

Paul Revere Heritage Site Historic Buildings: Market Feasibility Analysis, Business and Operations Plan Report Presentation



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Prepared for: Town of Canton

Agenda

- ◆ Summary of Work to Date
- ◆ Visitation Potential
- ◆ Physical Planning Parameters
- ◆ Building Program
- ◆ Selected Operating Assumptions
- ◆ Earned Revenue Potential
- ◆ Operating Expenses and Staffing
- ◆ Non-Earned Revenue Requirement
- ◆ Recommendations and Next Steps
- ◆ Discussion

Summary of Work to Date

- ◆ Kick off public meeting
- ◆ Mid-course public meeting to review research
- ◆ Site and location review
- ◆ Market analysis: resident and tourist markets, alternative land uses
- ◆ Local and regional historical attractions / competitive context
- ◆ Case studies of selected historical museums
- ◆ Analysis of visitation and operating potential
- ◆ Issued draft report

Visitation Potential

- ◆ Visitation to the museum and community arts center
- ◆ The estimated range of annual visitation is from 15,000 to 34,000 with a mid-range of 25,000 in a stable year of operation
 - Early year higher visitation is anticipated
 - More visitation during summer and following school calendar
 - Estimated 68% of visitation from the resident market and 32% from the tourist market

Visitation Potential

- ◆ Visitation to the museum and community arts center
- ◆ Mix of visitation (mid-range in a stable year)
 - 10,750 or 43% general admissions
 - 6,250 or 25% facility rentals
 - 3,750 or 15% member/free
 - 2,500 or 10% group admissions
 - 1,000 or 4% special events
 - 750 or 3% arts/cultural programs

Physical Planning Parameters

- ◆ The visitation analysis informs the facility sizing analysis for the museum and community arts center
- ◆ Based on the mid-range visitation
 - A high day would have between 47 and 54 persons in museum at one time
 - Range of public circulation space – 1,410 SF to 1,890 SF
 - Total facility size range – 4,230 SF to 5,670 SF
 - Range of parking spaces for visitors – 19 to 22 parking spaces
 - Employee and volunteer parking spaces – 9 spaces
 - Event parking would require more parking spaces

Building Program

- ◆ We started from a project concept that located the museum in the Rolling Mill with the potential for artisan space on the upper floor of the Rolling Mill
- ◆ The Barn would be used for a visitor center, a restaurant and a tap room
- ◆ This use plan had garnered community support
- ◆ As we were evaluating the project and looking at the reuse potential of the buildings, there was a consideration that the uses in the buildings be switched (i.e. the restaurant in the Rolling Mill and the museum in the Barn)

Building Program

- ◆ Upon further consideration and discussion with the client, we evaluated a version of the original concept that keeps the museum in the Rolling Mill and the restaurant/tap room in the Barn
- ◆ For operational efficiency, the visitor center functions would be contained within the museum operation

Selected Operating Assumptions

- ◆ Museum and community arts center analyzed as a standalone non-profit organization to evaluate full impact of operations
- ◆ Restaurant rental revenue passed through to support museum and community arts center operations
- ◆ Town charges museum and community arts center \$1 rent

Selected Operating Assumptions

- ◆ Museum and community arts center is open year round, six days a week
- ◆ Special events and facility rentals occur after hours to avoid disrupting museum and community arts center operations
- ◆ Outdoor space is assumed to be used to both the museum's and the restaurant's advantage for events, rentals and al fresco dining
- ◆ \$7.50 adult ticket price with discounts for other ticket types

Earned Revenue Potential

- ◆ Total earned revenue potential of \$394,000 in a stable year of operations
- ◆ Museum and Community Arts activities generate 45% of total or \$177,000
- ◆ Facility rentals, including restaurant, facility rentals (to museum/community arts center) generate 55% of total or \$217,000

Sources of Earned Revenue	Amount	Percent to Total
<i>Museum/Community Arts</i>		
Museum Admissions	\$77,000	19.5%
Memberships	28,000	7.1%
Retail, Net	26,000	6.6%
Special Events	25,000	6.3%
Program Fees	11,000	2.8%
Corporate Memberships	10,000	2.5%
Subtotal	\$177,000	44.9%
<i>Facility Rental</i>		
Restaurant Rent ^{1/}	\$96,000	24.4%
Facility Rentals	80,000	20.3%
Catering, Net	40,000	10.2%
Vending	1,000	0.3%
Subtotal	\$217,000	55.1%
Total Earned Revenue Potential	\$394,000	100.0%

Operating Expenses and Staffing

- ◆ Total operating expenses estimated at \$670,000 in a stable year of operation
- ◆ 66% of costs are personnel-related costs
- ◆ 4 full time staff: Executive Director, Director of Public Outreach, Director of Visitor Experience, and Visitor Services / Retail Manager
- ◆ Part-time and hourly staff include administrative assistant, educators, cashiers
- ◆ Maintenance and custodial work are assumed to be contracted to outside entity

Non-Earned Revenue Requirement

- ◆ Expenses exceed earned revenue and therefore non-earned or contributed revenues are required for breakeven operations
- ◆ Requirement is \$276,000 annually
- ◆ Earned revenue covers 59% of total operating expenses

	Stable Year of Operations, 2017 Dollars	Percent to Total Operating Expenses
Mid-Range Visitation	25,000	
<i>Earned Revenue</i>		
Museum / Community Art Center	\$177,000	26.4%
Facility Rentals	217,000	32.4%
Total Earned Revenue	\$394,000	58.8%
Operating Expenses	\$670,000	100.0%
Net Income <u>Before</u> Non-Earned Revenues	(\$276,000)	-41.2%
Non-Earned Revenue Requirement ^{1/}	\$276,000	41.2%
Net Income <u>After</u> Non-Earned Revenue Requirement	\$0	0.0%
<i>Earned Revenue as a Percent of Operating Expenses</i>	59%	

Non-Earned Revenue Requirement

- ◆ Types of non-earned revenue
 - Government support
 - Private donations, gifts and grants
 - Proceeds from investments and endowment
- ◆ Potential areas of support from the Town of Canton
 - Reduced rent (included in analysis)
 - Facility services, such as insurance, custodial, maintenance
 - Direct financial support (cash assistance)

Recommendations and Next Steps

- ◆ It is recommended that the Town work directly with a museum and community arts center tenant and with a restaurant tenant, rather than through a management entity
- ◆ The Town should identify tenants to complete the interior design and construction and operate the facilities
- ◆ It is not recommended that the Town complete interior construction of the project without the tenants/operators in place

Recommendations and Next Steps

- ◆ Restaurant operators could be qualified through an RFP process, which would require sufficient outreach and marketing to obtain suitable responses
- ◆ Non-profit partners for the museum and community arts center can be qualified through an RFP process, but may not yield candidates
- ◆ A new non-profit organization may have to be established to operate the museum and community arts center
- ◆ After this meeting we will compile and issue the final report