

VIRGINIA KEY BEACH PARK MUSEUM

Business Plan

July 2006

VIRGINIA KEY BEACH PARK MUSEUM

July 2006

Table of Contents

1. Introduction	1
2. Key Recommendations/Assumptions	2
2.1 External Environment	2
2.2 Collections	3
2.3 Visitor Experience	4
2.4 Preliminary Space Plan and Phasing	5
2.5 Capital/Project Costs and Sources of Capital Funds	6
2.6 Governance and Staffing.....	7
2.7 Operations and Marketing	13
2.8 Other Assumptions.....	25
2.9 Conclusion.....	25
2. Key Recommendations/Assumptions	2
2.1 External Environment	2
2.2 Collections	3
2.3 Visitor Experience	4
2.4 Preliminary Space Plan and Phasing	5
2.5 Capital/Project Costs and Sources of Capital Funds	6
2.6 Governance and Staffing.....	7
2.7 Operations and Marketing	13
2.8 Other Assumptions.....	24
2.9 Conclusion.....	24
3. Attendance, Operating Revenue and Expense Projections	25
3.1 On-Site Attendance Projections	25
3.2 Projected Operating Revenues	31
3.3 Projected Expenses	35
3.4 Summary of Attendance and Financial Projections.....	40

1. Introduction

In 2004, having concluded extensive community consultation in preceding years, the Virginia Key Beach Park Trust embarked on the formal planning and development of the Virginia Key Beach Park Museum, with the assistance of a team of museum planners led by LORD Cultural Resources Planning & Management Inc. The planning process has four phases:

- Strategic Planning
- Detailed Planning
- Design
- Construction

The first phase, strategic planning, itself comprises three stages:

- Concept Development
- Exhibition and Facility Development
- Business Plan and Implementation Strategy

The first stage, documented in the phase A1 report entitled *Concept Development*, has been completed. The phase A2 report presented in April, 2005 focused on Exhibition and Facility Planning and also provided recommendations on governance and operations and staffing requirements.

The Trust, in collaboration with the City of Miami, has proceeded with the architectural selection process for the Museum building.

This report deals with the Business Plan including the projections of attendance, operating revenues and expenses together with the underlying assumptions that had previously been agreed by the Trust.

In order to prepare the Business Plan, the following work elements were carried out:

- Reviewed background material provided to us as well as additional data we gathered.
- Toured the proposed new Museum Park site and the area around it together with existing museums in the Miami area.
- Compiled and analyzed data regarding history and specialized museums relative to the overall museums marketplace and the experience of other African American and culturally-specific museums, as well as existing museums in Miami, all to help provide a context and parameters for the analysis and later attendance and financial projections.
- Analyzed data regarding potential resident, school, and tourist markets for Miami.
- Prepared a series of recommendations and assumptions that were approved in advance of these attendance and financial projections.

2. Key Recommendations/Assumptions

In order for projections of attendance, operating revenues and expenses to be credible, they must be based on clearly stated and agreed assumptions grounded in a common understanding of what "it" is that is being projected for the Virginia Key Beach Park site. This chapter sets out key recommendations that are presented as assumptions derived from the research completed, direction from the client group, feedback from the interview and workshop process, and from the knowledge and experience of the consultants. In general, consultants prepare recommendations but it is up to the client to finalize the assumptions, and it is then the responsibility of the consultants to prepare independent and credible attendance, operating revenue and expense projections. Projections are set out in the next Chapter.

Although no one may predict the future with certainty, the assumptions that underlie attendance, revenue and expense projections must be considered reasonable at the time the projections are prepared, and have been reviewed and approved by the client. In finalizing the assumptions, it must also be noted that they are presented as planning tools that are subject to modification in the future as circumstances change and as decisions are finalized.

Assumptions are set out in this Chapter regarding the visitor experience, phasing and other assumptions that are presented in the following sections:

- External Environment and Site
- Collections
- Visitor Experience
- Space Plan and Phasing
- Capital/Project Costs and Capital Funding Sources
- Governance and Staffing
- Operations and Marketing
- Other Assumptions

2.1 External Environment

The most important factors influencing attendance and earned income levels relate to the concept and visitor experience of a museum. However, the external environment in which a museum operates can also have an important impact. Among the factors assured to impact on the market for Miami, and therefore for VKBP, are the following points:

- The importance of tourism to the overall economy of Miami and South Florida and the very large number of attractions competing for the tourist business.
- A very diverse resident population with over 60% of Miami residents foreign born the majority of whom are Hispanic. **Attendance levels will depend partially upon the ability of the Museum to be of interest to the Hispanic communities in the South Florida area.**
- With the exception of the very small Black Heritage Museum and Black Archives located in Miami and the Dillard Museum in Fort Lauderdale, there are no other African American museums in the South Florida area.

2.1.1 Site

The beautiful natural setting together with the historic significance of the site will be a strong draw but especially for the resident market. The challenge will be to attract the recreational users of the site to also visit the museum. For many visitors to the site, the beach will be the destination as opposed to the Museum and for many the two destinations are not compatible (i.e. "fun in the sun" vs. a "serious" museum; dressed for the sun and beach not for an indoors visit, etc). This potential mindset must be offset by strong programming and building design that will draw these people to the Museum as part of their visit to the site. For example, the Museum could be designed to be "child friendly" which would attract children to the building and in turn their parents. **It is assumed that the Museum will be animated and lively (through use of outdoor exhibits near the Museum entranceways, which will attract young families to visit the Museum as part of their day at the beach.**

The size of the site allows for the hosting of outdoor events that will be a further positive variable on potential attendance.

2.2 Collections

Although the Museum will welcome donations of collections or specific artifacts that can help convey the stories to be told, **this study assumes relatively few artifacts and that the Museum will essentially be a non-collecting institution.** This may reduce the perceived authenticity of the stories being told but it does have the benefit of leading to lower capital costs for the building and lower staff and other operating costs. Collections would be used for display and teaching purposes and not for preservation purposes. The Facilities plan does assume that there will be a 1,800 sq. ft. storage area (non-public area space) that will be available to store any items that are donated to the Museum which could be used either in the 4,500 sq. ft. permanent Exhibition Gallery or in the 2,500 sq. ft. Temporary Exhibition Gallery. Offsite storage will be used to house collections that cannot be accommodated in the Museum building.

2.3 Visitor Experience

The proposed visitor experience was described in Chapter 5 of the A2 Report. Among the key assumptions regarding the visitor experience of the VKBP Museum are the following points:

- VKBP will be a visitor-centered institution that seeks to offer both *educational and entertaining* experiences.
- While the Museum will seek to attract visitors from all age ranges through the development of exhibits, activities and performances that are intergenerational in nature., An experience that will *appeal to children and their families* will be an important component. It is assumed that this will be an underlying objective throughout the institution.
- Stories will be told through highly interactive and multimedia exhibitions with the use of archival photographs, oral histories, labels, touch screen computers, etc. in the exhibit areas and some use of higher technologies such as audio-animatronics or holograms, or other technologies currently under development. Given rapidly changing technologies, *this study does not assume one technology over another for the VKBP Museum at this time but assumes selection of specific technologies will take place when the Museum is closer to implementation.*
- Programs will include the screening of *films along with lectures and periodic live performances* in a 60-seat theater.
- *Permanent exhibits* will seek to tell the stories of Virginia Key Beach Park through two key principles:
 - **A Place of Freedom:** This is a place where people made a life and a community out of the natural environment in the midst of their struggle for equality and freedom. Although this place began as a segregated beach for people of color, it is now a place that is open to all who respect its history and its portent for the future
 - **A Meeting Place:** It is a meeting place of diverse ecologies: a meeting of people with common or conflicting historical, social and cultural perspectives
- A program of *temporary exhibitions* from other museums will give the VKBP Museum a strong national profile as an exhibiting center and help to ensure that audiences come back again. The Museum will also generate temporary exhibits from its own resources.
- The Museum will also serve as a type of *community center and meeting place* in which there will be a variety of public programs offered together with the opportunity for the community to rent facilities for their own use. Examples include wedding receptions, community art exhibitions, after-school programs, lecture series, and the hosting of community festivals.
- One of the key questions facing new museums is whether they should include food a restaurant or café. The main advantage of a food service operation is that it enhances the visitor experience, boosts length of stay and visitor satisfaction levels. Main disadvantages include the high capital cost and the very small income that might be earned. The trend has been for museums to concession out retail operations, ideally providing shell space only with the concessionaire responsible for the capital investment in kitchen and other facilities and equipment in return for little or no rent. The interview process revealed a belief that it would be important to be able to offer food services utilizing both an indoor and outdoor component and capitalizing on the ambience offered by the view of the beach. This was also seen to help meet the wider needs of the immediate area where there are no similar dining opportunities by offering a venue for people to go to during evening hours even if the rest of the Museum is closed to the public. This study therefore assumes the inclusion of a *high-end restaurant to be concessioned to a private operator.*

2.4 Preliminary Space Plan and Phasing

The space plan set out in the following Table reflects the revised space plan that you have recently approved. It is preliminary and subject to modification in detailed architectural design, but is assumed to be reasonable for the purposes of the capital cost estimates and the projected attendance, operating revenues and expenses. Details of the Space Program were presented in Chapter 4 of the A2 Report with the main points summarized in the Table below.

TOTAL SPACE SUMMARY	Recommended Program NSF	% of Total Program
Zone A - Public Non-Collections	7,725	22%
Zone B - Public Non-Collections	14,600	41%
Zone C - Non-Public Collections	4,850	13%
Zone D - Non-Public Non-Collections	8,755	24%
Total NSF	35,930	100%
Total Gross Net Square Feet	14,372	
Grossing Factor as a %	0.40	
Total Gross Square Feet	50,302	

The Public space includes the following features (with the size in net square feet) which has significance to programs being offered and related revenue and expense projections:

Selected Public Space Areas

Space Name	Recommended size in NSF	Comments
Main Lobby/School Orientation	1,350	Space could be used for rental events
Board/Conference Room	450	Excellent presentation facilities for internal meetings and rentals
Reception/Rental Space	900	Multipurpose space for indoor events accomodating up to 90 people
Activity Room	900	Space could be split to accommodate 2 classes
Restaurant	900	Up to 45 people indoors with consideration for further Terrace seating
Retail Shop	675	
Freedom Theatre	900	Multipurpose lecture/film facility with up to 60 seats which could be used for rental events such as film presentations, lecture series
Permanent Exhibitions	4,500	
Hands on Lab	300	
Temporary Exhibition Gallery	2,500	
Resource Center	800	
Oral History Lab	270	

- It is assumed that the space plan for the new facility above will be implemented all at once with *no phasing*. There would also not be any expansion until after the five years projected. The facility would be completed in 2008.

2.5 Capital/Project Costs and Sources of Capital Funds

The capital costs for the VKBP Museum presented in Chapter 6 of the A2 Report are preliminary and subject to modification in future architectural and exhibition design, but represent a reasonable order of magnitude for the purposes of this study. A summary of these costs is presented in the Table below:

Capital Cost Estimates for VKBP Museum

	Size (Sq. Ft.)	Cost per Sq. Ft.	Allowance/ Cost	Comments
Building Construction	33,656	\$305	\$10,266,000	Excludes furniture, fixtures and equipment and design fees
Permanent Exhibits	4,500	\$555	\$2,500,000	Includes design fees
Freedom Theatre Show Production			\$257,500	Includes project management
Outdoor Exhibits			\$915,000	Includes design fees
Site Acquisition			\$0	Assumes donated site
Site Development			\$2,149,900	
Total			\$16,088,400	

The following assumptions were made in arriving at these projected capital costs:

- land purchase or transfer costs are not expected, as the City is retaining possession of the site
- architect's, engineers' and any other professional fees would have to be negotiated with the selected architect
- demolition costs are estimated based on the knowledge that no built structures exist on this part of the property, and the assumption that no soft landscape plant material requires relocation
- earthworks and general grading is based on a relatively flat topography as defined by the topography plan provided by the client
- site development costs are based on standard design that would not include specialty features or exotic landscape material
- lighting costs are given based on typical lighting equipment, and do not reflect the potential use of "themed" lighting or specialty units that would be part of exhibit costs

No allowance is made for wildlife species rehabilitation and/or relocation, based on the assumption that the future building would create minimal disruption.

Construction cost items are not all that is required to implement the project. An Endowment fund should also be sought.

An *endowment*, the interest from which will help to support annual operating costs. The larger the endowment the more viable will be this or any other museum. The size of the Endowment will be estimated as a function of the bottom line of the projections of operating revenue and expenses; some combination of fund-raising, government contributions, grantsmanship and an Endowment fund will be needed to ensure a sustainable Museum.

Although a fundraising feasibility study will be required to determine the ability of the project to generate the support needed from private and government sources, this study assumes that *all funds will be raised and that there would be no debt required.*

Capital funding for the project will come from a combination of government and private sources. As confirmed in the interview process, funders will wish to see evidence of financial support for the VKBP Museum from within the African American community. The amount of that support was felt to be less important than a demonstrated level of grass-roots commitment as seen through various community-based fundraising initiatives. This will be very important to the positioning of the VKBP Museum.

2.6 Governance and Staffing

There are a variety of scenarios for governance of any museum. These range from:

- A City Museum
 - A County Museum
 - A State Museum
 - Part of County School System
 - Not-for-profit 501 (c) 3
- The study assumes that the VKBP Museum will be an independent agency of the City of Miami but will apply for grants from all potential funding sources.
 - A governance structure with the characteristics outlined in the attached document "Governance: Mission, Vision and Operating Structure" is assumed.

For greater certainty, it is assumed that VKBP will assume responsibility for the maintenance and upkeep of the Site grounds.

- *A Board of from 10-15 persons from Miami and elsewhere in Miami-Dade County will govern the Museum.* The Board will hold fiduciary responsibility for the Museum and its assets. The Board will establish appropriate By-Laws outlining its role and responsibilities including recruitment of Board members.
- The Museum will hire *professional and skilled staff* to fulfill the Museum's mission. Volunteers will be recruited for a variety of activities with varying degrees of commitment and reflect the diversity of the visitors the Museum wishes to serve. Staffing positions for the permanent facility will be limited as set out in the Table below, totaling 40 FTE staff. Staff will be hired on a phased basis between now and the projected Museum opening date which is assumed to be June 1, 2008. Currently there are 6 FTE positions in place with a further 34 to be hired (Assumed salary/wage levels are provided as part of the financial projections in the following Chapter.)

The Phase A1 and A2 Report recommended 34 new positions for VKBP, ranging from staff to address the most urgent administrative and programming needs, such as collections management to personnel necessary once the Park opens is fully operational, including janitors and admission clerks. As noted in the previous reports, the VKBP staffing structure is based on four core functions:

- **Administration:** Staff responsible for the day-to-day management, operations and related policy matters. This would include the Executive Director, Museum Director, other senior management and administrative staff.
- **Collections and Exhibitions:** Stewards of the collections and exhibition environments responsible for collections care and management, developing traveling exhibition schedules and methods of interpretation that will engage the visitor. This would include the Museum's Collections and Interpretation Specialists and other collections and exhibition staff.
- **Education and Public Programming:** Responsible for on and off site education programs for a variety of different audiences, school groups, adults and seniors, families, tour groups, etc. This would include the Museum's Director of Education and other educational program staff.
- **Visitor Services:** Responsible for overall customer service and satisfaction, visitor orientation, and a welcoming and inviting experience. This would include special events staff and volunteer services.

Based on these core functions, VKBP priorities as expressed by trustees and staff, community expectations and needs, target opening dates, and the current staffing structure, the recommendations made in the previous reports remain valid. In addition, one staff position has been added to address the client's need to separate the management responsibilities of the Park and Museum given the anticipated volume of visitors and activities. Therefore, a Museum Director position has been added. The position will report to the Executive Director. The Park Director position has not been added because based on discussions with the Executive Director, it is anticipated that an existing position at VKBP will transition to the Park Director position.

As stated in the previous reports, it is recommended that future recruitment efforts focus on the following positions within each core function group in priority order. Priorities defined in previous reports remain valid and are:

- Priority #1: Immediate staff necessary to carry out planning functions. Staff essential to the continued development of the visitor experience, collections development and educational programs.
- Priority#2: Staff necessary just prior to opening as VKBP gears up to full capacity.
- Priority #3: Non-essential staff. Staff needed at the time of opening or after opening.

Collections and Exhibitions Staff

In the consultant team's opinion, the most critical staffing need is curatorial and exhibition staff trained in collections management and content development. With the building design and exhibition plan moving forward, decisions are being made regarding the look and feel of the interpretive aspects of the visitor experience. As stated in previous reports, the development of content for the permanent exhibition should be driven by VKBP. VKBP staff who are able to fully develop the content, with a strong understanding and appreciation of the scholarship will be essential to vetting the storyline, images, objects and other materials presented in the exhibition.

The Museum Director will oversee the Collections & Interpretation Specialist- Cultural & Social History and will serve as a liaison to exhibition designers, content experts, architects, media and lighting consultants, etc. This staff person can support the Museum's collections and exhibition development needs until additional staff can be hired.

Collections and Exhibitions	Number of Staff	Hiring Priority	Hiring Schedule	Recommended Salary Range
Collections and Interpretation Specialist- Cultural & Social History	1	3	2007	40,000-50,000
Collections and Interpretation Specialist- Ecology & Natural History	1	3	2007	40,000-50,000
Information Technology/Media/Projection Specialist	1	3	3 rd qtr 06	45,000-55,000
Registrar	1	2	4th qtr 06	40,000-50,000
Exhibition Manager	1	2	4th ¹ qtr 06	45,000-55,000
Preparator	1	3	2007	35,000-45,000
Preparator	1	3	2009- 2010	35,000-45,000
TOTAL:	7			

Education and Public Programs Staff

The Interpretive Strategy in the Phase A1 Report and the Public Program Plan in the Phase A2 Report, recommend a diverse set of educational programs to supplement the exhibitions and enhance the visitor experience. However, it is strongly suggested that visitors have opportunities to participate in on-site (if possible) and off-site programming before the Park & Museum are officially open to the public. This would include both school groups and adult audiences. As noted in previous reports, this type of programming will help to cultivate audiences early.

The Director of Education and Public Programs would develop the mission and vision for VKBP's educational programs. This position could support the Museum's educational mission until resources become available to hire additional staff. **VKBP has included this staff position in its 2006 budget request to the City of Miami.** If approved in the FY06 budget request, funds for this position will be available October 2005. If necessary, the Education Coordinator positions could be filled with contractual staff in FY06 until funds become available in FY07.

Education and Public Programs	Number of Staff	Hiring Priority	Hiring Schedule	Recommended Salary Range
Director of Education and Public Programs	1	1	2007	65,000-75,000
Education Program Coordinator – School Groups	1	1	2007	35,000-45,000
Education Program Coordinator – School Groups	1	2	2007	35,000-45,000
Education Program Coordinator – Adult Programs	1	1	2007	35,000-45,000
Education Program Coordinator – Multi Cultural Programs	1	2	2007	35,000-45,000
Education Program Coordinator /Park Naturalist – Ecology and Natural History	1	1	2007	40,000-50,000
Education Program Coordinator/Park Naturalist – Cultural History	1	2	2007	40,000-50,000
Booking Clerk and Education Clerical Support	1	3	2007-2008	25,000-35,000
TOTAL	8			

Visitor Services Staff

As recommended in the Phase A2 Report, a strong volunteer corp should be trained to support programs and activities prior to opening. Events, facility rentals and community programs could begin as soon as the beach is operational, which is expected prior to the Museum opening. When the Park and Museum are open for regular business, volunteer staff serve an important essential role – promoting a positive visitor experience. **It is recommended that VKBP set a goal of 75-100 volunteers for opening and build on that initial group to expand the volunteer corps as future needs demand.**

One special events staff person could manage the workload until other staff is necessary. **VKBP has included this staff position in its 2006 budget request to the City of Miami.** If approved in the VKBP FY06 budget request, funds for this position will be available October 2005. If necessary, the Volunteer Coordinator position could be filled with contractual staff in FY06 until funds become available in FY07.

Visitor Services	Number of Staff	Hiring Priority	Hiring Schedule	Recommended Salary Range
Visitor Services Manager	1	2	2007	45,000-55,000
Special Events/Rentals	1	1	4th qrt 06	30,000-40,000
Special Events/Rentals	1	2	2007	30,000-40,000
Volunteer Coordinator	1	2	2007	35,000-45,000
Retail Shop Manager	1	2	2008	35,000-45,000
Retail Clerk	1	3	2008	20,000-30,000
Retail Clerk	1	3	2009	20,000-30,000
Food Service Coordinator	1	3	2007	30,000-40,000
Admission Clerk	1	3	2008	20,000-30,000
Admission Clerk	1	3	2008	20,000-30,000
TOTAL	10			

Additional Administrative Staff

As noted above, one senior staff position has been added that was not recommended in previous reports – Museum Director. This position will report directly to the Executive Director and will manage the day-to-day operations of the Museum. Collections and exhibition staff, education and program staff, visitor services staff and other administrative staff will be supervised by the Museum Director and Park Director as necessary. For example, the Collections and Interpretation Specialist – Cultural & Social History position, Registrar and one Preparator position would be supervised by the Museum Director, given their respective responsibilities at the Museum. Whereas, the Collections and Interpretation Specialist- Ecology & Natural History position, the Education Program Coordinator /Park Naturalist – Ecology and Natural History position and one Preparator position would be supervised by the Park Director.

The Executive Director would therefore supervise both the Museum Director and Park Director as well as the Finance Coordinator, Public Relations and Marketing Manager, Development Coordinator and other senior staff that work on behalf of the Park and Museum. **It is recommended that the Executive Director clearly define the roles and relationship that these two Directors (the Museum Director and Park Director) will have with each other, the Executive Director and their subordinates prior to filling these two positions.**

In addition to the new Museum Director position, additional secretarial/clerical administrative support will be necessary as recommended below. As noted in the Phase A2 Report, the Development Coordinator should handle the membership program workload until the volume of the membership program requires additional staff and the Finance Coordinator should manage human relations until that dedicated staff person is necessary.

VKBP has included the Museum Director position in its 2006 budget request to the City of Miami. If approved in the VKBP FY06 budget request, funds for this position will be available October 2005.

Administrative	Number of Staff	Hiring Priority	Hiring Schedule	Recommended Salary Range
Museum Director	1	1	4 th qrt 06	75,000-85,000
Administrative Assistant	1	3	2008	20,000-30,000
Human Relations Officer	1	2	2007	40,000-50,000
Facilities Manager	1	2	2007	50,000-60,000
Membership Secretary	1	3	2007	20,000-30,000
Groundskeepers	1	2	2007	15,000-25,000
Groundskeeper	1	3	2008	15,000-25,000
Janitorial/Maintenance	1	2	2007	15,000-25,000
Chief of Security	1	2	2008	40,000-50,000
TOTAL	9			

Based on the above schedule, and assuming that the new staff are hired at the beginning of the indicated period, the salary load for each of years 2006 through 2008 would be as indicated on the following table. It is also assumed that the cost of social security, health care and retirement benefits would be 21.3% of salary, which is the current situation for the existing staff. For purposes of this study, it is assumed that the salary costs for staff hired in advance of the museum opening would be included in the City budget proposals but we would like confirmation that this is an appropriate assumption.

Business Plan

Key Recommendations/Assumptions

VKB Projected staffing and salary levels	Annual Salary (2005 Dollars)	Assumed Hiring Date	2006	2007	2008	2009
Existing staffing:						
Executive Director						
Director of Operations						
Finance Director						
Marketing & Media Director						
Development Director						
Receptionist						
Total Existing Staff Salary	\$ 408,430		\$ 408,430	\$ 408,430	\$ 408,430	\$ 408,430
New Staff (in order of proposed hiring)						
Information Technology/Media/Projection Spec.	\$ 50,000	Q3/06	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000
Museum Director	\$ 80,000	Q4/06	\$ 20,000	\$ 80,000	\$ 80,000	\$ 80,000
Special Events Rentals	\$ 35,000	Q4/06	\$ 8,750	\$ 35,000	\$ 35,000	\$ 35,000
Exhibition Manager	\$ 50,000	Q4/06	\$ 12,500	\$ 50,000	\$ 50,000	\$ 50,000
Registrar	\$ 45,000	Q4/06	\$ 11,250	\$ 45,000	\$ 45,000	\$ 45,000
Membership Secretary	\$ 25,000	Q4/06	\$ 6,250	\$ 25,000	\$ 25,000	\$ 25,000
Director of Education and Public Programs	\$ 70,000	Q1/07		\$ 70,000	\$ 70,000	\$ 70,000
Volunteer Coordinator	\$ 40,000	Q1/07		\$ 40,000	\$ 40,000	\$ 40,000
Visitor Services Manager	\$ 50,000	Q1/07		\$ 50,000	\$ 50,000	\$ 50,000
Food Service Coordinator	\$ 35,000	Q1/07		\$ 35,000	\$ 35,000	\$ 35,000
Human Relations Officer	\$ 45,000	Q1/07		\$ 45,000	\$ 45,000	\$ 45,000
Facilities Manager	\$ 55,000	Q1/07		\$ 55,000	\$ 55,000	\$ 55,000
Groundskeeper	\$ 25,000	Q1/07		\$ 25,000	\$ 25,000	\$ 25,000
Education Program Coordinator/Ecology & Natural History.	\$ 45,000	Q2/07		\$ 33,750	\$ 45,000	\$ 45,000
Education Program Coordinator/Cultural History	\$ 45,000	Q2/07		\$ 33,750	\$ 45,000	\$ 45,000
Education Program Coordinator-School Groups	\$ 40,000	Q2/07		\$ 30,000	\$ 40,000	\$ 40,000
Education Program Coordinator-Adult Programs	\$ 40,000	Q2/07		\$ 30,000	\$ 40,000	\$ 40,000
Special Events/Rentals	\$ 35,000	Q2/07		\$ 26,250	\$ 35,000	\$ 35,000
Collections and Interpretation Specialist-Cultural & Social History	\$ 45,000	Q2/07		\$ 33,750	\$ 45,000	\$ 45,000
Collections and Interpretation Specialist- Ecology & Natural History	\$ 45,000	Q2/07		\$ 33,750	\$ 45,000	\$ 45,000
Education Preogram Coordinator-Multi Cultural programs	\$ 40,000	Q3/07		\$ 20,000	\$ 40,000	\$ 40,000
Preparator	\$ 40,000	Q3/07		\$ 20,000	\$ 40,000	\$ 40,000
Janitorial/Maintenance	\$ 25,000	Q4/07		\$ 18,750	\$ 25,000	\$ 25,000
Education Program Coordinator-School Groups	\$ 40,000	Q4/07		\$ 10,000	\$ 40,000	\$ 40,000
Booking Clerk and Education Clerical Support	\$ 30,000	Q1/08			\$ 30,000	\$ 30,000
Retail Shop Manager	\$ 40,000	Q2/08			\$ 30,000	\$ 40,000
Retail Clerk	\$ 25,000	Q3/08			\$ 12,500	\$ 25,000
Admission Clerk	\$ 25,000	Q3/08			\$ 12,500	\$ 25,000
Admission Clerk	\$ 25,000	Q3/08			\$ 12,500	\$ 25,000
Administrative Assistant	\$ 25,000	Q3/08			\$ 12,500	\$ 25,000
Groundskeeper	\$ 25,000	Q3/08			\$ 12,500	\$ 25,000
Chief of Security	\$ 45,000	Q3/08			\$ 22,500	\$ 45,000
Preparator	\$ 40,000	Q1/09				\$ 40,000
Retail Clerk	\$ 25,000	Q1/09				\$ 25,000
			\$ 492,180	\$ 1,303,430	\$ 1,598,430	\$ 1,758,430
Social Security, Group Health & Retirement Contributions @ 21.3%of Salary			\$ 104,834	\$ 277,631	\$ 340,466	\$ 374,546
Total Salary and Benefits			\$ 597,014	\$ 1,581,061	\$ 1,938,896	\$ 2,132,976

2.7 Operations and Marketing

While the best form of marketing for any museum is the nature and quality of the visitor experience, other factors that impact attendance include the site (which is generic at this time) and various operational factors ranging from admission charges to parking to operating hours. These and other related issues are addressed below through the following recommendations/assumptions.

2.7.1 Admission Charges

Much evidence exists to support the claim that people (at least in the U.S.) tend to value and appreciate more what they pay for, compared to what they get for free. In museums, the same is true. Visitors believe that if they have to pay an admission fee for a museum experience, that experience must be more worthwhile than a free one. Therefore, museum admission fees are one way that an institution signals the value of the experience to potential visitors. The exceptions are usually heavily government funded institutions that do not charge an admission fee for the central museum experience, but may charge for additional experiences, such as lectures, films, events, special programs and traveling exhibitions. However, increased operating, exhibition, building construction and maintenance costs combined with reduced government support have caused many of these museums to be much more creative and aggressive about soliciting donations at the front door.

While history and specialized museums are somewhat less likely than average to have an admission charge (as noted in the Phase A1 Report, 53% of history museums, 56% of natural history attractions and 58% of specialized museums charge admission), the most important factor in setting admission charges is the average fee in the general area in which the museum is located. Within the context of the VKBP Museum, the standard procedure for significant social and natural history experiences, as well as museums and attractions in Miami-Dade County and South Florida is to charge an admission fee. Consistent with the data provided in the Phase A1 Report, a survey of adult admission prices at selected Miami-Dade County and South Florida attractions and African American museums in the United States reveals that:

For selected Miami-Dade County and South Florida attractions, admission fees range from a high of \$25.95 to a low of free admission, with the average adult charge being \$9 and the median adult charge at \$8.

Museum	Adult Adm. Charge 2003	Child Adm. Charge 2003
Miami		
Miami Seaquarium	\$25.95	\$20.95
Miami Metrozoo	\$12.00	\$7.00
Parrot Jungle and Gardens	\$15.95	\$10.95
Miami Museum of Science	\$10.00	\$6.00
Vizcaya Museum and Gardens	\$12.00	\$5.00
Art Museum at Florida International University	\$0.00	\$0.00
Historical Museum of Southern Florida	\$5.00	\$2.00
Miami Art Museum	\$5.00	\$0.00
Miami Beach		
Bass Museum of Art	\$6.00	\$4.00
Coral Gables		
Fairchild Tropical Garden	\$10.00	\$5.00
Lowe Art Museum, University of Miami	\$5.00	\$0.00
Fort Lauderdale		
Museum of Discovery and Science	\$9.00	\$7.00
Museum of Art	\$7.00	\$0.00
International Swimming Hall of Fame	\$3.00	\$1.00
Average	\$8.99	\$4.92
Median	\$8.00	\$4.50

For selected African American museums admission fees range from a high of \$12 to a low of free admission, with the average adult charge being \$3.57 and the median adult charge at \$3.50.

African American Museums	Adult Charge
Museum of Afro American History, Boston	\$0.00
Great Blacks in Wax Museum, Inc., Baltimore	\$6.00
American Jazz Museum, Kansas City	\$6.00
African American Museum, Dallas	\$0.00
Birmingham Civil Rights Institute, AL	\$8.00
Museum of African American History, Detroit*	\$5.00
Dusable Museum of African-American History, Chicago	\$3.00
The Studio Museum in Harlem	\$7.00
The Apex Museum, Atlanta	\$4.00
Tubman African American Museum, Macon, GA	\$3.00
The African-American Museum in Philadelphia	\$6.00
Afro-American Cultural Center, Charlotte, NC	\$0.00
National Afro-American Museum & Cultural Center, Wilberforce, OH	\$4.00
California African American Museum, Los Angeles	\$0.00
America's Black Holocaust Museum, Milwaukee, WI	\$5.00
Black American West Museum and Heritage Center, Denver	\$6.00
Afro-American Historical Society Museum, Jersey City	\$0.00
Black Heritage Museum, Miami	\$0.00
African-American Museum and Library at Oakland	\$0.00
Anacostia Museum, Washington DC	\$0.00
National Underground Railroad Freedom Center, Cincinnati	\$12.00
Average	\$3.57
Median	\$3.50
Source: 2004 Official Museum Directory. *The attendance figure reported here is accurate on-site attendance based on previous work conducted by LORD. Figure in Official Museum Directory includes outreach, website hits, etc. and is therefore not an accurate basis for comparison.	

Assumption: Based on prevailing ticket prices in the area and among similar African American museums across the country, the visitor experience as currently conceived, the location of the Museum, and feedback from the local community and key stakeholders, it is recommended that the admission fee for VKBPM be *more than the average for African American museums, but less than the average for Miami-Dade and South Florida attractions. We believe a museum admission fee of \$7 for adults is appropriate for VKB. A modest child rate of \$3 is recommended to reflect the focus on the young family market.*

Discounts: It is anticipated that the pricing structure will include reduced rates or complementary admission for students, seniors, and special guests. Free admission may be extended to members. It is also anticipated that the tour group market (including school groups) will be an important segment of the visitation for the museum, which is a target audience that expects to pay discounted admission rates. There will also be vigorous outreach programs offering free or reduced admission, possibly with sponsorships, in order to enable disadvantaged communities to come to the Museum.

Parking: Because some visitors may want to enjoy the beach exclusive of the museum, in addition to a museum admission fee, a parking charge of \$5 is assumed which represents the standard parking charge for that area. We understand that there is some question if the City or VKBP will be operating the parking facilities and garnering the associated revenues. For purposes of the is study, we are assuming that VKBP will assume responsibility for the parking and that the operation will be concessioned out to a third party for a fee. **Although the number of parking spots has not been finalized, for the purposes of the Business Plan it is assumed that there will be 450 spots in the paved lot with space for a further 1,100 vehicles in the unpaved area for overflow parking. This latter lot would not normally be used except for special events.**

As per the Master Plan, it is assumed that the maximum capacity for using the beach at any one time is 500 people and that a further 512 people can be accommodated in the picnic area.

Fees in excess of these would impact the museum’s ability to attract visitors from Miami and surrounding area residents, particularly families and low-income residents. As noted in the Phase A1 Report residents of Miami have the lowest level of income of any of the large cities in the United States, therefore *VKBPM should embrace opportunities to attract those who cannot afford the admission price as part of its social responsibility.* Outreach programs aimed at attracting low-income visitors and families could result in government and corporate support as well, particularly from local government and business sectors

As recommended in chapter 4 of the A2 Report, ticketing should take place inside the lobby, so that visitors may enter the building without having to pay. They should also be able to shop in the Museum Store without a ticket. The ambience of the lobby and the orientation provided there should convince any hesitant visitors that they should buy a ticket.

Tickets will provide access to all exhibitions and to the Freedom Theater show. Occasionally there may be an extra charge for a temporary exhibition if its costs are high, but the limited size of the temporary exhibition gallery suggests that this will be infrequent.

The assumed charges (in 2005 dollars) are thus as follows:

	Admission Charges, Museum Site
Adult	\$7.00
Senior/Youth	\$5.00
Child (3-12)	\$3.00
School Group (per person) programming charge is extra	\$2.50
Non-School Group (per person) programming charge is extra	\$5.00
Indirect Paid (members, rentals and programs visitors)/Unpaid (infants, VIPs, researchers)	\$0.00

- A *value added admission charge* will be introduced to encourage crossover among museum-related attractions in the area, including the Seaquarium and Vizcaya Museum and Gardens. This means that paid visitors to one facility would keep admission ticket stubs for a discount at the other participating facilities. This adds value to the ticket charged to the first attraction and encourages visits to others. There is no money that changes hands among the facilities and no need for passports or other costly discount brochures that generally do not work. This and other discount promotions will increase attendance levels but lower average admissions revenue per visitor.

2.7.2 Membership, Friends and Volunteers

While membership programs generally account for a lower percentage of revenues than admissions, they still provide an important source of support for museums. Museum members help provide consistent support for the museum's operations, exhibitions and educational programs. Members also support the institution by promoting the museum to family members, neighbours and business associates. Members consistently attend exhibition openings, programs and special events and tend to sustain their membership over more than 1 year. By becoming a member, the visitor is investing in the museum and is therefore vested in the experience and future.

Typical benefits of membership programs include:

- some combination of free or discounted admission rates per year
- discounts on retail, food and other museum purchases
- invitations to special "member only" events (such as "behind the scenes" tours and exhibition openings)
- priority admission & seating at museum events
- discounts of special events, programs and classes
- special holiday shopping discounts
- promotional gift item (T-shirt, mug, bookmark, etc.)
- recognition in a museum publication
- access to "members-only" section of website
- free subscription to newsletter or other outreach publications

Some museums are creative with their benefits packages, offering special donor recognition opportunities for members. Museum membership levels are often tiered offering a variety of opportunities: Student, Senior, Individual and Family. Some museums even offer specialized memberships including some sort of affiliate membership for donors who live outside the local area, charter membership for the first group of members, corporate memberships, and memberships that support annual fund drives or endowments.

For selected Miami-Dade and South Florida attractions, family memberships range from a high of \$75 to a low of \$25 with the average family membership being \$60 and the median charge at \$65.

For selected African American museums family memberships range from a high of \$75 to a low of \$35 with the average family membership being \$47 and the median charge at \$50.

Museum	Family Membership Charge**
Miami	
Miami Seaquarium	N/A
Miami Metrozoo	\$65.00
Parrot Jungle and Gardens	N/A
Miami Museum of Science	\$60.00
Vizcaya Museum and Gardens	\$35.00
Art Museum at Florida International University	N/A
Historical Museum of Southern Florida	\$45.00
Miami Art Museum	\$75.00
Miami Beach	
Bass Museum of Art	\$75.00
Coral Gables	
Fairchild Tropical Garden	\$80.00
Lowe Art Museum, University of Miami	\$50.00
Fort Lauderdale	
Museum of Discovery and Science	\$75.00
Museum of Art	\$75.00
International Swimming Hall of Fame	\$25.00
Average	\$60.00
Median	\$65.00

African American Museums	Family Membership Charge
Museum of Afro American History, Boston	\$50
Great Blacks in Wax Museum, Inc., Baltimore	\$30
American Jazz Museum, Kansas City	50
African American Museum, Dallas	\$35
Birmingham Civil Rights Institute, AL	\$50
Museum of African American History, Detroit*	\$55
Dusable Museum of African-American History, Chicago	\$35
The Studio Museum in Harlem	\$75
The Apex Museum, Atlanta	\$50
Tubman African American Museum, Macon, GA	\$50
The African-American Museum in Philadelphia	\$60
Afro-American Cultural Center, Charlotte, NC	\$50
National Afro-American Museum & Cultural Center, Wilberforce, OH	\$35
California African American Museum, Los Angeles	\$50
America's Black Holocaust Museum, Milwaukee, WI	\$50
Black American West Museum and Heritage Center, Denver	\$35
Afro-American Historical Society Museum, Jersey City	-
Black Heritage Museum, Miami	\$35
African-American Museum and Library at Oakland	-
Anacostia Museum, Washington DC	-
Average	\$46.76
Median	\$50.00

Assumption: Based on membership rates in the area and among similar African American museums across the country, the visitor experience as currently conceived, the location of the Museum, and feedback from the local community and key stakeholders, it is recommended that VKB offer a tiered membership structure for students, seniors, individuals and families with the amount for an individual set at \$30 and a family at \$50. Rates for students and seniors should be 25% reduced and the Museum should offer a discount for two-year membership rates.

It has been assumed that the VKBP Museum will include a lower level and an upper level membership program. Lower level memberships would focus very much on “value for money” in unlimited free admission, discounts from retail sales, programs and rentals, and other tangible benefits. The upper level membership program would be a way for individuals, families, corporations and foundations to support the mission and mandate of the VKBP Museum. Upper level members would receive tangible benefits too. For example, they would be invited to special events, receive behind the scenes tours and other benefits in which the focus is on exclusivity and recognition, and they would receive tax benefits. While in the temporary site the emphasis will be on developing upper level memberships, since the small size of the exhibition space means little reason for repeat visitation, which is the primary motivation among those seeking value for money in membership.

For purposes of comparison, the Museum of African American History in Detroit reported 5,000 memberships and membership revenue of \$34.80 per membership in its second year of operation. Membership levels have declined and are closer to 4,000 today. The Jewish Museum of South Florida reports about 2,000 memberships, including those who support the Museum but reside elsewhere in the country. There is already an organization in place, Friends of Virginia Key, that has an environmental focus. This will provide a starting point for the overall Park and Museum membership drive.

Our projections are based on the following assumptions and estimates:

- The VKBP Museum will offer a variety of lower level membership categories but most will be in the Family category, charged at \$50 per year. Upper level categories would range from \$100 to \$1,000 plus.
- Taking into account upper level memberships, the average revenue per membership is estimated at \$60 in Year 1, growing to \$62 in Year 3 and \$65 in Year 5.

The total number of memberships would be 1,600 in Year 1, and decline to 1,500 in Year 3 to reflect attendance patterns.

Friends Organization

Museum Friends' organizations are structured in a variety of different ways. Some are organized as special membership tiers that support a component of the mission while others are separate 501-c-3 organizations that serve as a private fundraising arm of the institution. For example:

- *Friends of the Field Museum Library* in Chicago supports the library and explores the role of the museum's library in global natural history research and public education, while enriching its collection of 250,000 volumes. An annual membership fee supports the continued preservation of the library collection and acquisitions.
- *Friends of the Banneker-Douglass Museum* in Annapolis, MD is a 501-c-3 organization that raises funds on behalf of the museum to support museum programs and exhibitions when budgeted funds are not sufficient. An annual membership fee is charged, not by the museum, but by the organization itself.

VKBP has already established *Friends of Virginia Key Beach (FVKB)*. The FVKB is a core group of supporters who volunteer at community meetings and events, and attend VKBP trust meetings and other programs. The group also provides financial support to VKBP, but is not required to do so. Currently, the benefit of being a member of FVKB does not require a membership fee.

VKBP also has a Virginia Key Beach Park Club comprised of students from the Booker T. Washington High School in Miami. These young people participate in park clean-ups, environmental and naturalist education and other program with the local Audubon Society.

Assumption: It is recommended that VKBP expand the FVKB to offer more people the opportunity to support the mission and vision of VKBP. A special membership tier could be given to current FVKB members, such as "founding member" or "charter member" establishing them as the organization's base of support and recognizing them for their initial commitment. New members would pay an annual membership fee. VKB should look to their Friends' organization to support specific and unique components of the facility, such as preservation of the site's natural history, oral history collection, and public education. The VKBP Club at Booker T. Washington High School could also be expanded to include other middle schools, high schools and even colleges in the area.

Volunteers: Volunteering to help VKBPM should be a privilege of membership – i.e. anyone interested in volunteering should first join at an appropriate level – student, senior individual or family. Prospective volunteers should be interviewed as in a job interview, and should be asked to make a commitment of time in advance of a fairly rigorous training course, in order that graduates of the course should feel that they are part of an elite corps dedicated to the Park and the Museum. Volunteers may be primarily Museum docents, but may also assist with hospitality or in other activities of the Park or Museum. The volunteer program should provide annual evenings of recognition of their contribution, attended by Trust members and senior Museum personnel, who should provide individual awards and recognition of all those contributing their time and abilities. **It is assumed that there will be a Volunteer complement of 75-100 people when the Museum opens and that that complement will be expanded as future needs demand.**

2.7.3 Operating Schedule

We are assuming that the hours of operation will be as follows:

- a) Museum: open daily from 10 a.m. to 6 p.m. We do not recommend evening hours as the building would be available then for rental uses that could be a major revenue generator. School tours could be admitted before 10 a.m. if they arrive earlier. Cleaning should normally occur before 10 a.m., so there should not be a need to close one day each week for maintenance.
- b) Beach, Grounds and Outdoor Exhibits: open from 8 a.m. to sunset which is consistent with the hours of other beaches in the area such as Crandon Park.
- c) Rides and related historic facilities: The experience of Crandon Park is that there is very little traffic during the week, whereas the weekend attracts the vast majority of visitors. We would recommend that these facilities be open from 8 a.m. to sundown on weekends and holidays, but only from 12 noon to 4 p.m. during the week

Hours to the grounds would be extended when special events were taking place such as music or community festivals.

2.7.4 Museum Store

- Depending on market demand, the retail shop will be visible and accessible even when the rest of the Museum is closed. Its **product line will reflect the mission and mandate of the institution** and would reflect the full range of history and ethnicities covered by Museum exhibits and it is assumed will include the following types of products:
 - books dealing with the history of VKB and its relationship to Miami and South Florida, African American history, the Civil Rights movement, original inhabitants of the region, immigration patterns over the years etc. The books should appeal to a cross-cultural audience, so Spanish-language books and books on Latin American and Caribbean history as well as Hispanic immigrant histories should be included.
 - Conservation and environmental books that have special significance to the natural history of the site.
 - Items complementary to the Haitian community and in the Creole language
 - Educational toys and games.
 - Stationery products, including historic posters and postcards depicting images from past days at VKBP
 - Artwork and crafts representative of the region

The product line can offer low cost items for school children – toys that would have been used in the fifties, the heyday of VKBP – and higher end, expensive design items suitable for gift giving and jewelry.

It is assumed that the store would be managed and operated by VKBP staff in order to provide control over quality, sales and product. The store should be open during normal Museum operating hours, plus 15-30 minutes after the official closing of the Museum to accommodate visitors who are leaving at the end of the day – always among the best customers. The store would represent a profit center to the Museum.

2.7.5 Food Service

It is assumed that a restaurant providing higher end meals be included in the Museum building. This restaurant on the roof would include both indoor and outdoor dining to best utilize the space available and to take advantage of the natural ambience of the view. It is suggested in the Preliminary Space Program that the restaurant would be large enough to support 25 tables, or about 100 diners.

In addition to the restaurant, there would be a coffee kiosk located in the lobby that would sell coffee, cold drinks and snacks. The operation would be outsourced to a third party.

- It is assumed that the food service for the restaurant should be outsourced. It should be noted that the restaurant will generate very little in the way of net revenue to VKBP whether the food service is concessioned out or run by Museum staff (this is the rule of thumb for any restaurant located in a museum). However, the kitchen facilities will provide an important support to the rentals and special events discussed below. The restaurateur may be offered the contract for catering the rentals and special events as part of the negotiations to secure an agreement for operation of the food services. A quality control provision – giving the Museum the right to terminate the agreement within three months if quality is not maintained – should be part of the contract.

2.7.6 Rentals and Special Events

Given its location and size, VKBP has a tremendous opportunity to offer the community a variety of rental options and special event space. These spaces would include:

- Event Lawn
- Dance Pavilion
- Historic Garden
- Main Lobby
- Board Conference Room
- Reception/Rental Space
- Activity Rooms
- Resource Room
- Restaurant
- Freedom Theatre

According to local community members and stakeholders, only two facilities offer affordable rental rates in a safe and clean environment for community groups in the area: Hadley Park Community Center, and the Caleb Center. Other facilities in the area will be canvassed in order to derive a comprehensive list of current sources of rental space together with a potential market for these services. Parks, libraries and churches also offer space for community and family gatherings, but often space and allowable usages are limited. Hotels, halls and lodges are currently used for weddings, parties and family reunions. However, those that offer affordable rates are limited. According to community needs, rental facilities should be planned to accommodate at least 150-250 people indoors or outdoors. Based on the feedback from the local community and key stakeholders, rental facilities at VKBP would primarily be used for:

- Community meetings
- Social clubs, church groups and other group meetings
- Family Reunions
- Talent Shows
- Step Shows and Praise Dancing
- Weddings
- Birthday parties
- Fundraisers

In addition to rental opportunities, community response to the idea of special events being held at VKBP is extremely positive. Events should be diverse and multi-cultural, but consistent with the mission and vision of VKB. Events should not disrespect the spiritual and natural environment, but promote a greater appreciation of VKBP. Special events that attract different age groups and ethnicities could include:

- Concerts & live performances (music, dance, theatre)
- Plant & flower Shows
- Baptisms
- Carnivals, festivals, parades
- Book signings
- Lectures
- Film festivals
- Arts & craft shows
- Antique car shows

Rental rates for museums are usually at the high end of the spectrum, reflecting the prestige attached to a museum venue. However, VKBP rates should be affordable to ensure community use. In some cases the Museum may want offer rental space free or a very reduced rate to deserving groups.

As outlined in chapter 4 of the A2 Report, facilities are provided for rentals and special events within the Museum building. The restaurant kitchen is also to serve as a catering kitchen for these events. The rental facility will be at rooftop level, providing an attractive setting for weddings, birthday parties, corporate hospitality, church suppers and the like.

Larger special events would take place on the fields available in the Park for community festivals, such as the Jamaican festival that has already been held on site. The site will also be the venue for outdoor concerts that may be organized by VKBPM, or may be brought in by an outside convenor.

It is assumed that rental events of up to 250 people can be accommodated in a combination of indoor and outdoor space for such events as corporate meetings, wedding receptions, reunions and community meetings and that initially this space will be rented out 100 times per year with the number of rentals increasing gradually to 125 per year by the end of Year 3. The rental rate would be competitive with hotels and other institutions in the area. Seaquarium charges \$1,945 for a minimum party of 100 people in their outdoor facility (with a tent) with an additional per person charge of \$19.45 for parties of greater than 100 and less than 200. The rate for the Vizcaya facilities is \$7,500 on weekends and \$6,100 on weekdays for the rentals to parties of 125 people. Vizcaya has an established market for high end rentals and the Seaquarium facilities would not match those offered by VKBP. Accordingly, we are assuming that VKBP would be able to charge somewhere between the rates of Seaquarium and Vizcaya, and that on average a rental rate of \$2,500 per event would be earned. This rate would be flexible according to the type of event would be lower for events such as community meetings.

We are assuming that the smaller meeting venues (i.e. Freedom Theatre, conference room and classroom) would be rented out for on average \$450/four hour period) and that 25 such rentals would take place in the first year increasing to 40 rentals by Year 3.

We are assuming that VKBP would host 3 major festivals in a year that would attract between 5,000-8,000 people for each event. These events would normally be free to visitors who would only pay for food and drink at the festival. Vendors at these festivals would normally pay a fee of \$500 to \$5000 to rent space. We are assuming that the site would be rented to the organizers of the festival for a fee of \$10,000/day and that 15% of the attendees would also visit the Museum

2.7.7 Programming

As described in the Phase A1 Report and in chapter 5 of the A2 Report, indoor and outdoor experiences at the Park must be “seamless” – a range of experiences that weave together human stories and natural history. In order to achieve this balance, public programs must be diverse and rich in scope, ensuring that visitors understand that the entire Park is a museum—an experience unlike any other in Miami with recreational, cultural and ecological activities. This exciting “menu” of activities should appeal to visitors on many levels and encourage repeat visitation as there as so many different things to do at the Park.

The community meetings and focus groups provided another opportunity to discuss community needs and expectations for VKBP public programs. Components of the public program plan outlined in the Phase A1 Report were shared with participants. Feedback was extremely positive. Participants were excited about the possibilities for both registered and unregistered programs. While charging for programs was supported, focus group participants encouraged offering affordable and free programming when possible. Also, the importance of relevant programming focused on community needs was stressed. The programs that seemed to resonate most with the participants were:

- Seasonal camps
- Saturday Morning Club
- Classes, Workshops and youth leadership opportunities
- Youth Leadership Programs
- Story Telling & Oral History
- Targeted Audience Days: Seniors, Families, Youth

Both registered and non-registered programs are likely to be subject to participation fees to defray the costs of mounting them. Members should be offered a discount and first refusal on booking registered programs.

Most public and educational programs offered by the Museum will be included within the basic cost of admission. Charged programs could include performance events and lectures in the 60-seat auditorium, teacher training, outreach, registered programs, special events and other programs developed by management of the Museum when operational. For the purposes of these projections, we estimate revenues from such sources in the permanent facility to be about 35% of total (both free and charged) non-staff public and educational programs expenses which will be calculated separately in the Business Plan.

- Take a leadership role in distance learning opportunities for secondary and advanced learning, particularly for the Hillsborough Community College students, who are usually non-traditional students that may welcome attractive learning sites near their workplace.
- Become an incubator for professions in the museum field by soliciting the assistance of various campus departments and sponsoring a day for those career professionals to experience the Museum for themselves.
- Introduce teacher development opportunities.
- Provide a venue for local artisans to showcase their work.

2.7.8 Marketing

A quality visitor experience is the most important marketing tool available. This helps generate the positive word-of-mouth reports that are essential for building both first-time and repeat visitation and for ensuring that VKBPM is top-of-mind for potential resident, school and tourist visitors.

In order to position itself advantageously in the highly competitive South Florida market, VKBPM needs a major marketing campaign that highlights the unique features of the Museum and Park (the VKB 'brand'). It is essential that VKBPM become a visible attraction within the cultural community, tourism market and resident marketplace. In tourism terms, the Museum needs to be seen as a 'tourism product.' To accomplish this the following marketing strategies are assumed:

- Emphasize the combined *indoor/outdoor* attractions of the site that provide a competitive advantage over many other Miami attractions. The challenge will be to encourage "recreational" users of the site to utilize other aspects such as the Museum. An indoor/outdoor attraction can also meet the challenge of inclement weather – a rainy day, or extreme heat.
- The *resident market* will be very important and, in general, there should be a marketing emphasis on the family nature of the site (through such events as family reunions, faith-related meetings etc). The demographics of the region indicate that this emphasis would be of appeal to the Hispanic market that represents the largest ethnic group in the Region. Other ongoing special events such as film festivals, lecture series, etc should be regularly planned to attract the local market to the site,
- That VKBP be positioned as a welcoming place for all cultures, which will be important considering the demographics of the Region. *Graphics should be in English, Spanish and French* throughout the Park and Museum, and docents speaking all three languages should be available.
- *School groups* will be an important market and VKBPM should develop a printed brochure for schools and curriculum supervisors that describes the Museum's programs, including the targeted grade levels with clearly defined curriculum links to those grades.

- *Flags and banners* should be installed at the Museum's entrance and on the Rickenbacker Causeway to announce the Museum's presence and provide a welcoming face to potential visitors. Introduce billboards and signage along major highways in the Miami area advertising the new site.
- Develop a *museum rack brochure* to be displayed at regional attractions and hotels, and be available for distribution by the local Convention and Visitors Bureaux. The brochure should be visually driven as opposed to text-heavy: this will prevent the brochure from becoming a substitute for an actual visit, which can happen with brochures that provide too much information regarding a museum's content. Consistent with the family appeal of the site, it should show members of a family (possibly three generations) enjoying themselves at the site.
- Utilize an attractive interactive *Web Site* now to provide updates on the planning and design process, gradually getting more concrete and detailed as opening day approaches, then projecting exhibition and events schedules, membership applications, etc.

2.8 Other Assumptions

- Capital funds for construction and exhibitry will be generated through a combination of private and government sources. The project will be free of debt payable by the VKBP Museum and there would thus be no annual outlays for debt service in the operating budget.
- The Museum will not be responsible for payment of any property or business taxes.

2.9 Conclusion

Executive Director David Shorter has indicated Board approval of the assumptions noted in this document. Accordingly, the following chapter summarizes the Business Plan projections based on these assumptions for the Virginia Key Beach Park Museum.

3. Attendance, Operating Revenue and Expense Projections

The projections of attendance, operating revenues and expenses for the Virginia Key Beach Park Museum set out in this chapter are based on the Contextual, Comparables and Market analyses the Phase A1 Report, the descriptions of the Museum's collections, visitor experience, staffing and space requirements detailed in the Phase A2 Report, the key assumptions summarized in the preceding chapter, and the judgment and experience of the consultants. The projections are for Years 1, 2 and 3 of operation of the Museum once operational at its assumed site in Virginia Key Beach Park.

All projections are in 2006 constant dollars. However, some items such as staff costs tend to increase at a faster pace than the rate of inflation and we have thus taken this into account in some of the specific projections.

3.1 On-Site Attendance Projections

In preparing attendance projections, it must first be noted that comparing attendance levels is inherently risky since there are a variety of definitions of what constitutes a visitor. *In this Plan a visitor to the VKB Park Museum is defined as someone who attends the Museum on-site for the purposes of experiencing its exhibits and programs, including persons attending various special events and rentals.* This definition would exclude those who enter the building to only use the gift shop or food service opportunities. It also excludes staff and volunteers, service and delivery people as well as visitors to the beach and outdoor facilities on the site who do not enter the building for the exhibitions or programs. While outreach and access through a Web site are important, on-site attendance projections do *not* include outreach programs and Web site hits.

It must also be noted that there is no simple computer formula that leads to credible attendance projections. The process used here considers the experience of African American museums, other history museums and the main existing attractions in Miami. These institutions help to provide benchmarks for formulas that help to guide one's judgment. Other considerations are the appeal of the assumed visitor experience and spaces as well as the impact of the key assumptions outlined in the previous chapter, including admission charges, operating hours, the availability of parking, and so on.

3.1.1 Parameters for On-Site Attendance Projections

A variety of data may be used to help establish parameters or benchmarks for the attendance projections of the Museum. Although each benchmarking method has its weaknesses, all have been used to establish parameters to help guide our judgment.

3.1.1.1 Ratios Derived From Selected African American Museums

The most useful ratios emerging from the data on African American museums relate to population – specifically, visitors per thousand Metropolitan Statistical Area (MSA) population, and visitors per thousand African American population in the MSA. Also useful are ratios of attendance per sq. ft. of exhibition gallery space. For comparability, the sample used in the following Table includes only African American Museums that charge admission and have at least 20,000 reported visitors:

- **Visitors per Thousand MSA Population:** The median and average ratios that emerge from this method are 25.9 and 55.2, respectively. If these ratios are applied to the 2,253,362 PMSA population of Miami it leads to an attendance range of *58,000 to 124,000 visitors, with a mid-point of 91,000 visitors.*
- **Visitors per Thousand African American Population in MSA:** The median and average median ratios that emerge from this method are 102.2 and 237.2, respectively. Applied to the 446,470 African American population in the Miami PMSA, this leads to an attendance range of *54,000 to 106,000 visitors, with a mid-point of 80,000.*
- **Visitors per Square Foot of Exhibition Space:** The median and average number of visitors per square foot from this calculation is 7.1 which when applied to the 7,000 sq. ft. in exhibition space for the Museum leads to an attendance of *50,000 visitors.*

The average of these figures is about 74,000.

Comparable Charged Admission African American Museums with at Least 20,000 Visitors	Reported Annual Attendance	MSA Population	Percentage African American Population	African American Population	Visitors per 1000 MSA Population	Visitors per 1000 African American	Exhibition Space (Sq. Ft.)	Visitors per Sq. Ft Exhibition Space
Great Blacks In Wax Museum, Baltimore *	275,321	2,557,750	27.7%	708,497	107.6	388.6	15,000	10
Birmingham Civil Rights Institute	160,000	921,106	30.2%	278,174	173.7	575.2	29,000	5.5
Museum of African American History, Detroit	150,000	4,446,530	23.3%	1,036,041	33.7	144.8	21,000	7.1
Dusable Museum of African American History, Chicago	150,000	8,293,180	18.9%	1,567,411	18.1	95.7	25,000	6.0
American Jazz Museum/ Negro Leagues Baseball Hall of Fame, Kansas City	130,000	1,844,850	13.1%	241,675	70.5	537.9	30,000	4.3
Studio Museum, Harlem	116,159	9,326,940	23.8%	2,219,812	12.5	52.3		
Apex Museum, Atlanta	65,000	4,112,198	29.1%	1,196,650	15.8	54.3	7,500	8.7
African American Museum, Philadelphia	60,000	6,106,030	20.3%	1,239,524	9.8	48.4	7,400	8.1
Average	138,310	4,701,073	23.3%	1,060,973	55.2	237.2	19,271	7.1
Median	140,000	4,279,364	23.6%	1,116,346	25.9	120.2	21,000	7.1
Figures for Miami PMSA		2,253,362	19.7%	446,470				

* we believe that the reported attendance is inaccurate for the Great Blacks in Wax Museum and have used a figure of 10 visitors per sq. ft of Exhibition Space for this analysis

3.1.1.2 Ratios Derived From Selected Existing Charged Admission Museums in the Florida Area

The Table below provides ratios that emerge from the attendance experience of the Jewish Museum of South Florida in Miami Beach, the Historical Museum of South Florida in Miami and the Florida Holocaust Museum, Tampa. These offer the best comparability and all charge admission. The attendance figures are applied to the size of the exhibition space to lead to the following ratios:

Selected Florida Museums	Reported Annual Attendance	Exhibition Space (sq. ft.)	Visitors per Sq. Ft. Exhibition Space
Jewish Museum of South Florida, Miami Beach	45,000	3,000	15.0
Historical Museum of South Florida, Miami	94,000	12,000	7.8
Florida Holocaust Museum, Tampa	85,000	12,500	6.8
Average	74,667	9,167	9.9
Median	85,000	12,000	7.8

- **Visitors Per Sq. Ft. Exhibition Space:** This method focuses on the space available to visitors and leads to the 7.8 and 9.9 median and average ratios emerging from the comparables in the Table below. Applying these figures to the assumed 7,000 sq. ft. of exhibition space at the Museum provides a range of about 55,000 to 69,000 visitors, with about **62,000** as the mid-point.

3.1.1.3 Ranking the Virginia Key Beach Park Museum Against Reported Attendance at Other Charged Admission Museums in the Miami Area

This method seeks to rank the assumed Virginia Key Beach Park Museum against the reported attendance levels of existing charged admission museums in the Miami area, as detailed in Chapter 3 of the Phase A1 Report. It uses a simple appraisal method for ranking purposes. In our judgment, the Virginia Key Beach Park Museum would attract more visitors than the Miami Art Museum but substantially less than Vizcaya Museum and Gardens or the Historical Museum of Southern Florida, suggesting a range between **60,000 and 90,000 visitors, or a mid-point of 75,000.**

3.1.1.4 Summary of Figures Extrapolated from Ratios and Ranking Method

Averaging all of these figures suggests a stabilized attendance figure in the range of 70,000 visitors per year, as seen in the following Table.

	Attendance (rounded)
Ratios from African American Museums	74,000
Ratios from selected Florida Museums	62,000
Ratios from Miami Museums	75,000
Average (rounded)	70,000

3.1.2 Judgment Regarding Impact of Site, Product and Market Factors

While the ratios above help to guide our judgment regarding potential attendance levels, and suggest a stabilized attendance level of about 70,000 visitors per year, other factors discussed in earlier reports help to refine the analysis. Some factors suggest higher attendance while others suggest that attendance levels will likely be lower. These factors are as follows, and help to lead to our projected attendance levels for VKBP Museum in its first three years of operation:

- **Relatively Small African American Population Base, Higher Than Average Potential Tourist Market Base, Including African American Conventions, But Substantial Competition:** The current African American population of the Miami PMSA at about 446,000 is relatively small compared to African American populations available in other urban centers, but it is nonetheless a substantial core market from which the Museum may draw. However, the Museum is assumed to offer a visitor experience of wider appeal including the significant Hispanic population. At the same time, there is a much larger than average tourist population, with leisure time, available to the VKBP Museum, than available in cities where tourists to downtowns are largely businesspeople. Moreover, whereas other existing museums in Miami must compete with the beach, the VKBP Museum offers the unique opportunity to attend the beach and the museum on the same trip assuming those in swimming suits and sandals are made to feel welcomed.
- **Focus on Rentals:** A major focus of the new Museum is on rental opportunities. This should help to boost attendance levels higher than indicated in the various ratios. In addition, it is assumed that the site will host 3 major Festivals each year attracting 5-8,000 people for each event and that 15% of these people will visit the Museum.
- **Admission Charges:** The assumption of reasonable admission charges and strategies to widen access to persons who could not otherwise afford even a modest admission should serve to boost attendance levels.
- **Market:** The school and resident markets for the Miami PMSA are quite large, and the tourist market is significant with the caveat that there is much uncertainty with respect to the potential impact on travelers of the higher fuel costs both for air and car travel. School markets have become harder to reach for all museum-related institutions and for the new VKBP Museum these difficulties will be complicated by the fact that educators may be more reluctant to take school groups to the Museum because of perceived liability concerns with respect to the beach. There is also significant competition from institutions that are supported by the School District.
- **Site:** The natural beauty of the site including the beaches will be an important draw, however, the challenge will be to entice the "recreational" visitors to utilize the museum (attendance levels at all museum-related institutions in Miami are lower than found in the northern cities where museum do not have to compete with the sun, sand and sea). The key assumption to overcome this factor is that those who are using the beach and in swimsuits and sandals will be welcomed into the Museum.

On balance, the points above suggest somewhat higher attendance levels than indicated by the various ratios set out earlier. We have therefore estimated on-site attendance in the stabilized Year 3 at 75,000 visitors, which would be slightly higher than the 70,000 in Year 2. The opening year attendance is almost invariably higher because of the novelty factor, and we have estimated it at 100,000.

3.1.3 Projected On-Site Attendance Levels by Segment

The Table that follows provides our estimates of total on-site attendance by visitors on weekdays and weekends, helping to lead to design day projections and projected attendance by main market segment and by admissions ticket category.

The projections are also based on the following estimates and assumptions.

- **Attendance by Weekdays and Weekend Days:** It is common for weekend days to account for 45-50% of all visitors. The emphasis on marketing to school and the attraction of the site to tourists should result in a higher percentage of weekday visits than the 50% norm for most museums. School groups will be an important focus because with the exception of the very small Black Heritage Museum and Black Archives located in Miami and the Dillard Museum in Fort Lauderdale, the Museum will be the only African American museum in the Miami area. We have estimated weekday attendance at 55% of the total each year.
- **Design Day Calculation:** The Design Day (not peak attendance) calculation is of a higher than average weekend day in a higher than average attendance month. We estimate attendance during such a weekend day at 10% higher than average given year-round tourism in Miami. This figure is then applied to estimate how many people will be in the building at one time. Based on the size of the exhibition/experience space, we have estimated about 30% of daily visitors will be in the building at one time.
- **Attendance by Main Market Segment:** The assumed pattern is that on a percentage basis resident attendance will be highest in the opening year then decline, with school and tourist percentages increasing in Years 2 and 3.
- **Attendance by Ticket Category:** The Table that follows also provides estimates of attendance by the admission ticket category. Persons in an Indirect Paid category include members, program participants and rentals guests. Those receiving free admission are in an Unpaid category, which is combined with the Indirect Paid visitors. It is recognized that free admissions will be minimal and that there will be sponsoring programs in place to provide tickets for those who are financially disadvantaged.

Attendance Projections (rounded)	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Projected Total Attendance				100,000	70,000	75,000
Attendance by Weekday/Weekend						
Weekdays	55%	55%	55%	55,000	38,500	41,250
Weekend Days/Holiday Mondays	45%	45%	45%	45,000	31,500	33,750
Total				100,000	70,000	75,000
Design Day Calculation						
Total Projected Attendance				100,000	70,000	75,000
Total Weekend Attendance				45,000	31,500	33,750
Average Weekend Day Attendance				433	303	325
Weekend Attendance in Higher Attendance Month (10% above average)				476	333	357
Maximum Number of People in Building at One Time (30% of daily total)				143	100	107
Attendance by Main Segment						
Resident (Miami PMSA)	60%	55%	50%	60,000	38,500	37,500
School	15%	20%	20%	15,000	14,000	15,000
Tourist	25%	25%	30%	25,000	17,500	22,500
Total	100%	100%	100%	100,000	70,000	75,000
Attendance by Ticket Category						
Adult	40%	35%	35%	40,000	24,500	26,250
Senior/Youth	10%	10%	10%	10,000	7,000	7,500
Child	15%	15%	15%	15,000	10,500	11,250
Non-School Groups	5%	5%	5%	5,000	3,500	3,750
School Groups	15%	20%	20%	15,000	14,000	15,000
Indirect Paid/Unpaid	15%	15%	15%	15,000	10,500	11,250
Total	100%	100%	100%	100,000	70,000	75,000

3.2 Projected Operating Revenues

The projections of operating revenues projected for VKBP Museum are set out in the following 10 categories:

- Admissions;
- Retail Concession;
- Food Service Concession;
- Membership;
- Facility Rentals;
- Educational and Public Programming;
- Fundraising Events (net);
- Other Earned Income;
- Parking Revenue;
- Endowment

The bottom line for the projections is the amount of projected expenses minus projected earned income and endowment to indicate the amount required from donations/sponsorships (contributed income) and government grants to break even on operations each year.

3.2.1 Admissions

The Table that follows sets out the projected attendance levels in Years 1, 2 and 3 by ticket category as applied to the assumed admission charges. The projections also assume that discounts offered to visitors in combination with other museums, attractions (value added concept, for example), hotels, etc. would result in 5% lower income in Year 1 and 7% in Years 2 and 3 than if such discounts were not in place. (There is less of a need for offering discounts in the opening year of operation.)

Based on the estimates and assumptions above, our projections of admissions income are as follows:

Admissions Revenue							
Ticket Categories	Admission Charges (2006 dollars)	Year 1 Visitors	Year 1 Admission Revenue	Year 2 Visitors	Year 2 Admission Revenue	Year 3 Visitors	Year 3 Admission Revenue
Adult	\$7.00	40,000	\$280,000	24,500	\$171,500	26,250	\$183,750
Senior/Youth	\$5.00	10,000	\$50,000	7,000	\$35,000	7,500	\$37,500
Child	\$4.00	15,000	\$60,000	10,500	\$42,000	11,250	\$45,000
Non-School Groups (Avg.)	\$4.00	5,000	\$20,000	3,500	\$14,000	3,750	\$15,000
School Groups	\$2.50	15,000	\$37,500	14,000	\$35,000	15,000	\$37,500
Indirect Paid/Unpaid	\$0.00	15,000	\$0	10,500	\$0	11,250	\$0
Total (before discounts)		100,000	\$447,500	70,000	\$297,500	75,000	\$318,750
Total (after discounts)			\$425,125		\$276,675		\$296,438
Admissions Revenue per Visitor			\$4.25		\$3.95		\$3.95

3.2.2 Retail Concession

It is assumed that the VKBP Museum will operate 675 net square feet of public space in a gift shop, retailing a wide variety of products related to the Museum's mission and programming. *The retail store will be accessible to the public from both within the Museum lobby and from the exterior of the building, allowing it to be open when the Museum might be closed.* The store will be open during normal Museum operating hours plus 15-30 minutes after the official closing of the Museum to accommodate visitors who are leaving at the end of the day. The store will also have good visibility from the outside and its own signage to allow the store to have its own identity. The store will be operated by a full-time professional Retail Manager and Retail Clerks, supported by volunteers.

Our estimates of retail sales take into account the size and the estimated number of visitors, and are also informed by figures from the *2004 Museum Store Association Retail Industry Report*. In that report it is noted that the museum store industry average is for sales per visitor of \$2.48 with the median figure at \$2.19. The retail sales experience for history museums is higher than the overall industry with average sales per visitor of \$2.60 with a median figure at \$2.43.

Based on our knowledge and research, our estimates are that retail sales per visitor would be \$2.40 in Year 1 with an increase to \$2.50 in Year 2 and \$2.60 in Year 3 to reflect better market and product knowledge over time. In addition, the product line carried by the store will be specialized and will attract people to the shop as a destination. This equates to sales per square foot of retail space ranging from \$259 to \$356, which compares to an overall industry average of \$374 and median of \$206 as reported in the *2004 Museum Store Association Retail Industry Report* (the median sales per sq. ft. for history museums is \$148 and the average is \$316). These figures take into account sales to non-visitors and discounts to members. Cost of goods sold is included with the expense projections, while staffing and other overhead costs are included with those expense projections later in this chapter. These estimates lead to the following projections.

Museum Store Sales	Year 1	Year 2	Year 3
Total Attendance	100,000	70,000	75,000
Sales/Visitor	\$2.40	\$2.50	\$2.60
Total Gift Shop Sales	\$240,000	\$175,000	\$195,000
Sales per Square Foot of Shop Space (675 Net Square Feet)	\$356	\$259	\$289

3.2.3 Restaurant Concession

Another important assumption is that the Museum will concession out a 900 net sq. ft. restaurant plus 410 sq. ft. for kitchen and food storage facilities for a total of 1,310 net sq. ft. Like retail, the restaurant would have its own signage to allow the restaurant to develop its own distinct identity. During good weather, tables and chairs could be placed on the outdoor terrace to increase the appeal and the number of customers.

As an incentive to attract a private sector café operator, the operator will also be the preferred caterer in VKBP Museum. People wishing to use their own caterer will be allowed to do so but only if they pay a larger rental amount.

It must be emphasized that, in general, restaurant operations generate very little income for cultural attractions. Instead, they are looked upon as visitor services. In fact, the Financial Survey of the American Association of Museums shows food service accounting for an average of only 0.4% of total operating income.

In the case of the restaurant in the Museum, it is assumed that there would be no separate metering of electricity and other occupancy costs for the restaurant, but that these will be included within the rental charge paid by the restaurant operator.

The concessionaire will pay a negotiated rent to the Museum. This is likely to be based on a minimum annual rent plus a percentage of gross revenues. For the purposes of these projections, we are basing the estimate on an amount per sq. ft. for the total restaurant space, including kitchen and storage facilities.

Given the strong location with wonderful vistas, our estimates are based on a projected rental of about \$20 per net square foot (2006 dollars) and that the financial arrangement would be for the full three-year period projected. Assuming the total food service space is 1,310 sq. ft. leads to the following projections.

Restaurant Concession	Year 1	Year 2	Year 3
Total Concessioned Space	1,310	1,310	1,310
Rent per Sq. Ft.	\$20.00	\$20.00	\$20.00
Total Revenue	\$26,200	\$26,200	\$26,200

3.2.4 Membership

It has been assumed that the Museum will include a lower level and an upper level membership program. Lower level memberships would focus very much on "value for money" with unlimited free admission, discounts from retail sales, programs and rentals, and other tangible benefits. The upper level membership program would be a way for individuals, families, corporations and foundations to support the mission and mandate of the Museum. Upper level members would receive tangible benefits too. For example, they would be invited to special events, receive behind the scenes tours, introductions to artists and musicians at receptions, and other benefits in which the focus is on exclusivity and recognition, as well as tax benefits.

The Contextual Analysis in the Phase A1 Report indicated that the average and median figures for African American museums were about \$47 and \$50, respectively. In Miami, the average family membership charge is \$59.03 and the median is \$65.00.

The 2003 Financial Information Survey of the American Association of Museums indicated that the median percentage of operating budget generated by memberships was 5.8%.

There is already an organization in place, Friends of Virginia Key, which has an environmental focus. This will provide a starting point for the overall Park and Museum membership drive.

Our projections are based on the following assumptions and estimates:

- VKBP Museum will offer a variety of lower level membership categories but most will be in the Family category, charged at \$50 per year. Upper level categories would range from \$100 to \$1,000 plus.
- Taking into account upper level memberships, the average revenue per membership is estimated at \$60 in Year 1 with growth of 2% per year to reflect success in moving people to upper categories over time.
- The total number of memberships would be 1,200 in Year 1, decline to 1,000 in Year 2 and stabilize at 1,100 in Year 3 to reflect projected attendance patterns. The main limitation on membership is the size of the exhibition space, which will limit repeat visitation and hence the value of membership.

These estimates and assumptions lead to the following projections.

Membership	Year 1	Year 2	Year 3
Total Memberships	1,200	1,000	1,100
Average Revenue per Membership	\$60	\$61	\$62
Total Revenue	\$72,000	\$61,200	\$68,666

3.2.5 Facility Rentals

The main spaces available for rental are assumed to be the 1,350 sq. ft. Lobby/School Orientation space and a contiguous 1,800 sq. ft. in multi-purpose space, a 450 sq. ft. Boardroom and the 60 seat Freedom Theater. It is assumed that rental events of up to 250 people can be accommodated in a combination of indoor for such events as corporate meetings, wedding receptions, reunions and community meetings. The orientation space offers smaller rentals opportunities and classroom spaces may double on weekends for children's birthday parties.

Although the number of events may vary widely, we estimate in the range of 100 in Year 1 growing to 125 events in Year 3 as seen in the following Table. Average income per rental may also vary, but based on rental rates for similar Miami facilities, is estimated to average \$2,500 per rental, with growth of 2% per year. We are assuming that the smaller meeting venues (i.e. Freedom Theater, conference room and classroom) would be rented out for on average \$450/four hour period in Year 1 and that 25 such rentals would take place in the first year increasing to 35 rentals by Year 3. The growth rate in the charge per rental is assumed at 2% per year as well.

We are assuming that VKBP would host 3 major festivals in a year that would attract between 5,000-8,000 people for each event. We are assuming that the site would be rented to the organizers of the festival for a fee of \$10,000/day and that 15% of the attendees would also visit the Museum.

The projections are thus as follows.

Rentals	Year 1	Year 2	Year 3
Major Rentals per Year	100	110	125
Average Income per Rental	\$2,500	\$2,550	\$2,601
Total Major Rental Revenue	\$250,000	\$280,500	\$325,125
Smaller Rentals per Year	25	30	35
Average Income per Rental	\$450	\$459	\$468
Total Smaller Rental Revenue	\$11,250	\$13,770	\$16,386
Festival Rentals	\$30,000	\$30,000	\$30,000
Total Rentals Income	\$291,250	\$324,270	\$371,511

3.2.6 Public and Educational Programs

Most public and educational programs offered by the Museum will be included within the basic cost of admission. Charged programs could include performance events and lectures in the 60 seat theatre, teacher training, outreach, registered programs, summer camp, special events and other programs developed by the management of the Museum when operational.

In general, the revenue return on the costs associated with public and educational programming is in the range of 20-30% of non-staff programming costs for both paid and free programs which are calculated later in this chapter. For the purposes of these projections we are estimating the revenue return at 20% in Year 1, 25% in Year 2 and 30% in Year 3. This leads to the following projections.

Educational and Public Programs	Year 1	Year 2	Year 3
Total Revenue	\$33,576	\$37,601	\$45,347

3.2.7 Fundraising Events (net)

Most museums and cultural attractions require fundraising events and galas to support programs and other operating costs. The amount that might be raised from these events that would contribute to operating revenues may vary widely and we believe that the Museum should be more successful than average. For the purposes of this study we have estimated a figure of ***\$75,000 raised in Year 1 increasing to \$100,000 in Year 2 and \$150,000 in Year 3.*** This is because it is typically only after the opening year that there is a realization of the need for fundraising events to support operations.

3.2.8 Other Earned Revenue

There may be other sources of self-generated income to provide additional income. These could range from vending machines to pay-for-photo opportunities to interactive donation boxes, and other entrepreneurial sources to be developed by management at the time. Although these amounts may vary widely, our projections are as follows:

Other Earned Income	Year 1	Year 3	Year 5
Total Revenue	\$10,000	\$15,000	\$20,000

3.2.9 Parking Revenue

It is assumed that VKBP will assume responsibility for the parking and will concession out the operation to a 3rd party for a fee. The parking fee is assumed to be \$5 and there will be a capacity of 450 parking spots. Assuming virtually full capacity on weekends and marginal use during the week (which is consistent with other beaches in the area) the projected gross total parking revenues would be in the range of \$250,000 and we are assuming that the concession fee would be 20% or \$50,000.

3.2.10 Endowment

It has been assumed that the Museum will have a \$2.5 million endowment fund in place in advance of the opening of the Museum to support ongoing operating costs. It is also assumed that this amount will remain constant and that other funds raised or donated each year will go to exhibition replacement and other specific projects of the Museum. Although the annual return on investment may vary widely, we have assumed an annual 5% return, leading to ***\$125,000 per year*** to support operations.

3.3 Projected Expenses

There are 8 categories of projected operating expenses for the Museum of African American Music. These are:

- Salaries, Wages and Benefits;
- Occupancy Costs;
- Exhibitions;
- Educational and Public Programming;
- Collections Acquisition and Care;
- General and Administrative Costs;
- Marketing;
- Retail Store Cost of Goods Sold.

3.3.1 Salaries, Wages and Benefits

The largest operating cost of any museum is staffing, generally accounting for 45-55% of the total operating budget of institutions with no collecting responsibilities (such as VKBP Museum). It is assumed that the Museum will be an independent agency of the City of Miami but will apply for grants from all potential funding sources. It is assumed that VKBP will assume responsibility for the maintenance and upkeep of the Site grounds. The original staffing plan called for 40 FTE positions (currently there are 6 FTE on staff and a further 34 would be hired). Staff will be hired on a phased basis between now and the projected Museum opening date which is assumed to be June 1, 2008.

The salary costs based on the proposed staffing set out in the Assumptions noted in Chapter 1 would represent 67% of the total operating budget which is far too high. This Report has completed the projections on two different scenarios:

- A) With the staffing costs as calculated with the complement outlined in the original Assumptions.
- B) Because the Site encompasses much more than the Museum, assigning to the Park the salaries of certain staff members in order to reflect the fact that work is being done on the overall Park site and to bring the Museum staffing costs more in line with standard ratios. We would propose that the salaries of the existing 6 staff members, the 2 Groundskeepers, Ecology & Natural History Program Coordinator, the Ecology & Natural History Collection and Interpretation Specialist and the Chief of Security fall into this category. The salary costs of these staffing is deducted at the bottom of the chart below so that there are in effect two staffing scenarios presented. The complement allocated to the Museum under Scenario B is reduced from 40 FTE to 29 FTE and the staffing cost as a percentage of the overall operating budget is reduced from 67-69% to a level of 62%. This is still a much higher than normal percentage and further staffing cuts would have to be considered by combining complement positions particularly in the programming area. The overall summary of projections will be presented under both staffing scenarios at the end of this chapter.

The recommended salary levels reflect salaries and wages at comparable institutions as well as the projected size of the site as an institution. It is assumed that staffing costs will exceed the rate of inflation by 0.5% per year during the period projected. Staff costs have thus been increased by 1% to reflect the period of time between 2006 and 2008. Museum-paid benefits will be at an average of 20% of salaries and wages, taking both full-time and part-time staff into account. These estimates and assumptions lead to the following staffing costs for Years 1, 2 and 3 of the project.

3. Attendance, Operating Revenue and Expense Projections

Position	FTE	Salary	Year 1	Year 2	Year 3
Existing staffing:					
Executive Director					
Director of Operations					
Finance Director					
Marketing & Media Director					
Development Director					
Receptionist					
Total Existing Staff Salary	6.0	\$408,430	\$412,514	\$414,577	\$416,650
New Staff (in order of hiring date)					
Information Technology/Media/Projection Spec.	1.0	\$ 50,000	\$50,000	\$50,250	\$50,501
Museum Director	1.0	\$ 80,000	\$80,000	\$80,400	\$80,802
Special Events Rentals	1.0	\$ 35,000	\$35,000	\$35,175	\$35,351
Exhibition Manager	1.0	\$ 50,000	\$50,000	\$50,250	\$50,501
Registrar	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Membership Secretary	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Director of Education and Public Programs	1.0	\$ 70,000	\$70,000	\$70,350	\$70,702
Volunteer Coordinator	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Visitor Services Manager	1.0	\$ 50,000	\$50,000	\$50,250	\$50,501
Food Service Coordinator	1.0	\$ 35,000	\$35,000	\$35,175	\$35,351
Human Relations Officer	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Facilities Manager	1.0	\$ 55,000	\$55,000	\$55,275	\$55,551
Groundskeeper	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Education Program Coordinator/Ecology & Natural History.	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Education Program Coordinator/Cultural History	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Education Program Coordinator-School Groups	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Education Program Coordinator-Adult Programs	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Special Events/Rentals	1.0	\$ 35,000	\$35,000	\$35,175	\$35,351
Collections and Interpretation Specialist-Cultural & Social History	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Collections and Interpretation Specialist- Ecology & Natural History	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Education Preogram Coordinator-Multi Cultural programs	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Preparator	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Janitorial/Maintenance	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Education Program Coordinator-School Groups	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Booking Clerk and Education Clerical Support	1.0	\$ 30,000	\$30,000	\$30,150	\$30,301
Retail Shop Manager	1.0	\$ 40,000	\$40,000	\$40,200	\$40,401
Retail Clerk	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Admission Clerk	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Admission Clerk	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Administrative Assistant	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Groundskeeper	1.0	\$ 25,000	\$25,000	\$25,125	\$25,251
Chief of Security	1.0	\$ 45,000	\$45,000	\$45,225	\$45,451
Preparator (hired 1/2 way through Year 1)	1.0	\$ 40,000	\$20,000	\$40,200	\$40,401
Retail Clerk (hired 1/2 way through Year 1)	1.0	\$ 25,000	\$12,500	\$25,125	\$25,251
Total Salaries and Wages	40.0		\$1,730,014	\$1,771,327	\$1,780,184
Benefits @ 21.3%			\$368,493	\$377,293	\$379,179
Total Salaries, Wages and Benefits--Full Complement--Scenario A			\$2,098,507	\$2,148,619	\$2,159,363
SCENARIO B- CERTAIN SALARIES ALLOCATED TO PARK					
Existing Staffing	6.0		(\$412,514)	(\$414,577)	(\$416,650)
Groundskeepers	2.0	\$ 25,000	(50,000)	(50,250)	(50,501)
Chief of Security	1.0	\$ 45,000	(45,000)	(45,225)	(45,451)
Education Program Coordinator/Ecology & Natural History.	1.0	\$ 45,000	(45,000)	(45,225)	(45,451)
Collections and Interpretation Specialist- Ecology & Natural History	1.0	\$ 45,000	(45,000)	(45,225)	(45,451)
Benefits @ 21.3%			(127,271)	(127,907)	(128,546)
Total Salaries, Wages and Benefits--Complement--Scenario B	29.0		\$1,373,723	\$1,420,211	\$1,427,312

3.3.2 Building Occupancy Costs

Building occupancy costs are defined to include all costs, excluding salaries, associated with maintenance and repairs, cleaning, utilities, security systems and building insurance. These costs have historically ranged between \$4.00 and \$6.00 per gross sq. ft., with costs varying by the extent of the environmental controls required, the weather conditions, the extent of public use, and the condition of the building, with a new building requiring lower maintenance costs. But insurance costs increased in the wake of 9/11 and over the past year energy costs have spiked to very high levels and are expected to remain high for the foreseeable future.

The Museum will be housed in a new building with requirements for environmental controls because of collections care. Based on the foregoing, we estimate the occupancy cost figures at \$5.50 per sq. ft. in Year 2, growing to \$5.70 by Year 3. In Year 1 costs are lower because the building is covered by warranties, and has been estimated at \$5.25 per gross sq. ft. of building space. These estimates lead to the following projections.

Occupancy Costs	Year 1	Year 2	Year 3
Gross Square Footage of Building	33,656	33,656	33,656
Occupancy Costs per Sq. Ft.	\$5.25	\$5.50	\$5.70
Total Costs	\$176,694	\$185,108	\$191,839

3.3.3 Exhibitions

The exhibitions within the Museum will be its main attraction and are assumed to be of high quality. The projected cost of the exhibitions in the permanent facility takes into account the annual cost of routine exhibition maintenance and improvements of 4,500 sq. ft. of long-term exhibitions, and the cost of developing and/or renting temporary exhibitions for the 2,500 sq. ft. Temporary Exhibition Gallery. We have also allocated funds for routine maintenance.

- **Replacement of Permanent (Long-Term) Exhibits:** The exhibits installed for opening will be new and designed specifically for the Museum, and are costed in the capital cost estimates. The long-term exhibits are expected to be in place from 5-10 years and will require annual maintenance and upgrades as exhibit components become worn or their effectiveness is re-evaluated. The requirement for the opening year will be nil or close to it as the exhibits will be new and still under warranty, but increases in subsequent years will be required to account for an anticipated growing need for repairs and maintenance. We recommend there be an annual operating budget of \$30,000 in Year 2 and \$50,000 in Year 3 for this purpose.
- **Temporary Exhibitions:** For the purpose of these projections it is assumed that the temporary exhibitions will consist of two major shows well marketed over several months in the spring and in the fall, with minor exhibitions changing every 12 weeks in the winter and summer seasons. These smaller exhibitions would be relatively inexpensive, whereas a budget of \$50,000 should be allocated to each of the two major shows. They might well cost more, but if so the higher cost should push the Museum to find a sponsor for the additional expense. The total cost for the temporary exhibitions including the two major shows is assumed on this basis to be \$120,000 per year.
- **Routine Exhibit Maintenance:** These non-staff costs will increase over time and are estimated at \$5,000 in Year 1, \$10,000 in Year 2 and \$15,000 in Year 3.

These estimates lead to the following projections.

Exhibition Costs	Year 1	Year 2	Year 3
Temporary Exhibitions	\$120,000	\$120,000	\$120,000
Permanent Exhibit Replacement		\$30,000	\$50,000
Routine Maintenance	\$5,000	\$10,000	\$15,000
Total Costs	\$125,000	\$160,000	\$185,000

3.3.4 Educational and Public Programming

These costs would exclude staffing costs, which were projected separately (above), but would include all other costs associated with the development and delivery of various educational and public programs. These costs are generally in the range of 3-5% of total operating costs, or 6-10% of staffing costs. In the case of VKBP Museum we estimate the costs will be at the lower end of this range. For the purposes of these projections, we have estimated programming costs at 7% of staffing costs in Years 2 and 3, and 8% in Year 1 to take into account higher start-up costs. This leads to the following projections.

Programming Costs	Year 1	Year 2	Year 3
Total Costs (8/7% of staffing)	\$167,881	\$150,403	\$151,155

3.3.5 Collections Acquisition and Care

It is assumed that there will be relatively few artefacts and that the Museum will essentially be a non-collecting institution.

We have estimated that there will be a modest annual acquisitions budget. In addition, it will be necessary to allocate a budget to pay for conservation and other professional services on a contract basis and some collections care supplies. For the purposes of these projections we estimate an allocation of \$5,000 in Year 1 and \$10,000 in subsequent years. These estimates lead to the following projections.

Collections Acquisition and Care	Year 1	Year 2	Year 3
Acquisition	\$10,000	\$15,000	\$15,000
Care	\$5,000	\$10,000	\$10,000
Total Costs	\$15,000	\$25,000	\$25,000

3.3.6 General and Administrative

General and administrative costs include office and related supplies, equipment, mailing, printing, telephone, travel, conferences, volunteer perquisites, professional services, dues and subscriptions, credit card fees, entertainment, and other items that do not fit into the other expense categories. These costs relate very much to staffing levels and generally fall within a range of 10-15% of staffing costs. For the purposes of these projections, we estimate these costs at 12% of staffing costs in Years 2 and 3, and 13% in Year 1 to reflect extraordinary start-up expenditures. These estimates result in the following projections.

General & Administrative	Year 1	Year 2	Year 3
13/12% of Staffing	\$272,806	\$257,834	\$259,124

3.3.7 Marketing

We have accounted for marketing staff in the staffing projections. The focus here is on non-staff marketing costs, including advertising, publicity and promotion. These costs generally range from 1-5% or more of the total operating budgets of museums while private sector attractions allocate 10% or more. Another way marketing expenditures are calculated is on a per visitor basis to allow for potential sensitivity analyses to link attendance to marketing expenditures. Our estimate is based on non-staff marketing expenditures of \$1.25 per visitor in Year 1, and \$1.50 per visitor in subsequent years. This leads to the following projections.

Marketing	Year 1	Year 2	Year 3
\$1.25/\$1.50 per visitor	\$125,000	\$105,000	\$112,500

3.3.8 Retail Shop Cost of Goods Sold

Cost of goods sold for history museums and art galleries as reported in the *2004 Museum Retail Industry Report* range from 49% to 53%. For VKBP Museum, we have estimated costs of goods sold at 53% per year. This results in the following projections.

Retail Cost of Goods Sold	Year 1	Year 2	Year 3
Retail Gross Sales	\$ 240,000	\$ 175,000	\$ 195,000
Cost of Goods Sold (53%)	\$ 127,200	\$ 92,750	\$ 103,350

3.4 Summary of Attendance and Financial Projections

The following Table summarizes our projections of attendance, operating revenue and expenses for the Museum's Years 1, 2 and 3 of its operation under 2 Scenarios:

- A) Scenario A with staffing levels as outlined in the original Assumptions
- B) Scenario B with certain staff allocated to the Park budget

On-site attendance levels are estimated to be 100,000 in Year 1, 70,000 in Year 2 and 75,000 in Year 3.

Under Scenario A) we project that the total annual operating budget of VKBP Museum will be in the range of \$3.1 to 3.2 million during the three years projected. Earned income levels, plus investment income from the endowment, are estimated to be in the \$1.1 to \$1.3 million range. A breakeven position will be achieved with revenue from grant and contributed sources of about \$1.8 to \$1.9 million per year. This is too high a deficit to be reasonably funded primarily because of the extraordinarily high salary costs. Accordingly we would recommend that certain of the staffing costs be allocated to the Park for the reasons noted earlier in this Chapter.

Under Scenario B) we project that the total annual operating budget of VKBP Museum will be in the range of \$2.2 to 2.3 million during the three years projected. Earned income levels, plus investment income from the endowment, are estimated to be in the \$1.1 to \$1.3 million range. A breakeven position will be achieved with revenue from grant and contributed sources of about \$.9 to \$1.1million per year.

For Scenario B, on a percentage basis this indicates earned income levels at 46% to 54%. For comparative purposes the average museum in North America operates with only about 30% earned income. The large rental component is a factor in the higher than normal percentage of earned income.

The data thus confirm that to be a viable operation the Museum, like virtually all other museum-related attractions, will not only need to maximize earned income but will also need contributed, investment/endowment, and governmental funds each year to support operating costs. This support should be more achievable than average given the important role that the VKBP Museum will fulfill in the community. The Museum has committed itself to policies to make the Museum accessible to those who cannot afford admission and has emphasized creating private sector opportunities by concessioning out the café operation. Thus in addition to fulfilling its cultural and heritage mission, the Museum will make a positive contribution to the Miami economy, particularly to the tourism industry.

Scenario A- Full Complement As Per Assumptions

Summary of Projections	Year 1	Year 2	Year 3	Year 1 %	Year 2 %	Year 3 %
Annual Attendance	100,000	70,000	75,000			
Operating Revenues						
Admissions	\$425,125	\$276,675	\$296,438	13.7%	8.9%	9.3%
Retail Store	\$240,000	\$175,000	\$195,000	7.7%	5.6%	6.1%
Café Concession	\$26,200	\$26,200	\$26,200	0.8%	0.8%	0.8%
Membership	\$72,000	\$61,200	\$68,666	2.3%	2.0%	2.2%
Programs	\$33,576	\$37,601	\$45,347	1.1%	1.2%	1.4%
Rentals	\$291,250	\$324,270	\$371,511	9.4%	10.4%	11.7%
Fundraising (net)	\$75,000	\$100,000	\$150,000	2.4%	3.2%	4.7%
Parking concession	\$50,000	\$50,000	\$50,000	1.6%	1.6%	1.6%
Other Earned	\$10,000	\$15,000	\$20,000	0.3%	0.5%	0.6%
Endowment	\$125,000	\$125,000	\$125,000	4.0%	4.0%	3.9%
Total Revenue Projected	\$1,348,151	\$1,190,946	\$1,348,162	43.4%	38.1%	42.3%
Operating Expenses						
Salaries, Wages, Benefits	\$2,098,507	\$2,148,619	\$2,159,363	67.5%	68.8%	67.7%
Occupancy Costs	\$176,694	\$185,108	\$191,839	5.7%	5.9%	6.0%
Exhibitions	\$125,000	\$160,000	\$185,000	4.0%	5.1%	5.8%
Programs	\$167,881	\$150,403	\$151,155	5.4%	4.8%	4.7%
Collections Acquisition & Care	\$15,000	\$25,000	\$25,000	0.5%	0.8%	0.8%
General & Administrative	\$272,806	\$257,834	\$259,124	8.8%	8.3%	8.1%
Marketing	\$125,000	\$105,000	\$112,500	4.0%	3.4%	3.5%
Retail Cost of Goods Sold	\$127,200	\$92,750	\$103,350	4.1%	3.0%	3.2%
Total Expenses	\$3,108,088	\$3,124,715	\$3,187,331	100.0%	100.0%	100.0%
Revenue from Contributed and Grant Sources	\$1,759,937	\$1,933,769	\$1,839,169	56.6%	61.9%	57.7%
Earned Income	\$1,223,151	\$1,065,946	\$1,223,162	39.4%	34.1%	38.4%

Scenario B- Certain Staffing Positions Allocated To The Park

Summary of Projections	Year 1	Year 2	Year 3	Year 1 %	Year 2 %	Year 3 %
Annual Attendance	100,000	70,000	75,000			
Operating Revenues						
Admissions	\$425,125	\$276,675	\$296,438	19.1%	12.2%	12.7%
Retail Store	\$240,000	\$175,000	\$195,000	10.8%	7.7%	8.4%
Café Concession	\$26,200	\$26,200	\$26,200	1.2%	1.2%	1.1%
Membership	\$72,000	\$61,200	\$68,666	3.2%	2.7%	2.9%
Programs	\$21,980	\$24,854	\$29,974	1.0%	1.1%	1.3%
Rentals	\$291,250	\$324,270	\$371,511	13.1%	14.3%	15.9%
Fundraising (net)	\$75,000	\$100,000	\$150,000	3.4%	4.4%	6.4%
Parking concessions	\$50,000	\$50,000	\$50,000	2.2%	2.2%	2.1%
Other Earned	\$10,000	\$15,000	\$20,000	0.4%	0.7%	0.9%
Endowment	\$125,000	\$125,000	\$125,000	5.6%	5.5%	5.4%
Total Revenue Projected	\$1,336,555	\$1,178,199	\$1,332,789	59.9%	51.9%	57.2%
Operating Expenses						
Salaries, Wages, Benefits	\$1,373,723	\$1,420,211	\$1,427,312	61.6%	62.5%	61.2%
Occupancy Costs	\$176,694	\$185,108	\$191,839	7.9%	8.1%	8.2%
Exhibitions	\$125,000	\$160,000	\$185,000	5.6%	7.0%	7.9%
Programs	\$109,898	\$99,415	\$99,912	4.9%	4.4%	4.3%
Collections Acquisition & Care	\$15,000	\$25,000	\$25,000	0.7%	1.1%	1.1%
General & Administrative	\$178,584	\$184,627	\$185,551	8.0%	8.1%	8.0%
Marketing	\$125,000	\$105,000	\$112,500	5.6%	4.6%	4.8%
Retail Cost of Goods Sold	\$127,200	\$92,750	\$103,350	5.7%	4.1%	4.4%
Total Expenses	\$2,231,098	\$2,272,111	\$2,330,463	100.0%	100.0%	100.0%
Revenue from Contributed and Grant Sources	\$894,544	\$1,093,912	\$997,675	40.1%	48.1%	42.8%
Earned Income	\$1,211,555	\$1,053,199	\$1,207,789	54.3%	46.4%	51.8%