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Children's Museum loan to help fund construction

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Even better than bubble gum: That's what folks at the Children's Museum of Phoenix think about a low-interest loan Catholic Healthcare West made to the nonprofit.

The \$1.5 million, 3.5 percent loan puts the Children's Museum over the top in fundraising for construction of its building, which triggers a capital contribution by the city of Phoenix, said Kate Wells,



Marisue Garganta

a museum co-founder and executive director of marketing and development.

The museum is expected to open early next year in the historic Monroe School at the intersection of Seventh and Van Buren streets. The school is undergoing a \$22.8 million renovation to house the museum, which will be 70,000

square feet upon completion early next year.

Ground was broken last April and some initial interior demolition has been done, but the new loan will allow full construction to begin, Wells said.

Although Phoenix voters approved a bond that will help renovate the building, it's up to museum officials to raise money and contribute about \$3 million toward the project, Wells said.

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MUSEUM: Construction kicks into full gear following successful capital campaign

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The building is owned by the city of Phoenix. The city leases it to the museum, a registered nonprofit, at no charge.

"A lot of our donors are making pledges over three to five years. But we don't have the cash in hand, and we have to pay our construction costs right up front," Wells

'Because we invested in them, now others believe it's a worthy investment. And our dollars are leveraged farther than even what the loan is worth.'

Marisue Garganta

St. Joseph's Hospital and Medical Center

said. "We don't own the building, so we couldn't take out a loan using the building as collateral."

"Not-for-profits in general have a hard time getting financing. Capital is tough to raise," said Marisue Garganta, director of community health integration for St. Joseph's Hospital and Medical Center.

The loan is part of an ongoing effort by



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Kate Wells, co-founder and executive director of marketing and communications for Children's Museum of Phoenix, shows a model of what the facility will look like upon completion. With donations and a low-interest loan from Catholic Healthcare West, the museum should open early next year.

Catholic Healthcare West to support the communities in which they're located, she said.

"Just this past year, we've loaned close to \$4 million to not-for-profits," Garganta said. Valley recipients include BodyPositive, the Sojourner Center and Chicanos por la Causa.

In addition to CHW, a 501(c)3 organization, major contributors to the Children's Museum include the Daron and Ron Barnes Family Foundation and The Virginia G. Piper Charitable Trust, each of which donated \$1 million to the project, Wells said.

A \$1 million donation also was made by Robert Sarver, whose investment group

owns the Phoenix Suns. Suns Chairman Jerry Colangelo added \$250,000. Sarver and Colangelo co-chair the museum's capital campaign.

Garganta said she hopes CHW played a role in helping generate such noteworthy contributions.

"Because we invested in them, now others believe it's a worthy investment. And our dollars are leveraged farther than even what the loan is worth," she said.

The museum will offer hands-on experiential art for children up to 10 years old. It will focus on all types of learning, with demonstrations and interactive displays, Wells said.

The museum also is partnering with Arizona State University, which will operate an educational learning lab for a bilingual preschool, Wells said.

"When we open, we are going to be one of the largest children's museums in the country," she said.

Currently, the Arizona Museum for Youth in Mesa and the Arizona Science Center on Jefferson Street provide activities and exhibits for children as well.

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Children's Museum of Phoenix:
www.childrensmuseumofphoenix.org
Catholic Healthcare West:
www.chwhealth.org
Arizona Science Center:
www.azsciencecenter.org
Arizona Museum for Youth:
www.arizonamuseumforyouth.com