in some cases part of certificate or accredited training

The AAMA has recently hired a Education Director, suitably qualified in both education and aviation, to develop curriculum, implement the program, and oversee instruction.

Course Delivery

Courses will be taught using a combination of qualified personnel including the Education Director, contracted professionals on a per course basis, and qualified volunteers on a per course basis. There is no shortage of qualified personnel in the hangar community.

Available assets include:

- Use of Museum Education area, centrally located in the city with easy access
- Museum equipment, aircraft and selected artifacts
- Ample classroom area (Education area plus 3 large classrooms)
- Volunteers with suitable qualifications who can become instructors/tour guides
- Multi media system
- Administrative support systems

Assets not yet available include:

- Ground Power Unit for aircraft and aviation equipment
- Simulators and training aids, through partnership with NAIT Continuing Education

Training and Education Assets to be developed include:

- Curriculum, programming and material
- A reserve of qualified and available teaching personnel
- Course outlines
- Instructor/Tour guide material and packages
- Course materials and packages

Education Markets

We feel there are a primary and a secondary market for paid training and education, defined geographically. The Primary Market (defined as Greater Edmonton and surrounding area (100 km radius) includes:

- a) Elementary, Junior High Schools, and Senior High Schools,
- b) NAIT Continuing Education Programs,
- c) Airlines and aviation companies, and
- d) The Canadian Aviation Maintenance Council and similar associations

Primary Market - Method of marketing

- a) Direct mail to the schools, targeted employers and related associations/councils
- b) Quarterly teacher days
- c) Notices through Alberta Learning and Alberta Teachers Association
- d) Attendance/presentation to Teachers conferences and Professional Development days
- e) Notices to aviation companies and associations

The secondary market is limited to the Greater Edmonton area and includes:

- a) Aviation enthusiasts
- b) Model aircraft associations
- c) Classic movie enthusiasts
- d) History enthusiasts

Secondary Market - Method of marketing

- a) Public Service Announcements through local media
- b) Newsletters of interest groups
- c) Signage at front of facility
- d) Global TV
- e) Other sponsored, or low-cost means

Education and Training Fees

Fees would be based largely on the nature and complexity of the training provided, the number of students involved, the number of instructors needed, and the preparatory work required.

School Curriculum-Based Education fees would be billed to the school, based on existing AAMA rates for Grade 6 programming (currently \$5.00 per student). Pre employment and Adult Interest Education fees would be set on a “per course” basis in consultation with NAIT Continuing Education.

Summary - Education

The overall goal will be to develop a series of courses for each identified group. Over the next five years these courses will range from “personal enrichment” content to fully-accredited courses. Course Development and delivery will be the primary responsibility of the AAMA Education Director, in conjunction with the Executive Director and Alberta Aviation Museum board.

In addition to programming the formal courses the Education Director will work with the Executive Director and volunteers to enhance the education component of museum exhibits generally. This will include traditional signage and story-boards, audio-visual presentation, computer-based presentation, interactives and electronic simulators.

The revenue generated from, and due to, AAMA education is important, however revenue generation is not the primary goal for education programming. Education programs are a powerful way to augment our presentation of Edmonton and Alberta aviation history, and to heighten awareness and pride in the accomplishments depicted in the museum.

G ARTS AND CULTURE

There is much unrealized potential for hangar involvement in Edmonton’s Arts and Culture Community, both directly and as a venue. The primary benefit to the hangar and its community would be to increase their profile in a community that is new to the EAHS.

Artist in Residence

Aviation art, like wildlife art, is a recognized subsection of the visual arts community. Edmonton and area is fortunate to be home to several accomplished aviation artists. The AAMA is currently in negotiation with two well known local artists to create the volunteer position of *Artist in Residence*. While the specific duties are still being defined we anticipate the Artist in Residence to liaise on our behalf with the arts community, advise on issues relating to that community, and help the display committee better present the museums artistic works. It is hoped that negotiations will be completed by the end of June 2007.

Writer in Residence

With duties similar to the Artist in Residence, the *Writer in Residence* will work with the Education Director and Library to find ways to best promote the literary aspect of aviation history. The Writer in Residence will also assist with co-ordination of book launches and reviews of products the museum will present. Again it is hoped that negotiations with two local authors will result in this volunteer position being filled prior to the end of June 2007.

Art Exhibits

The Executive Director has had several discussions with John Mahon of the Edmonton Arts Council with the goal of creating an annual arts exhibition. It is hoped this annual event will launch in July 2007. The Art of Flight Exhibition is planned to feature the works of local artists in a genuine aviation setting, attracting recognition for the artists and increasing interest in, and awareness of the Museum.

Theatrical Presentations

While not a theatre *per se*, the cadet parade square area includes a stage suitable for certain theatrical presentations. The Executive Director will be continuing discussions with the Edmonton Arts Council to explore ways to increase usage of the hangar stage, the goal being to create a new venue for the theatrical community as well as generating revenue for the facility. Making the Museum and facility a feature in the City Centre Cultural community is a priority, it will not only benefit the facility and the arts community but also the overall image and viability of Kingsway and surrounding area.

H DISPLAYS

Displays are key to the success of any museum. Unlike most aviation museums the Alberta Aviation Museum is unique in focusing primarily on the local region. In short, rather than attempting to cover the entire history of Canadian aviation history as the Canadian National Museum and the Reynolds Alberta Museum does, the goal of the Alberta Aviation Museum is to present the chapter on Alberta and the North. The aircraft include civil/commercial and military aircraft, set chronologically, telling the story of local aviation history.

The effect of this presentation of exhibits is profound; museums telling the complete history of aviation may rotate exhibits in and out, whereas the Alberta Aviation Museum does not. It needs to present the complete story of our history for it to make sense to the visitors and to educate the public on Edmonton's accomplishments.

General displays

Aircraft in the collection are presented in chronological order from oldest to newest. Civil and commercial aircraft are on the west section of the main display area, military aircraft are on the east. Currently the oldest civil/commercial aircraft represents the year 1918, the newest 1979. Our military aircraft date from 1940 and continue through to the late 70's. A total of 34 aircraft currently make up the collection, with four being under restoration.

However major gaps have been identified in the current representation. Museum staff have identified the following aircraft as desirable acquisitions

Desired Civil/Commercial aircraft:

Pre First World War:

- a) Curtis D Pusher (first aircraft to fly in Edmonton), needs to be represented by a full scale reproduction;

Between the wars:

- a) Curtis JN-4 *Jenny* (a Jenny christened the "City of Edmonton" flew the first commercial flights in Western Canada)
- b) Junkers J.13 (Used by Imperial oil in exploration from Edmonton)
- c) Fokker *Universal/Super Universal* (Icon of the original bush pilots, with a huge Edmonton connection)
- d) Bellanca *Skyrocket* (Prominent bushplane, used in the "Hunt for the Mad Trapper")
- e) Ford *Tri Motor* (as operated by Grant McConachie, founder of Canadian Pacific Airlines, from Edmonton)

Post World War Two

- a) De Havilland *Fox Moth* (representing the beginnings of Wardair)
- b) Douglas DC-6B (Canadian Pacific, Pacific Western, Wardair)
- c) De Havilland *Beaver* or *Otter* (Iconic post-war bushplanes)
- d) Vickers *Canso/Catalina* (Extensive use throughout the North in many roles)
- e) Piper *Super Cub* (servicing many of the Northern communities for decades)

Desired Military aircraft:

First World War:

- a) Sopwith *Camel* (As flown by Roy Brown and Edmontonian W.R. May against Baron von Richthofen in his last combat)
- b) Fokker DR 1 *Triplane* (As flown by Baron von Richthofen in combat with the above.)

Between the Wars:

- a) Armstrong-Whitworth *Siskin* (First RCAF aircraft to land at Blatchford field, flown by Punch Dickens who later achieved renown as a bush pilot flying from Edmonton)

Second World War

- a) Fleet *Finch* (RCAF pilot trainer)
- b) North American *Harvard* (RCAF pilot trainer)
- c) Lockheed *Lodestar*
- d) Hawker *Hurricane* (fighter aircraft flown in the Battle of Britain by Edmontonian Peter “Cowboy” Blatchford, the son of Edmonton Mayor Blatchford after whom the city centre airport was named)
- e) P-39/P-63 *Airacobra* (American fighter aircraft delivered to the USSR. Over 5,000 were delivered through Edmonton via the Northwest Staging Route to the Soviet Union)

Post Second World War

- a) C-119 *Flying Boxcar* (flown from RCAF Station Edmonton and CFB Namao)
- b) De Havilland *Vampire* (early jet fighter flown from Edmonton by the RCAF weather experimental flight.)
- c) C-130 *Hercules* (flown for 30 years from CFB Edmonton at Namao)
- d) CF-104 Starfighter (flown from CFB Cold Lake and briefly from CFB Edmonton , an iconic fighter of the Cold War)
- e) CT-114 Tutor (military jet trainer flown throughout the west, including by the Snowbirds, routinely overhauled in Edmonton)
- f) CF-18 *Hornet* (current fighter, flown from Cold Lake, Alberta)

Other Aerospace

Post War

- a) National Research council tailless glider (flown from CFB Namao, still hold a world record)
- b) “Canadarm” (Space Shuttle remote arm, whose wiring and controls were done at City Centre Airport)

This partial list gives an idea of the work left to be done in the collection of aircraft to complete Edmonton’s story. Not addressed is the requirement of displays and cabinets to tell the story of the many famous Edmontonians in aviation history: Wop May, Punch Dickens, Grant McConachie, Gorman, Brintnell. The current displays only scratch the surface of the human side of aviation history. Planning is underway for a full scale presentation of the people of our aviation history which will encompass much of the available display wall space in the southwest quadrant of the facility. The display will include large scale pictures, story boards, select displays and art works

Additionally we will be expanding the presentation of other aviation artifacts such as engines, electronic equipment, ancillary aviation equipment, clothing and survival equipment. We will also establish displays focused on the airlines that created the air routes that have operated to and from Edmonton. Much of Edmonton’s aviation history is tied to the north, both in Alberta and the Yukon and NWT. Therefore the northern connection will also receive increasing display space.

Interactivity will be heightened by adding simulators and interactive displays throughout the overall display plan. This will include both PC-based flight simulator and curriculum-based “hard” training aids. A major part of the new presentations will be audio/visual and computer based presentations with each aircraft exhibit. This will allow the showcasing of the aircraft, the people associated with it and the process of restoration required to create the exhibit.

Proposed Exhibits, Schedule of Changes

The following is a list of proposed exhibits together with the target date for completion:

People in Edmonton’s Aviation History

Implementation will begin in the late summer of 2007, completion spring of 2008

Simulations and Interactives

Will come into place as directed by the newly hired Education Director based on course needs starting summer of 2007

Audio Visual/Computer Presentations

Will begin with the inclusion of the Victoria School audio-visual vignettes in the summer of 2007 and will carry through to the spring of 2009.

Displays

There is an ongoing need for new displays and cabinets to house them in, including cabinets that are of museum quality, as some artifacts are physically very frail. This is an ongoing museum requirement and implementation depends on artifact availability and volunteer time. Similarly, existing displays and cabinets need updating.

Aircraft Acquisitions

All aircraft acquisitions have been put on hold until additional space needs can be planned.

Rotating and guest exhibits

The Alberta Aviation Museum has embarked in a partnership with the Canadian Aviation Hall of Fame on a series of ongoing rotating exhibits. The multi panel display from the CAHF is changed every quarter to reflect a different facet of Canada's aviation history. The CAHF panels feature members of the hall of fame and their accomplishments, the Alberta Aviation Museum provides hard technical exhibits matching the theme and in many cases specific to the hall of fame members featured.

This program serves as the template for similar programs now under negotiation with Reynolds Alberta Museum and others as we seek new partners. We have also offered to assist the Air Force Museum (part of the Museum of the Military in Calgary) with rotating exhibits to enhance their visitors experience. We hope to combine cooperative display programs with a co-operative marketing program as 2007 progresses.

Over and above these partnerships the Alberta Aviation Museum is part of a national group of museums meeting in April to cross-promote the 100th Anniversary of Flight in Canada. This major National event will be promoted by all the Alberta-based aviation museums and it is hoped it will act as the template for ongoing co-operation.

Displays - Summary

The eventual goal is a full presentation of Alberta and Edmonton aviation history in an easy to understand, chronological walk-through, with static exhibits augmented by educational interactive devices and audio-visual presentations. This promises to create an amazing visitor experience but also will assist in our educational programming. The final effect will be a international-class museum attraction that benefits the community, promotes tourism and augments education.

I MARKETING

Image and Branding

The Alberta Aviation Museum and the Edmonton Aviation Heritage Society will immediately review the branding of both the museum and facility. While much of the work done to this point has been very good there has been little consistency in branding either the facility or museum. By creating consistent “brand” identification for both the Museum operation and the facility we will be able to make greater advantage of advertising and marketing opportunities.

There are advantages in branding the hangar separately from the museum. The hangar generates significant revenues from short-term rentals, a service that operates separate and apart from museum operations. Therefore a separate brand implicitly highlights the range of events hosted in the facility, while making it clear that the events are not held in the actual museum area. Distinct branding of the museum ensures that the museum function can be clearly advertised and eliminates confusion in the minds of those attending rental events.

Alberta Aviation Museum Branding

The museum brand image has been inconsistent and many logos and titles have been used since its creation. Pending any decision by the AAMA on a new logo for the aviation museum, the museum will be returning to original logo featuring the Fairchild 71 CF-ATZ aircraft, the AAMA’s first restoration project, on display in the museum. This design is featured on the cover page of this document.

As part of the branding the museum will also return to featuring “Gateway to the North” beneath the logo. This clearly identifies who we are, the history we are featuring and creates a clear marketable identity. The branding will remain consistent in all public museum representations including, letterhead, products, brochures and all multi-media advertising.

Edmonton Aviation Heritage Centre Branding

Some years ago the EAHS Board decided to formally refer to the hangar as the *Edmonton Aviation Heritage Centre*, though in terms of marketing and brand identity the site will also be referred to as *The Hangar on Kingsway*. To distinguish it from the museum *per se*, the hangar will be described as the “Edmonton Aviation Heritage Centre” or the “Hangar on Kingsway” and will be augmented as appropriate by the words: *Home of the Alberta Aviation Museum*. This clearly identifies the site, the heritage and the original function of the facility and makes clear that the EAHS building operation is distinct from the museum.

These titles and the current EAHS logo, depicted on the front cover of this report, will allow for the consistent marketing of the facility to its current market as well as identify the facility for marketing to new customers such as conventions, trade shows and movie production. The branding will be used in advertising and marketing, signage, direct mail to targeted customers and prospects, and to short-term renters who host hangar events

Admissions

As indicated in the section on Business Revenue Generators, museum admissions are key to long-term self sufficiency. Marketing will become more aggressive within the greater Edmonton region. 2007 saw the implementation of a basic, targeted advertising program which includes:

- Listings and information distributed through the Edmonton Tourism publications.
- Distribution of brochures through Edmonton Tourism and the Travel Alberta initiative.
- Local distribution to hotels and co-operating attractions by the Museum.
- Year-long regional television advertising sponsored by Global TV Edmonton.
- Editorial coverage by Global TV and on occasion other local stations.
- Year-long print advertising provided by sponsorship from *Where Magazine*, Edmonton.
- Event advertising as sponsored

The basic advertising format will be maintained, but 2008 and 2009 will see an increase in frequency and the launch of a secondary program focusing specifically on two key anniversaries:

- The 100th Anniversary of Flight in Canada
- The 80th Anniversary of W.R. May and Vic Horner's "Fort Vermilion Mercy Flight" (where, in severe sub-zero weather, vaccine was flown in an open cockpit biplane from Edmonton to Fort Vermilion, Alberta)

In addition to the external advertising program, new on-site signage will more clearly define the Museum and the visitor entry. Rather than installing expensive new equipment, this will be done by upgrading the current fixed sign and using more energy-efficient lighting.

Special Events

The hangar facility will continue to solicit suitable special events. Special events are not a critical revenue generator, however they are indispensable as an advertising and promotional device.

The EAHS and the AAMA together have much experience in holding special events. In 2007 the hangar will hold a special event, small or large, every second month. Those currently scheduled or planned include: a museum Speakers Series, Airfest, the Battle of Britain Parade, Remembrance Day services, etc. In 2008 this will grow to an event *every month* with the inclusion of a series of regional and nationally co-ordinated events for the “100th Anniversary of flight in Canada” in 2009. Special events will continue in 2010 and 2011 with the 70th anniversary of the Battle of Britain and the 100th anniversary of flight in Edmonton.

Film and Television

The museum collection includes aircraft and artifacts that add authenticity to movie and television productions. Museum volunteers have already been consulted as experts for prop construction in documentary films, and museum aircraft have been used in movie productions - all for a fee. Thus the film and television industry has been identified as a revenue source for both the museum and facility. Beginning in 2007 it has been targeted by a series of marketing initiatives:

- Promotion through personal contact with local movie producers
- Direct mail solicitation to film production companies in Western Canada
- Partnering with both the Alberta and Edmonton Film Commissions

This market has been defined as a priority as it not only benefits the Museum and facility, but Edmonton as a whole.

Gift Shop

The gift shop has proven itself to be a profit centre since its reorganization and the hiring of new management in 2005. As indicated earlier, the gift shop has also proven itself as a destination in its own right. Heretofore we have relied on site-based signage and targeted direct mail, but we have now augmented this with print advertising, and an on-line presence launched in 2007. In 2008 we will begin an advertising program tailored to gift shop operations.

Hangar Rentals

The facility has begun a direct mail based program to increase rentals of the available area and is currently working with Ken Fiske of Edmonton Tourism. The program consists of targeted direct mail advertising and working with Edmonton Tourism on referral or appropriate events.

AAMA Website

2007 saw the launch of an all new museum website. Aggressive and entertaining, it portrays the new image of the museum. It features our earlier logo, and it is expected to serve the museum well for the projected future. It is updateable on site, allows for on-line gift shop sales, and can be easily adapted from on site rather than a webmaster or hosting service. So far the website has received rave reviews from the aviation community around the world. To keep the site fresh it will be continually updated and revised on a regular schedule.

J FACILITY REQUIREMENTS

In 2006 the City of Edmonton Assets Management undertook a major review of our facility. While giving the overall structure a clean bill of health, it also identified a series of necessary upgrades. The areas targeted are:

- Upgrading of water supply to the east side of our facility
- Complete electrical system renovation
- Heating and ventilating plant replacement

The water supply upgrade is a relatively simple project and will appear as a 2008 priority. However the electric system renovation and the heating and ventilating plant replacement are very major and expensive.

Electrical renovation:

We will be working with the volunteers using the facility, NAIT and the City of Edmonton to determine the precise requirements for the electrical renovation. The goals will be to determine not just the modernization of the electric system but also to insure the practicality of its use for the long-term of the facility and what energy conservation technologies can be implemented. As the plan progresses we will also need to consult with Alberta Historic Resources to ensure we do not compromise the historic appearance and quality of the facility, a requirement for provincial heritage status.

Planning alone is expected to take one year and we will be fund raising through both private and government (Federal and Provincial) sources while the planning is underway. It is expected the electrical system renovation will be the 2009 priority. In the meantime we have embarked on an increased schedule of checks and maintenance to the system to be sure no operational or code issues impede operation of the facility.

Heating and ventilating plant replacement:

Much like the electrical renovation, this project is of a huge magnitude. Research and planning will begin once the electrical program has started. Major considerations here are:

- Adaptation to the facility without compromising the historical integrity
- Reduction of energy usage and related costs
- Alternative energy sources
- Cost of replacement

We must review each segment carefully and consider the new green technologies to reduce environmental impact and operational costs. It is expected replacement of this system will be a 2011 priority.

This city review, when combined with the other needs identified in this business plan, results in the following list of facility requirements, outlined by year.

2007 Priorities

Cosmetic Requirements, External

The cosmetic appearance of the facility directly influences our ability to generate revenue. The better the facility appears, the higher the attendance and the greater rental rates can be achieved. An extremely busy year in 2006 allowed many of the upgrades and maintenance items detailed in the original City Assets Management report to be addressed, but some still remain.

Landscaping under the Mounted Norseman Bushplane.

The landscaping under the Norseman aircraft mounted on Kingsway Avenue will be finished in the summer of 2007. The current plan is to sod the complete area until the funds are generated to implement the complete plan proposed by the Alberta Aviation Museum with the input of the Kingsway Business Association.

This interim step will allow for a complete clean appearance for the facilities frontage on Kingsway Avenue while costing only pennies on the dollar of the proposed overall plan. Sod is also a low maintenance solution not overburdening the time of the facility volunteers. Several areas of the front chain link fencing are also identified for repair and upgrade in 2007.

General maintenance will be carried out to maintain the hangar's appearance using both combination volunteers and contractors.

Front (South) Façade of Building.

As part of the ongoing maintenance of the facility the south facing hangar doors and visitor entrance to our facility must be painted. Damaged glass will also be replaced and replacement of the large east side access doors is scheduled. In addition the South West sliding doors will be replaced, a major project requiring the approval of Alberta Community Development Historic Resources so as to maintain the hangar's historic appearance, while allowing for easier and safer operation of the doors, and major energy savings.

Rear (North) Façade of Building.

As with the front façade this is ongoing maintenance to maintain the appearance of the building. At the same time we will address glass replacement issues on the hangar doors as in the front.

Ongoing Maintenance.

We will implement a general maintenance program by scheduling Spring, Summer and Fall maintenance weekends using the volunteers. This ensures clean up, touch up painting and minor maintenance is performed for each of the seasons, and ensures we have sound insulation and weather stripping that minimizes energy use.

Cosmetic Requirements, Internal.

As with the hangar exterior, the interior must be maintained to present a pleasing appearance. This has a direct influence on maintaining and enhancing revenues. In our continuing and ongoing maintenance program we identify areas in need of servicing and attend to the needs. This year a series of small scale painting upgrades are required throughout the building. This will be completed with volunteers. In addition the west parking area of the facility is scheduled for a major clean up and re-grading.

Mechanical Upgrades and Maintenance

2007 will be devoted to both maintenance and long-term planning. In addition to regular maintenance, select maintenance projects will be targeted, such as:

- inspecting all bolted connections,
- adding protection to gas service,
- cleaning heating duct works, and
- adding permanent ladders to lower annexes

To aid in the long term servicing and maintenance of the facility the Edmonton Aviation Heritage Society has purchased a certified electric man lift.

On completion of the 2007 program, the hangar and grounds will have reached a professional standard of both appearance and operation, and planning for major upgrades will have been completed.

2008 Priorities

Cosmetic External

2008 will be a year of ongoing maintenance and service. Painting and repairs to envelope and grounds to ensure the appearance and integrity of the facility. Items included:

- Landscaping maintenance
- Building paint maintenance
- Fence line servicing
- Parking area maintenance and servicing

Cosmetic Internal

Similar to the external cosmetic needs the internal program will be one of maintenance and servicing. Items included:

- Continued painting of the floors and other areas as required
- Repairs to fixtures and hard assets as needed due to use
- Replacement of mechanical components due to wear issues

Mechanical Upgrades

In 2008 the top mechanical priority will be the upgrading of the water service to the east side of the facility. While not a major project in terms of the electrical and heating needs it is important to the overall function of the facility. Water service upgrade is estimated to cost \$15,000.00. The other on-going projects are:

- Electrical renovation project
- Heating and ventilation plant replacement project

2008 will be a year of on going planning and fund raising for these very major projects.

2009 Priorities

The single biggest project for 2009 will be the electrical system renovation. Initial advice is that the project will require many months to complete. Pending project research planning beyond the time frame is unreasonable at this time.

Of key importance with this major project will be scheduling as to not interfere with the “100 Years of Powered Flight in Canada” celebrations that will be taking place.

2010 Priorities

Continued maintenance of the facility will be the goal of 2010 unless planning/funding of the heating and ventilation plant replacement has been completed. If the ground work and funding is in place then the heating and ventilation project will take priority.

2011 Priorities

2011 is the year targeted for the replacement of the Heating and Ventilation system. This is again a major project that will require a large time segment of the warmer months to complete.

Upon completion of the five year construction and maintenance plan the building will be not only a cosmetic, but an operational jewel and long term benefit to the Kingsway area. It is expected that completion of this plan will have the facility in a position to continue comfortable operations through the next several decades.

Space - The Remaining Concern

While the above five-year plan addresses the existing facility, it does not address the need for future growth. As of 2007, the Museum will have run out of room. Donations of aircraft are now stalled pending a long term plan to address the growth issue. Planning for a long-term solution must begin now. Discussions have been initiated and concepts are under discussion both internally and with the Provincial and Federal governments.

The AAMA and the EAHS are defining staged space requirements, needs and options for fulfilling those requirements. Many aircraft on the acquisition list are large by any standard, but are nonetheless important to our aviation history. While some may be represented by high quality scale models, their historical importance demands that others be preserved and presented to the public as is.

In less than two decades the Alberta Aviation Museum working with the Edmonton Aviation Heritage Society has gone from nothing to the 5th largest collection in Canada, with additional acquisitions in the wings and the new education programs launching the museum could rapidly grow to being one of the three largest by the end of the construction plan as outlined.

K SUMMARY OF CHALLENGES

Challenges facing the Alberta Aviation Museum and Edmonton Aviation Heritage Society can be categorized in two types: Operational and Facility-Based.

Operational challenges:

Operational challenges facing the EAHS and the AAMA can further be divided into two areas

- People
- Finances

Operational Challenges - People

Despite the need for full-time staff, the AAMA and the EAHS both rest on a volunteer foundation. A volunteer recruiting program has been identified as a priority and initial implementation is underway, but the aging volunteer base remains a major concern. It is no solution to substitute paid staff for volunteers, because this would be costly and would alter one of the hangar's key characteristics: that it is a place where anyone with ability and energy can contribute for the greater good of the community.

That said, some hangar tasks clearly demand full-time staff. The current full-time paid staff is comprised of:

- Executive Director
- Executive Assistant
- Education Director
- Gift Shop Manager
- Archivist/Office Assistant

A requirement for a minimum of three additional staff has been identified, to be recruited over the course of this plan:

- Curator
- Volunteer Coordinator
- Maintenance Director

As identified in the *Diane Lougheed Keefe Report* to Edmonton city council, this will bring the operation to a minimal but adequate operational level.

Operational Challenges - Finances

All this must be paid for. The included budget projections make it clear that throughout the period of this plan, interim finances will be required to bring the facility up to the point where it can be financially self-sufficient. Operational short falls are predicted through to 2011, as revenues will lag behind the expenses of operational growth. Beyond 2011 the need for interim financing passes, as the expected visitor growth and the expected growth of other programs overcomes the initial costs.

Facility-Based Challenges

As with “Operational Challenges” facility challenges can be divided into two areas: Upgrading of facility infrastructure, and expansion.

Upgrading Existing Infrastructure

City of Edmonton Assets Management concluded a major assessment of the overall facility in 2006 and forwarded the report to council for information. The smaller projects identified within, some substantial, are within the means and ability of the overall operation of our facility. There are only two that are cause for major concern, both of which need to be addressed during the currency of this plan:

- Electrical system upgrading, identified as a \$200K+ project, and
- Heating and Ventilation upgrade/replacement, identified as a \$350K+ project.

While both projects are important and cannot be ignored they are major expenditures that will divert time and effort from the overall growth of the operations.

Facility Expansion

Of all the challenges pressing the EAHS and AAMA, growth potential is the greatest. As of 2007 the operation is out of space. Acquisition of additional aircraft is currently on hold until this challenge can be addressed, and resolved. A full space utilization report was undertaken through the fall of 2006 and spring of 2007 which concluded that, while some minor gains can be made, the overall problem remains.

This becomes even more critical when one considers an observation made by Ken Fiske of Edmonton Tourism who, on a recent visit, stated that we are approaching critical mass in terms of operation and collection size. If the EAHS and the AAMA are able to continue current growth, the very real promise of becoming a major tourism destination is within grasp. To stall now due to space issues will be a major set back.

To overcome the problem in the short term, work is underway with the Province of Alberta and the Government of Canada to find the financial wherewithal to obtain interim expansion area of 7,000 square meters. If successful this will carry us through the duration of this plan, but the longer term problem remains. To add to the problem, if the Education Programming or Movie Industry promotion is successful beyond prediction we will become stressed for space that much more quickly. Some feel the best solution would be to acquire Building 15, immediately north of the existing facility. However, both economics and current airport policy block this option at this time.

Nonetheless, the future is very bright for both the Alberta Aviation Museum and the Edmonton Aviation Heritage Society. The facility is host to much more than the Alberta Aviation Museum; the Edmonton Aviation Heritage Centre adds value to the community by being:

- a) A youth centre, as several hundred young people participate in dynamic Cadet training programs each week;
- b) A *de facto* senior's centre, hosting not just the seniors within the AAMA but to the six other veterans organizations within the facility;
- c) A centre of education for elementary, junior high, senior high and other schools;
- d) An attraction to the Film and Television industry
- e) A Community and Cultural centre providing an economical location for non profit events
- f) An economic driver for the Kingsway area

The most heartening result of this planning process is the very clear finding that the concept hangar and the museum has been proven and that there are no challenges on the horizon that cannot be overcome given the time, effort and support.

- Respectfully submitted by the EAHS-AAMA Joint Business Group.

Background information attachments:

- Visitor profile
- Research and methodology

Financial attachments:

- Operating budgets 2007-2008-2009-2010-2011
- Sustainability, 2011 and beyond

**Alberta Aviation Museum
Visitor profile
2002 (March) to 2007 (March)**

The visitor profile noted is compiled of a random sampling of guest book entries, (10) pages with (22) entries per page were randomly selected from each year with no regard to date. While not the best data base in terms of scientific information it does present a reasonable overall view of the visitor base and trends. The information specifically excludes attendance relating to education programming.

Visitor profile information

Year	Satisfaction level		Out of region	Local
2002	100%		16%	84%
2003	99%	*	18%	82%
2004	100%		16%	84%
2005	97%	**	19%	81%
2006	100%		20%	79%
2007	99%	***	22%	78%

Out of region defined as outside Greater Edmonton area

Local defined as within Greater Edmonton area

Information is random sampling as indicated in notes, specifically excludes:

- a) Special events**
- b) Education programming**

- * Problem with Jaycopter vintage game noted**
- ** Comments relating to not being able to tour 737 on demand**
- ***Problem with Jaycopter vintage game noted**

The overall trending matches information released at the Smithsonian NASM “Mutual Concerns of Aviation Museums” conference held in April 2007. The Smithsonian presenter informed those in attendance that sampling done in the United States had indicated (27%) of Visitors to aviation museums were not from the local region. Anecdotal information from informal discussions with museum staff from Europe, Australia and New Zealand concurred with the information presented.

It is expected that the trend will continue as our collection grows and becomes more widely known.

Visitor Interviews

Informal visitor interviews have been conducted January through March of 2007. While random and informal it has provided useful information on both demographic and trends with our guests, though anecdotal.

Out of Region Visitors

Our visitors from out of region tend to break with expectation being younger than thought and in most cases the museum has specifically been on their list of places to visit.

Visitors from within Alberta, observations:

- a) Younger than expected, tend to be family groups, adults with 2 or more school age children
- b) Generally from Northern Alberta (High Level, Grande Prairie, Peace River etc.)
- c) Appear to be middle income, average education levels (observed from dress and behavior)
- d) Attendance not generally tied to school holidays or breaks

Visitors from outside of Alberta, within Canada, observations:

More typical age range expected (senior, veterans) but with exceptions as noted. Again unexpected wider interest group with exceptions to age demographic as noted.

- a) High level of business travelers with an interest in aviation (35 to 50 years, observed).
- b) Higher than expected level of younger visitors with a general interest in history (18 to 35 years).

Visitors from outside of Canada, observations:

While not broken into country of origin at this time there are some obvious trends:

- a) Those visiting from Commonwealth countries tend to show a wide age gap, examples:
 - Visible Seniors/Veterans
 - Visible 25-45 years
 - Few visible between the ranges indicated or below ages indicated

The Seniors/Veterans fits profile as many are making trips to Canada and other countries in their senior years to revisit people and places from their youth.

The 25-45 years is a bit of a surprise, but seems to be those retracing the steps of parents and grandparents and have an active interest in family and general aviation history.

- b) Visitors from the United States fall into a more typical tourist based age range

- c) Visitors from Europe

An increasing number of visitors from Holland and Germany have been observed, generically 40-60 years by appearance with an interest in northern history and northern aviation.

Visitors from Local Region

Many breaks from expectation, younger than thought, many in the 25-45 years range, high level of repeat visitation. Most interesting is the high level of parents with younger (pre school age) children, this was a very unexpected trend that has been explained in part by our facility being considered a safe place that younger children can easily move around in with interesting things to do. Unexpected but welcome information.

Please bear in mind information is anecdotal from random sampling as opposed to more scientific professional methods.

Strategic Business Plan References and Sources

- Previous business plans (both proposed and adopted) by AAMA/EAHS
- Previous years financial information AAMA/EAHS
- Diane Loughheed Keefe consultants report to Edmonton City Council
- Review and study of general information on “Aviation Museums”
- Trends and studies of museum finances and visitors
 - a) <http://www.amonline.net.au/amarc/pdf/resources/visitors.pdf>
 - b) http://www.si.edu/opanda/Reports/Reports/SI2004_Survey_Booklet.pdf
 - c) <http://www.sdnhm.org/strategicplanning/demographics.html>
 - d) <http://www.corporate.canada.travel/docs/researchandstatistics.pdf>
 - e) Smithsonian National Air and Space Museum “Mutual Concerns of Air and Space Museums” 2007 conference seminars:
 - Visitor attraction or Museum
 - Taking the museum to the classroom
 - Promoting your museum through photography and graphics
 - Museum or Party venue
 - Public relations, marketing and community outreach
 - f) Alberta Government “Impact of Provincial Historic Sites” study 2005
- Edmonton Public Library
 - a) References on past utility rates and related
- Anecdotal research from peers during “Mutual Concerns” conference.
- Broad based interviews with non related customers, friends and associates

Strategic Business Plan Methodology of Development

1) Interviews and comments from volunteers and members:

(Conducted from December 1, 2006 through January 1, 2007)

Interviews were used to compile a base of information on what the grassroots membership felt the direction and mission of the facility truly is.

2) First rough writing:

(Completed through the first 2 weeks of February, 2007)

Segments distributed to long standing members for comment on content and direction

3) Second rough writing:

(Completed end of February, 2007)

Sections subjected to informal peer review at Smithsonian NASM “Mutual Concerns of Air and Space Museums” conference in San Diego April 1 to 4, 2007

4) First draft of complete “Strategic Plan”:

(Completed April 8, 2007 and distributed to facility boards)

First completed draft completed based on total information and comment gathered to April 5, 2007. Distributed for overall comment and input by facility boards to confirm direction and content.

5) Second draft of complete “Strategic Plan”:

(Completed April 22, 2007 and distributed for outside comment)

Re write completed based on input from boards, this included revisions to several sections.

Distributed for comment to:

- Don Grimble, Executive Director, Kingsway Business Association
- Andy Shanks, General Aviation Manager, Edmonton Airports
- Dave Jacox, MKM Marketing
- Art Breirer, Hangar 11

6) Third draft of complete “Strategic Plan”

(Completed April 27, 2007 and distributed for final board comment)

7) Final draft of complete “Strategic Plan”

(Completed April 30, 2007 and distributed)

8) Joint Strategic Business Plan

(Completed May 4, 2007 and distributed)

Museum and facility operating budgets

Revenue	2007	2008	2009	2010	2011
Admissions	\$80,000.00	\$95,000.00	\$105,000.00	\$125,000.00	\$150,000.00
Education programs	\$12,000.00	\$24,000.00	\$32,000.00	\$40,000.00	\$65,000.00
Gift shop net income	\$11,125.00	\$15,000.00	\$17,500.00	\$20,000.00	\$24,500.00
Operating Grants	\$125,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Member organization user fees	\$66,500.00	\$66,500.00	\$66,500.00	\$66,500.00	\$73,000.00
Memberships - Organizations	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$4,000.00
Memberships - Individuals	\$4,000.00	\$4,000.00	\$4,000.00	\$4,500.00	\$6,500.00
Rentals - Facilities	\$40,000.00	\$50,000.00	\$60,000.00	\$65,000.00	\$85,000.00
Rentals - Tables	\$2,500.00	\$2,750.00	\$3,000.00	\$3,200.00	\$4,000.00
Rentals - Chairs	\$4,000.00	\$4,250.00	\$4,500.00	\$4,600.00	\$5,000.00
Rentals - Other	\$0.00	\$0.00	\$20,000.00	\$30,000.00	\$55,000.00
Fund Raising	\$1,500.00	\$60,000.00	\$66,000.00	\$70,000.00	\$85,000.00
Interest Income	\$1,500.00	\$1,500.00	\$2,000.00	\$2,200.00	\$2,250.00
Energy Rebates	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash Donations	\$14,000.00	\$20,000.00	\$24,000.00	\$35,000.00	\$65,000.00
Total Operating Revenue	\$371,125.00	\$346,500.00	\$388,000.00	\$469,500.00	\$624,250.00
Expenses					
Museum floor operations	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Bldg Security	\$4,000.00	\$4,400.00	\$5,000.00	\$5,200.00	\$5,500.00
Equipment Rentals	\$500.00	\$1,000.00	\$1,250.00	\$1,500.00	\$1,650.00
Hangar Supplies	\$1,000.00	\$1,100.00	\$1,250.00	\$1,500.00	\$1,650.00
Janitorial Services	\$4,000.00	\$4,400.00	\$4,800.00	\$5,000.00	\$5,500.00
Janitorial Supplies	\$3,500.00	\$3,750.00	\$4,000.00	\$4,250.00	\$4,500.00
Parking Lot Maintenance	\$3,000.00	\$3,300.00	\$3,500.00	\$3,750.00	\$4,100.00
Repair & Maint - Bldg	\$5,000.00	\$5,500.00	\$6,000.00	\$6,250.00	\$6,600.00
Repair & Maint - Hangar Equip	\$1,500.00	\$1,650.00	\$1,800.00	\$2,000.00	\$2,400.00
Repair & Maint - Lounge	\$500.00	\$500.00	\$600.00	\$725.00	\$1,000.00
Waste Management	\$4,000.00	\$4,400.00	\$4,800.00	\$5,000.00	\$5,200.00
Natural Gas	\$44,000.00	\$48,000.00	\$51,000.00	\$53,500.00	\$60,000.00
Power & Water	\$25,000.00	\$27,500.00	\$30,000.00	\$32,000.00	\$38,000.00
Telephone	\$7,500.00	\$8,000.00	\$8,500.00	\$8,750.00	\$9,250.00
Advertising	\$4,000.00	\$5,000.00	\$6,000.00	\$6,250.00	\$12,000.00
Bank Charges	\$400.00	\$500.00	\$625.00	\$650.00	\$845.00
Insurance	\$12,500.00	\$12,500.00	\$13,600.00	\$14,200.00	\$16,250.00
Internet Expense	\$5,200.00	\$5,200.00	\$5,500.00	\$4,650.00	\$5,200.00
Licencing & Permits	\$200.00	\$200.00	\$250.00	\$250.00	\$300.00
Office Equipment & Repairs	\$3,500.00	\$4,250.00	\$4,800.00	\$5,000.00	\$5,250.00
Office Supplies	\$3,500.00	\$3,750.00	\$3,750.00	\$4,000.00	\$4,400.00
Photocopying & Printing	\$1,000.00	\$1,500.00	\$1,650.00	\$1,800.00	\$2,200.00
Postage	\$1,000.00	\$1,500.00	\$1,650.00	\$1,800.00	\$2,200.00
Professional Fees - Audit	\$9,000.00	\$9,900.00	\$10,200.00	\$10,500.00	\$11,500.00
Professional Fees - Legal	\$600.00	\$660.00	\$700.00	\$725.00	\$975.00
Casual Labour	\$2,500.00	\$2,750.00	\$3,000.00	\$3,250.00	\$3,800.00
Contract Services	\$76,700.00	\$104,000.00	\$204,000.00	\$224,000.00	\$224,000.00
Salary & Benefits	\$92,400.00	\$122,400.00	\$125,600.00	\$127,000.00	\$131,000.00
Other expenses	\$5,000.00	\$5,500.00	\$6,000.00	\$7,250.00	\$9,250.00
Total Operating Expense	\$371,000.00	\$443,110.00	\$559,825.00	\$590,750.00	\$624,520.00
Net Operations	\$125.00	-\$96,610.00	-\$151,825.00	-\$121,250.00	-\$270.00

Museum and facility operating budgets

Revenue	2011	2012	2013	2014	2015	2016
Admissions	\$150,000.00	\$165,000.00	\$181,000.00	\$199,000.00	\$185,000.00	\$190,000.00
Education programs	\$65,000.00	\$85,000.00	\$93,500.00	\$102,800.00	\$110,000.00	\$105,000.00
Gift shop net income	\$24,500.00	\$25,500.00	\$27,500.00	\$30,000.00	\$29,500.00	\$29,000.00
Operating Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Member organization user fees	\$73,000.00	\$73,000.00	\$73,000.00	\$73,000.00	\$80,300.00	\$80,300.00
Memberships - Organizations	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,400.00	\$4,400.00
Memberships - Individuals	\$6,500.00	\$8,750.00	\$9,000.00	\$9,000.00	\$8,500.00	\$8,750.00
Rentals - Facilities	\$85,000.00	\$91,500.00	\$91,500.00	\$85,000.00	\$82,500.00	\$85,000.00
Rentals - Tables	\$4,000.00	\$4,250.00	\$4,250.00	\$4,000.00	\$4,000.00	\$4,250.00
Rentals - Chairs	\$5,000.00	\$5,100.00	\$5,100.00	\$4,800.00	\$4,800.00	\$5,100.00
Rentals - Other	\$55,000.00	\$58,000.00	\$60,000.00	\$55,000.00	\$50,000.00	\$55,000.00
Fund Raising	\$85,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$105,000.00	\$100,000.00
Interest Income	\$2,250.00	\$2,450.00	\$2,450.00	\$2,250.00	\$2,250.00	\$1,950.00
Energy Rebates	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash Donations	\$65,000.00	\$65,000.00	\$60,000.00	\$55,000.00	\$50,000.00	\$45,000.00
Total Operating Revenue	\$624,250.00	\$687,550.00	\$711,300.00	\$723,850.00	\$716,250.00	\$713,750.00
Expenses						
Museum floor operations	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Bldg Security	\$5,500.00	\$5,750.00	\$6,000.00	\$6,250.00	\$6,250.00	\$6,000.00
Equipment Rentals	\$1,650.00	\$1,400.00	\$1,550.00	\$1,650.00	\$1,650.00	\$1,400.00
Hangar Supplies	\$1,650.00	\$1,650.00	\$1,800.00	\$1,975.00	\$1,975.00	\$1,650.00
Janitorial Services	\$5,500.00	\$5,750.00	\$6,000.00	\$6,250.00	\$6,250.00	\$6,500.00
Janitorial Supplies	\$4,500.00	\$4,650.00	\$4,800.00	\$5,000.00	\$5,000.00	\$5,100.00
Parking Lot Maintenance	\$4,100.00	\$4,250.00	\$4,300.00	\$4,400.00	\$4,400.00	\$4,100.00
Repair & Maint - Bldg	\$6,600.00	\$6,950.00	\$7,000.00	\$7,100.00	\$7,100.00	\$6,600.00
Repair & Maint - Hangar Equip	\$2,400.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,350.00
Repair & Maint - Lounge	\$1,000.00	\$1,000.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,000.00
Waste Management	\$5,200.00	\$5,250.00	\$5,300.00	\$5,450.00	\$5,450.00	\$5,675.00
Natural Gas	\$60,000.00	\$61,000.00	\$62,500.00	\$63,000.00	\$63,000.00	\$65,000.00
Power & Water	\$38,000.00	\$39,000.00	\$40,000.00	\$41,500.00	\$41,500.00	\$43,500.00
Telephone	\$9,250.00	\$10,450.00	\$10,450.00	\$11,000.00	\$10,000.00	\$10,250.00
Advertising	\$12,000.00	\$15,000.00	\$16,500.00	\$18,000.00	\$15,000.00	\$15,000.00
Bank Charges	\$845.00	\$885.00	\$895.00	\$900.00	\$900.00	\$875.00
Insurance	\$16,250.00	\$16,250.00	\$16,450.00	\$17,250.00	\$17,250.00	\$17,250.00
Internet Expense	\$5,200.00	\$5,250.00	\$5,250.00	\$5,300.00	\$5,300.00	\$5,100.00
Licencing & Permits	\$300.00	\$300.00	\$325.00	\$325.00	\$325.00	\$340.00
Office Equipment & Repairs	\$5,250.00	\$5,450.00	\$5,500.00	\$5,600.00	\$5,600.00	\$5,500.00
Office Supplies	\$4,400.00	\$4,650.00	\$4,800.00	\$5,000.00	\$5,000.00	\$4,950.00
Photocopying & Printing	\$2,200.00	\$2,250.00	\$2,325.00	\$2,450.00	\$2,650.00	\$2,500.00
Postage	\$2,200.00	\$2,250.00	\$2,325.00	\$2,450.00	\$2,650.00	\$2,500.00
Professional Fees - Audit	\$11,500.00	\$11,500.00	\$11,750.00	\$12,000.00	\$12,000.00	\$12,500.00
Professional Fees - Legal	\$975.00	\$975.00	\$1,000.00	\$1,100.00	\$1,100.00	\$1,350.00
Casual Labour	\$3,800.00	\$4,100.00	\$4,650.00	\$4,800.00	\$5,400.00	\$5,400.00
Contract Services	\$224,000.00	\$244,000.00	\$244,000.00	\$266,000.00	\$266,000.00	\$265,000.00
Salary & Benefits	\$131,000.00	\$161,000.00	\$161,000.00	\$167,000.00	\$157,000.00	\$157,000.00
Other expenses	\$9,250.00	\$11,200.00	\$11,450.00	\$11,650.00	\$11,650.00	\$9,250.00
Total Operating Expense	\$624,520.00	\$684,660.00	\$691,620.00	\$727,100.00	\$714,100.00	\$713,640.00
Net Operations	-\$270.00	\$2,980.00	\$18,680.00	-\$3,350.00	\$2,150.00	\$110.00