

The Minnesota Streetcar Museum
P. O. Box 14467, University Station
Minneapolis, MN 55414-0467
EIN: 34-2030631

IRS Form 1023
Application for Recognition of Exemption

ATTACHMENT B

NARRATIVE
Answers to all but Part V, Q 3a and Schedule G

Part II **Organizational Structure**

Item 5 The Museum's governing Board has not yet approved the Museum's by-laws. This will be done within the next 60 days. The method used to select and elect Board members and officers will be as follows.

The Board will appoint a Nominations and Elections Committee consisting of three to five voting members of the Corporation no later than November 15th. No member of the Committee will be a contractor, Director, employee, officer or vendor of the Corporation. The Committee will select its leaders and report this to the Board. The Nominations Committee will provide an account of its proceedings to the Board.

Due notice of the pending election will be provided to all qualified voting members by US mail sufficiently in advance of the annual meeting and in sufficient detail. The Nominating Committee will recommend a slate of candidates for Directors at the annual meeting of the members. Nominations for Director can also be made by petition from any qualified voting member in writing in advance of the annual meeting in accordance with procedures specified in the proposed by-laws. Class I Directors shall be elected by a majority vote of the Regular Members at the annual meeting of the members. Directors will be elected for three year staggered terms.

After the election of Directors at the annual meeting, the Board will select the corporate officers for the coming year.

The Board also will appoint Class II Directors. Class II Directors will be appointed for one-year terms and need not be members of the Corporation but will be drawn from the community at large and will be established members of the community with strong leadership and organizational skills, should have the ability to represent the Corporation within the community and have the ability to develop support for the Corporation and its activities throughout the community.

Part IV Narrative Description of your Activities

MISSION: To preserve and communicate to the public the experience of Minnesota's electric street and interurban railway history.

PURPOSE AND GOALS: The Minnesota Streetcar Museum operates the Como-Harriet Streetcar line at Lake Harriet in Minneapolis, Minnesota and the Excelsior Streetcar Line in Excelsior, Minnesota. The Museum's purposes and intent are to:

1. Educate the citizens of the Twin Cities metropolitan area and the state of Minnesota, and Museum members, volunteers and passengers about the history and historic significance of the electric street railway and public transit generally, and especially as they relate to Minnesota.
2. Preserve the methods and skills that were necessary to build and maintain electric street railways and public transit systems while authentically, economically, and safely interpreting, maintaining, operating and restoring the museum's streetcars and physical assets
3. Operate a historically correct, financially self-supporting, safe, well endowed, well maintained, and well-run demonstration streetcar line at Lake Harriet in Minneapolis and Excelsior on Lake Minnetonka.
4. Operate regularly scheduled, charter, special and training streetcar operations.
5. Schedule special events on and off-site as appropriate to promote education, goodwill, membership, ridership, and volunteerism in the Linden Hills and Excelsior Communities and throughout the metropolitan area and the State.
6. Operate a variety of electric interurban and street railway equipment, including but not limited to streetcars Winona No. 10, Fargo and Moorhead Street Railway No. 28, Duluth Street Railway No. 78, Duluth Street Railway No. 265, Twin City Rapid Transit Company No. 322, Twin City Rapid Transit Company No. 1239 and Twin City Rapid Transit Company No. 1300.
7. Preserve and ultimately restore and operate a variety of electric interurban and street railway equipment representing the broad spectrum of electric railway vehicles that operated in Minnesota for the Twin City Rapid Transit Company and other Minnesota electric interurban or street railway companies. These cars include, but are not limited to: interurban coach Mesaba Railway No. 10; streetcars Winona No. 10, Fargo & Moorhead Street Railway No. 28, and Duluth Street Railway lightweight No. 304.
8. Acquire, catalog, display, and properly store additional artifacts that assist the Museum in developing and maintaining a collection that interprets and represents the broad spectrum of electric railway vehicles that operated in Minnesota for the Twin City Rapid Transit Company and other Minnesota electric traction operators.
9. Attract and maintain members and volunteers, including younger and more diverse persons, providing education, enjoyment, satisfaction and training.

MANAGEMENT AND OPERATIONS. The Museum's two operating demonstration railways consist of one mile of railroad track at the Como-Harriet Streetcar Line in Minneapolis and one-half mile of railroad track at the Excelsior Streetcar Line in Excelsior, Minnesota. Restored historic Minnesota streetcars are operated at both demonstration railways.

The operating season at both sites generally begins in early May and concludes in late October of each year. At the Como-Harriet Streetcar Line, weekend operations are conducted

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throughout the operating season with daily (weeknight) service offered from late May to Labor Day. The Excelsior Streetcar Line operates on weekends only except for Thursday afternoons.

Volunteers perform all management, supervisory and administrative functions of the Museum. Streetcar operations are also done with all-volunteer crews. The Museum has no paid employees.

Streetcar operations allow the Museum to collect revenue to pay necessary operating and administrative costs such as insurance and utility expenses. After expenses are paid, revenue allows the Museum to maintain our historic streetcars, restore those streetcars awaiting restoration, create historic exhibits and displays and conduct educational programs.

The Museum is funded primarily from streetcar operation revenues at both demonstration railways. Donations and membership dues from Museum members and the public account for approximately 15 percent of gross income.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

Item 5b The Museum's governing Board has not yet approved the Museum's Conflict of
Item 5c Interest policy. We expect to do this at our next Board of Director's meeting
scheduled for mid-February 2005. When approved our conflict of interest policy
will be consistent with that found in appendix A of the instructions to IRS Form
1023.

Part VIII Your Specific Activities

Item 4a The Museum conducts an annual appeal fund raising drive to solicit donations from
Museum members and friends. This annual appeal fund raising effort will be
conducted primarily by direct mail sent to current Museum members, former
members and past annual appeal donors. This direct mailing announcement will
sometimes be followed-up by e-mail and telephone solicitations to selected
members and past donors.

We will make directed solicitations to private foundations for specific projects
such as public educational programs, development of historical exhibits and
displays and for major capital projects such as streetcar restorations.

We intend to apply for government grants for major capital improvement
projects when these grant programs are announced and if the Museum qualifies as
an applicant.

Item 4d Throughout the state of Minnesota. Our members and friends reside throughout the
entire Minneapolis-St. Paul metropolitan area and in cities and towns throughout
the state of Minnesota.

Item 10 The Museum, in furtherance of its mission to educate the public and its members, intends to publish books, pamphlets or monographs on Minnesota's electric railway history and equipment on a periodic basis. The copyright to any published books, pamphlets or monographs will be retained by the Museum.

The books, pamphlets or monographs will be sold primarily at the Museum's two operating sites and through local bookstores.

The historical books, pamphlets or monographs will be sold to the public and to Museum members to cover the cost of publication. Whatever profit is realized from these sales will be used to further the mission and purposes of the Museum.

Item 11 The Museum will occasionally receive donations of electric streetcar historic artifacts, photographs and equipage from Museum members and the public. These donations will be received unconditionally or they will not be accepted. Upon receipt of the artifact, the Museum will retain sole ownership and possession of the artifact and no stated or implied agreements will be made with the donor.

Item 15 The Museum operates its historic streetcars at two separate operating sites: *The Como-Harriet Streetcar Line* located in Minneapolis, Minnesota; and, the *Excelsior Streetcar Line* located in the city of Excelsior, Minnesota. The Museum's demonstration railway track is located on land that is leased from, or governed by, the following governmental entities.

§ The City of Minneapolis, Minnesota

§ Minneapolis Park and Recreation Board

§ Hennepin County Regional Railroad Authority (Hennepin County, Minnesota)

§ The City of Excelsior, Minnesota

We also maintain close working and collaborative relationships with the following related organizations:

§ The Association of Railway Museums

§ Minnesota Historical Society

§ Hennepin County History Museum

§ Edina Historical Society

§ Linden Hills Historical Society

§ Linden Hills Neighborhood Council

§ Municipal Building Commission

§ Excelsior-Lake Minnetonka Historical Society
