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Feasibility and Economic Impact Analysis of a Branch Museum of VMNH in Waynesboro

Phase 2-Executive Summary

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CHMURA ECONOMICS & ANALYTICS

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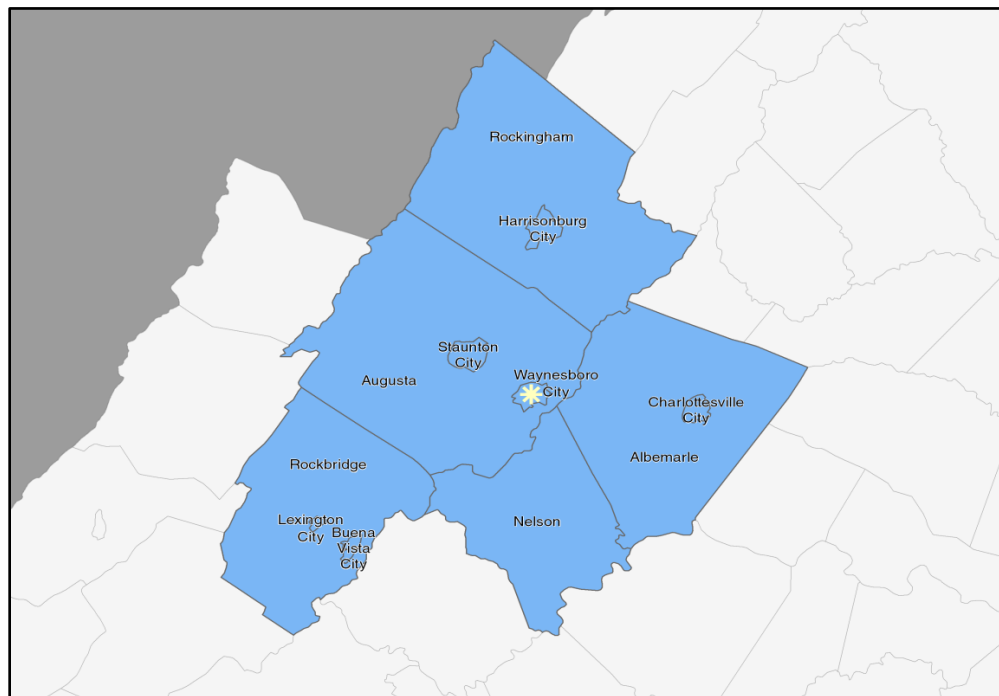
Executive Summary

The Virginia Museum of Natural History (VMNH) and the City of Waynesboro Office of Economic Development and Tourism are studying the feasibility of establishing a branch museum of VMNH in Waynesboro.¹ The VMNH is a state-supported museum with its headquarters located in the City of Martinsville, serving all citizens of the Commonwealth of Virginia.² This report provides a background summary of the core service area of the proposed branch museum, the financial feasibility analysis of the new facility, and an economic impact summary of the facility in the core service area.³

Core Service Area Background

VMNH-Waynesboro will serve all citizens of Virginia, with its core service area including the following eleven cities and counties: the cities of Waynesboro, Staunton, Harrisonburg, Lexington, Buena Vista, and Charlottesville, and the counties of Augusta, Nelson, Rockingham, Rockbridge, and Albemarle.

- The core service area is referred to as the Waynesboro region in this report.



- The peer institutions for VMNH-Waynesboro are identified as the Danville Science Center, Milwaukee Public Museum in Wisconsin, and Vermont Institute of Natural Science in Quechee, Vermont.

¹ This facility is referred to as VMNH-Waynesboro in this report.

² The mission of VMNH is to serve all citizens of the Commonwealth of Virginia. However, its core service area, where it draws a significant number of visitors, is defined as the cities and counties in close proximity to the proposed museum.

³ The study area of the economic impact is defined as the core service area of the Waynesboro branch museum.

Compared with the state average, the Waynesboro region has a lower average income but similar educational attainment.⁴

- The total population in the Waynesboro region was estimated to be 446,004 in 2012. From 2000 through 2012, the pace of population growth in the region was 1.1% per year, slightly slower than the state's annual average of 1.2%.
- In 2010, 32.3% of the adult population in the region (age 25 and older) had a four-year degree or higher, slightly lower than the state average of 33.8%. The educational attainment was higher for Charlottesville, Lexington, and Albemarle County than the state average, while the remaining localities in the Waynesboro region were lower than the state average.
- The Waynesboro region has a lower concentration of African-Americans than the state average. In 2010, 8.0% of the population in the region was African-American, compared with 19.5% statewide.
- The average income of the region was only about 82% of the state average in 2011. For that year, the per capita income of the region was \$37,645—below the state average of \$46,107.

Employment in the Waynesboro region has been growing at a similar rate as the state average but wage growth is slower.

- Total employment in the Waynesboro region was 206,308 in 2012. From 2000 through 2012, regional employment grew 0.4% per year, the same as the state average.
- The average wage in the Waynesboro region was 78% of the state average. From 2000 through 2012, wage growth in the area averaged 2.9% per year, slower than the state average of 3.2% per year.
- When compared to the state, the Waynesboro region has a higher concentration of employment in the education and health sector and a lower concentration in professional and business services. Based on 2012 data, 31.7% of regional employment was in education and health, compared with 22.3% for the state.

Financial Feasibility of VMNH-Waynesboro

The Virginia Museum of Natural History is a state museum located in Martinsville, Virginia that receives about 30,000 visitors per year.

- The museum in Martinsville attracts about 30,000 visitors per year, based on average attendance of the last three years.
- In the 2011-2012 fiscal year, the revenues and expenses of the Virginia Museum of Natural History totaled \$3.1 million and \$2.9 million, respectively, resulting in a net operating income of \$0.2 million (Table 1).
- The largest share of the VMNH's revenue came from state appropriations, while the remaining came from other income, federal grants, donations, admissions, and memberships.
- The largest expense is administrative and support services; this is followed by education and outreach; research is the third-largest expense.
- The admission charge for VMNH is \$5 for adults; \$4 for seniors and college students; and \$3 for children, age 3 through 18.

⁴ Please see the Appendix for detailed charts and tables.

Table 1: Virginia Museum of Natural History-Martinsville Revenues and Expenses

	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12
REVENUES:			
General Fund Appropriations	\$2,386,588	\$2,612,965	\$2,532,042
Federal Grants	\$40,000	\$140,905	\$90,000
Support from Private Councils, Foundations, and Trusts	\$229,109	\$153,977	\$169,023
Admissions	\$43,626	\$47,275	\$25,361
Memberships	\$10,059	\$10,492	\$13,608
Other Income	\$310,560	\$183,825	\$285,329
Total Revenues	\$3,019,942	\$3,149,439	\$3,115,363
EXPENSES:			
Administrative and Support Services	\$1,445,708	\$1,636,390	\$1,623,018
Collections Management	\$92,880	\$99,127	\$97,162
Research	\$560,718	\$569,120	\$559,119
Education and Outreach	\$791,275	\$686,348	\$636,016
Total Expenses	\$2,890,581	\$2,990,985	\$2,915,315
Net Operating Income	\$129,361	\$158,454	\$200,048

Source: Virginia Museum of Natural History

The total cost of VMNH-Waynesboro is estimated to be \$7.4 million.

- The new museum in Waynesboro will be a facility of approximately 21,850 square feet, including 10,000 square feet of exhibit space. The remaining space is planned for research, education, offices, and other purposes.
- The construction of the new facility is expected to begin in Spring 2015. The construction activities are expected to last one year, and the opening of the new facility is planned for Spring 2016.
- The major cost items include construction of the museum building and the design and implementation of permanent exhibits.

VMNH-Waynesboro expects an attendance of 65,582 a year.

- The Waynesboro branch is expected to draw more visitors than VMNH-Martinsville. The Martinsville museum drew half of its visitors from both the City of Martinsville and Henry County. These two areas have a combined population of 67,972. The comparable region of Waynesboro, Augusta, and Staunton had a combined population of 119,705 in 2012.
- The low-range annual attendance estimate of VMNH-Waynesboro is 45,332. This assumes that 23% of the population of Waynesboro, Augusta, and Staunton, and 3.8% of the population of the rest of the service area will visit the museum per year. Those percentages are the same for the Martinsville museum.
- Waynesboro is close to major tourism attractions such as Shenandoah National Park, which attracts 1.2 million annual visitors. Among those, 25% of park visitors use the southern entrance of the park, which is located close to Waynesboro. A 2012 Chmura survey indicated that 13.5% of park visitors may have an

interest in visiting a natural history museum, if one is close by.⁵ If those interests materialize, the high-range annual attendance estimate to VMNH-Waynesboro is estimated to be 85,832 per year.

- In the feasibility and economic impact analysis, Chmura used the mid-point of both the low- and high-range estimates, which results in 65,582 visitors per year.
- This estimate does not consider the “buzz” factor in the first year of the museum operation. Due to increased publicity, a new museum could attract twice as many visitors in its first year of operation than in subsequent years.⁶
- The rate structure of the new museum will be the same as the museum in Martinsville. The admission charge is \$5 for adults, \$4 for seniors and college students, and \$3 for children age 3 through 18.

The net operational income of VMNH-Waynesboro is expected to be positive for the next five years.

- Assuming an attendance of 65,582 per year, the annual operating revenue of VMNH-Waynesboro is projected to be \$324,246. Meanwhile, the annual operating expenses of VMNH-Waynesboro is projected to be \$242,250—mostly payroll and other operational expenses. From an operating standpoint, VMNH-Waynesboro will be financially feasible after construction is completed (Table 2).

**Table 2: VMNH-Waynesboro
Projected Revenues and Expenses**

	2016
REVENUES	
Admissions	\$196,746
Memberships	\$70,000
Donations	\$57,500
Total Revenues	\$324,246
EXPENSES	
Payroll	\$176,250
Other Costs	\$66,000
Total Expenses	\$242,250
Net Operating Income	\$81,996

Source: Virginia Museum of Natural History

- Among the operational revenues of VMNH-Waynesboro in 2016, admission revenue is estimated to be \$196,746, with membership revenues at \$70,000, and donations at \$57,500.
- The operating expenses of VMNH-Waynesboro will be staff payroll plus other costs such as utilities. The branch museum is expected to have seven employees.
- The projected revenues and expenses for the next five years are similar to the 2016 levels. The net operational revenue of the museum is positive for the next five years.

⁵ Source: Market Analysis and Museum Feasibility Study, Phase 1. Prepared by Chmura Economics & Analytics for the City of Waynesboro, January 2013.

⁶ For example, both the VMNH in Martinsville and the Cleveland Botanical Garden all experienced twice the annual visitors in their first years when compared with later years.

The Virginia Museum of Natural History is expected to secure sufficient funds to complete the necessary capital expenditure associated with VMNH-Waynesboro.

- The initial construction of VMNH-Waynesboro is financially feasible. The funding for the construction of the museum is expected to come from the state through bond issuing.
- The funding for exhibit installation will come from private donations.
- There is potential support from corporate citizens, private foundations, and local governments for the branch museum. The Virginia Museum of Natural History will also forge partnerships with other community organizations, public schools, and colleges and universities to ensure the long-term success of the museum.

Economic Impact of VMNH-Waynesboro in the Region

The economic impact of VMNH-Waynesboro will come from three sources: (1) the one-time impact from museum construction and exhibit installation, (2) the ongoing operation of the museum, and (3) spending in the Waynesboro region by visitors to the museum.

The economic impact of museum construction and exhibit installation are as follows:

- The total cost of constructing the museum and installing exhibits is estimated to be \$7.4 million. The size of the museum is expected to be 21,850 square feet. The construction of the museum is estimated to start in Spring 2015 and last for one year. The museum is expected to open in Spring 2016.
- From Spring 2015 to Spring 2016, it is estimated that construction activities will generate a total cumulative economic impact (including direct, indirect, and induced impacts) of \$10.4 million that can support 108 cumulative jobs in the Waynesboro region.
- Among the total economic impact, \$6.9 million is derived from direct spending during the construction phase. This spending could directly support 81 cumulative jobs in the region from 2015 through 2016.
- On an annual average basis, museum construction and exhibit installation can generate a total economic impact (including direct, indirect, and induced impacts) of \$5.2 million that can support 54 jobs per year from 2015 through 2016 in the Waynesboro region (Table 2).
- The construction of a new museum in Waynesboro can generate tax revenue for local and state governments. Local governments are estimated to receive business, professional, and occupational license (BPOL) tax of \$6,813 per year, while the state government is expected to receive an annual average of \$52,891 from both individual income tax and corporate income tax.

The ongoing operation of VMNH-Waynesboro is estimated to be \$0.5 million per year that can support 10 jobs per year in the Waynesboro region.

- The ongoing operational revenue of VMNH-Waynesboro includes revenue from admission, membership, and donations. Total annual direct impact is estimated to be \$324,246 in 2016.
- The branch museum is expected to have one full-time site manager and six part-time workers.
- The state government is expected to receive an annual average of \$8,813 in individual income taxes from museum operation.

VMNH-Waynesboro can attract visitors to the Waynesboro region. The total annual economic impact of museum visitor spending (outside the facility) is estimated to be \$1.8 million that can support 20 jobs in the Waynesboro region.

- The total number of visitors was estimated to be 65,582 per year in this analysis. It was estimated that an average visitor spends \$20.60 per day that can be attributed to the museum.
- Direct VMNH-Waynesboro visitors were estimated to spend \$1.2 million in the region (excluding their spending at the museum) in 2016.⁷
- Adding direct, indirect, and induced impacts, the total economic impact of VMNH-Waynesboro visitor spending in the region was estimated at \$1.8 million that can support 20 jobs in the region.
- Museum visitor spending was estimated to result in \$23,608 in tax revenue for local governments in the Waynesboro region from sales, meals, lodging, and BPOL taxes. The state tax revenue was estimated to be \$49,576 from sales, individual, and corporate income taxes in 2016.

Table 3: VMNH-Waynesboro Economic Impact Summary

		Direct Impact (\$Million)	Total Impact (\$Million)	Local Tax Revenue (\$)	State Tax Revenue (\$)
One-time Impact (Annual Average, 2015-2016)	Spending	\$3.5	\$5.2	\$6,813	\$54,830
	Employment	41	54		
Museum Operation (Annual 2016)	Spending	\$0.3	\$0.5	\$0	\$8,813
	Employment	7	10		
Visitor Spending (Annual 2016)	Spending	\$1.2	\$1.8	\$23,608	\$49,576
	Employment	15	20		

Source: Chmura Economics & Analytics

Site Evaluations

There are three potential sites for the new museum in the City of Waynesboro:

- Downtown Waynesboro, either at 320 West Main Street, or the Mill at South River
- Waynesboro Industrial Park, at Exit 96 off Interstate 64 (I-64)
- Lew Dewitt Boulevard near Zeus Digital Theater

Chmura conducted a literature review of museum site studies around the country. From those studies, it was concluded that the following common criteria are used to evaluate museum sites: physical location, regulations, accessibility, environment, utilities, and cost.⁸ The following is a brief analysis of the three sites based on the above criteria.⁹

⁷ Ticket sales from the museum are excluded in this number.

⁸ For example, see Kodiak Maritime Museum Site Analysis Report, Prepared for the Foraker Group by CRW Engineering Group, LLC, October 2011.

⁹ Please see the Appendix for a detailed comparison matrix.

Physical location

- *Size:* All three sites have adequate land for the branch museum. Both the Waynesboro Industry Park and Lew Dewitt Boulevard sites have ample land for new construction. In Downtown Waynesboro, the Mill at South River site is open with some warehouses onsite or nearby. The West Main Street site sits on a city block, but the current building has more space than what is needed for the museum.
- *Expansion Potential:* There is sufficient space for future expansion of all three sites. The only mild concern is for the West Main Street site in Downtown Waynesboro. The current building has more than 40,000 square feet, much larger than 21,850 square feet needed for the museum, giving ample space for future expansion.
- *Centrality of the Location:* The downtown sites have the advantage of being close to other tourism assets in the city, such as the Heritage Museum, Shenandoah Valley Art Center, and Wayne Theater. The downtown sites are also within walking distance to restaurants and shops on Main Street. The Lew Dewitt site has some commercial development nearby. The Waynesboro Industrial Park site seems to be isolated at the moment, and has the least amount of tourism assets nearby, such as retail and restaurants.

Regulations

- *Land Use Plan:* Locating a museum downtown fits best with the city's land use guide.¹⁰ The guide calls for a concentration of civic and institutional resources to be located in the downtown area. It also calls for making Downtown Waynesboro a visitor destination. On the other hand, the Waynesboro Industrial Park targets light industry and office tenants, especially industries that can take advantage of its railway facilities, including warehouses. The Lew Dewitt site was planned for big-box retail development in the western portion of downtown.
- *Legal owner:* The City of Waynesboro owns the land at the Waynesboro Industrial Park site. For other sites, land has to be purchased or leased for museum use.
- *Surrounding land uses:* A downtown site may be more appropriate for the new museum, as it already has a cluster of cultural and tourism-related assets. Waynesboro Industrial Park is the least favorable, considering other potential industrial development around the sites. Surrounding land use at the Lew Dewitt site is adequate.

Accessibility

- *Vehicular Access:* All three sites have good vehicular access. The Waynesboro Industrial Park is closest to I-64, providing better access to out-of-town visitors. Both the downtown sites and Lew Dewitt sites are less than 10 minutes from I-64. Traffic congestion could be a concern for the Lew Dewitt site, as there are major big-box retail developments nearby.
- *Public Transportation:* Downtown sites can be accessed through the bus service, the Waynesboro Circulator. The other two sites have no public transportation available.
- *Walking and Biking Routes:* The downtown sites are accessible by walking and biking. The other two sites are not accessible via walking or biking—especially the Waynesboro Industrial Park site.

¹⁰ Source: Comprehensive Plan, Land Use Guide, Waynesboro, Virginia 2008. Adopted by Waynesboro City Council on June 23, 2008.

- *Parking:* All three sites have adequate parking. For the downtown sites, parking is currently acceptable, but with future expansion, there might be some parking concerns.

Environment

- Downtown sites have flood concerns. Other sites do not have environmental concerns.

Utilities

- All sites have utilities in place. For the Waynesboro Industrial Park, power and telecommunications are in place now. The city is planning to install water/sewer for the site. It is assumed that infrastructure for this site will be ready when museum construction commences.

Cost of Land Acquisition

- Downtown: At the Mill at South River site, space can be leased at \$3 per square foot per year.
- Downtown: At the West Main Street site, space can be leased at \$8 per square foot per year.
- Waynesboro Industrial Park: The city owns the land, but will not gift it to the museum. The price for the parcel is assumed to be \$50,000.
- Lew Dewitt site: Land price is \$550,000 per acre.

The analysis above shows that all three sites have both advantages and disadvantages. Downtown sites have various benefits, such as being centrally located, close to other cultural and tourism assets, and accessible via walking, biking, and public transportation. More importantly, locating the museum in Downtown Waynesboro fits the city's development plan to build downtown into a tourism destination. The Waynesboro Industrial Park site has the advantages being the least expensive option and having high accessibility to I-64—to attract visitors who are passing through. The Lew Dewitt site is close to residential areas and is attractive for local residents. Both the city and VMNH should rank each of the above criteria and assign different weights to them based on their importance. A final composite score for each site can then be computed, assisting the city and VMNH in choosing a final location for VMNH-Waynesboro.¹¹

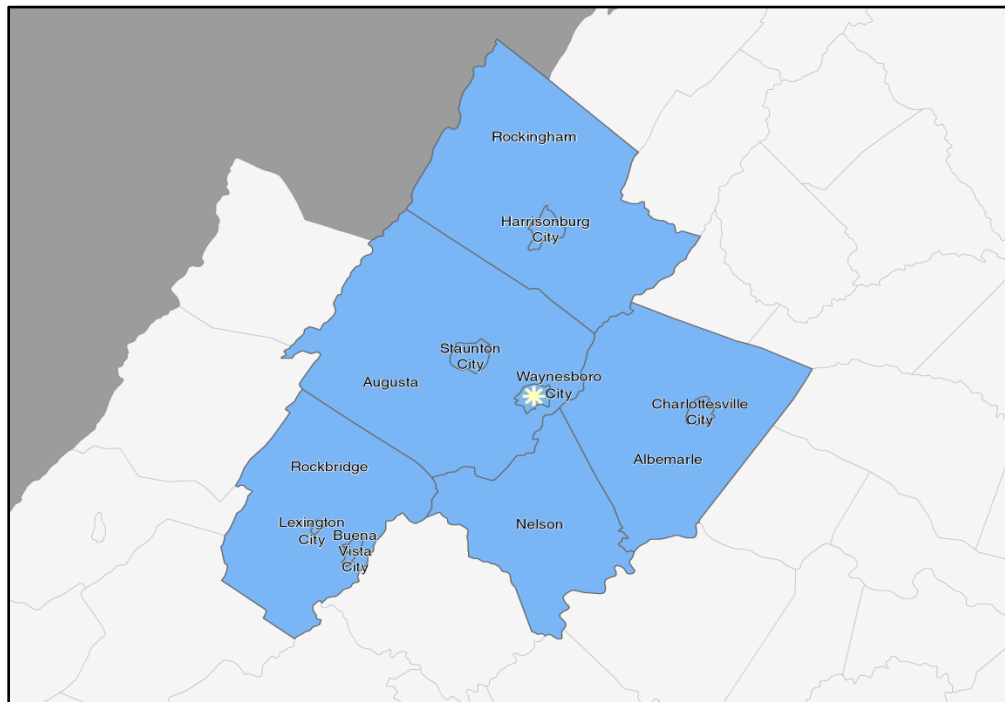
¹¹ Chmura can calculate the composite score if the city and VMNH can provide weighting for each criterion. For example, if each of the above criteria receives the same weight, the downtown sites will be ranked the highest.



Appendix—Supporting Data

Service Area Background

VMNH-Waynesboro will serve the whole state, but the area surrounding the museum will benefit the most. The service area of VMNH-Waynesboro is defined as the following localities: the cities of Waynesboro, Staunton, Harrisonburg, Lexington, Buena Vista, and Charlottesville, and the counties of Augusta, Nelson, Rockingham, Rockbridge, and Albemarle.

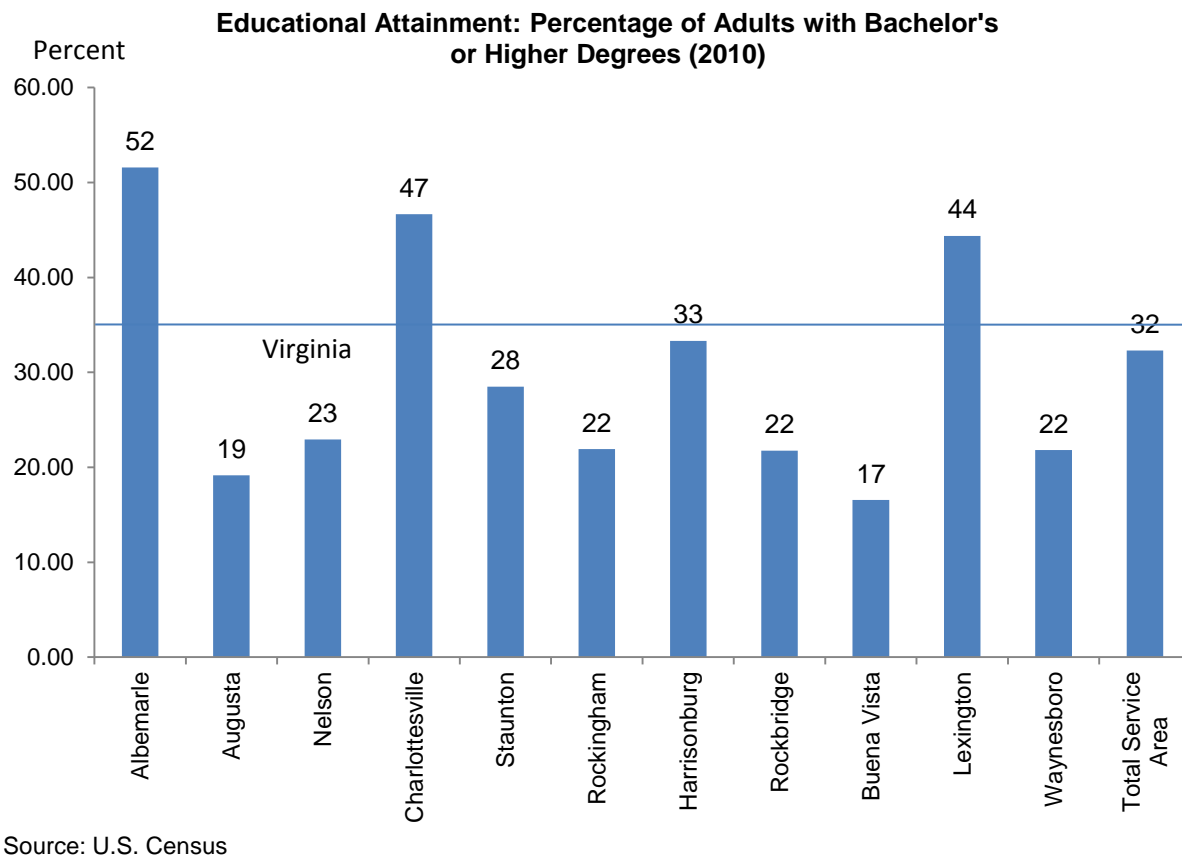
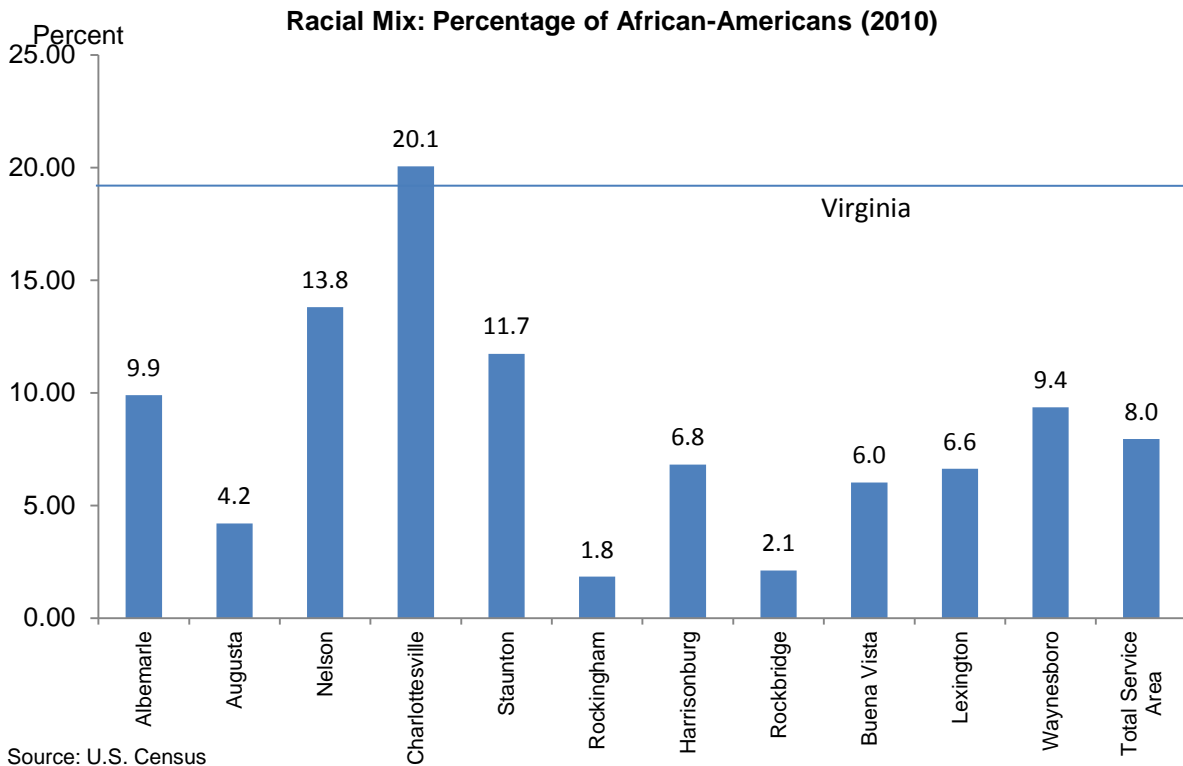


Service Area Population and Growth

City/County	Population (2000)	Population (2012)	Average Annual Growth Rate
Albemarle County	84,186	101,575	1.58%
Augusta County	65,615	73,815	0.99%
Nelson County	14,445	15,078	0.36%
Charlottesville	40,099	45,073	0.98%
Staunton	23,853	24,512	0.23%
Rockingham County	67,714	77,551	1.14%
Harrisonburg	40,453	50,862	1.93%
Rockbridge County	20,808	22,090	0.50%
Buena Vista	6,349	6,714	0.47%
Lexington	6,867	7,356	0.57%
Waynesboro	19,520	21,378	0.76%
Total Service Area	389,909	446,004	1.13%
Virginia	7,079,030	8,185,867	1.22%

Source: U.S. Census and Weldon Cooper Center for Public Service

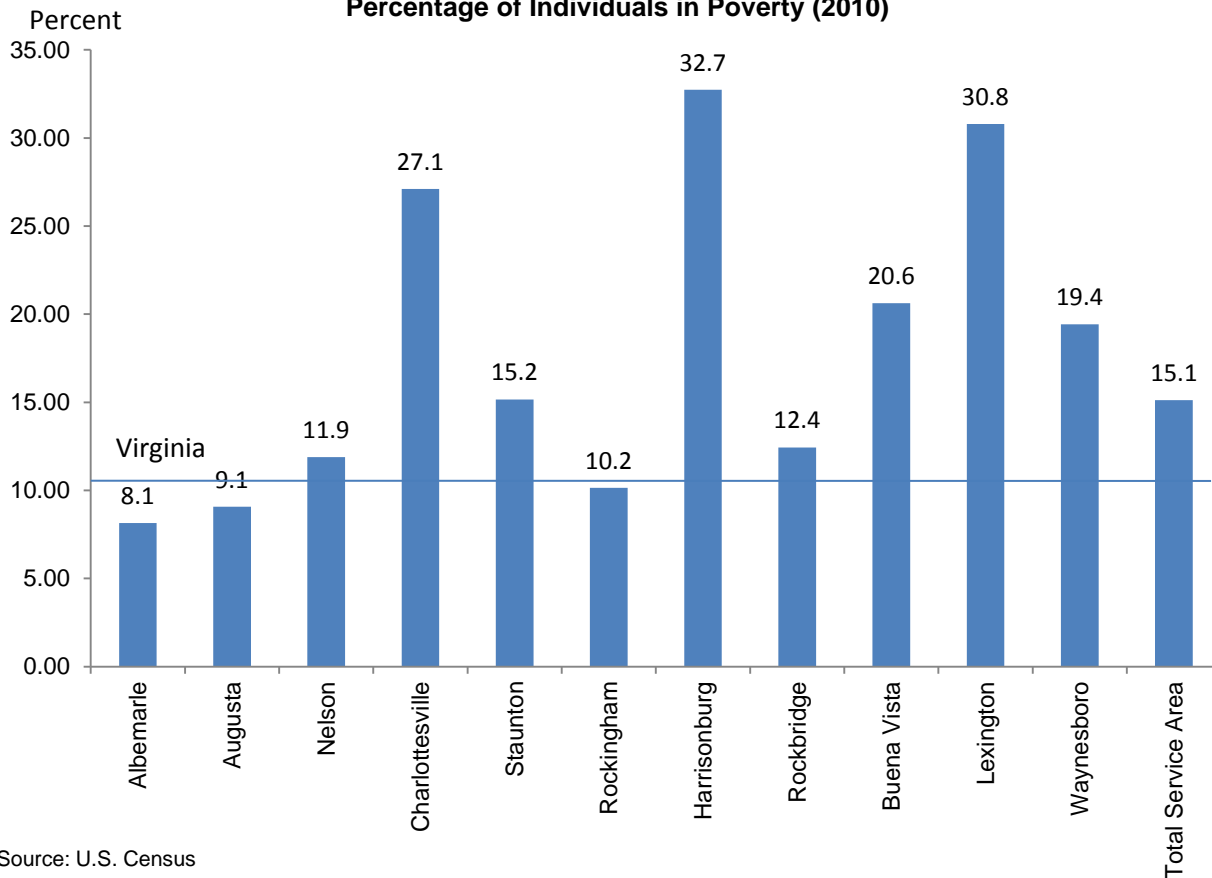




Service Area Per Capita Income and Growth

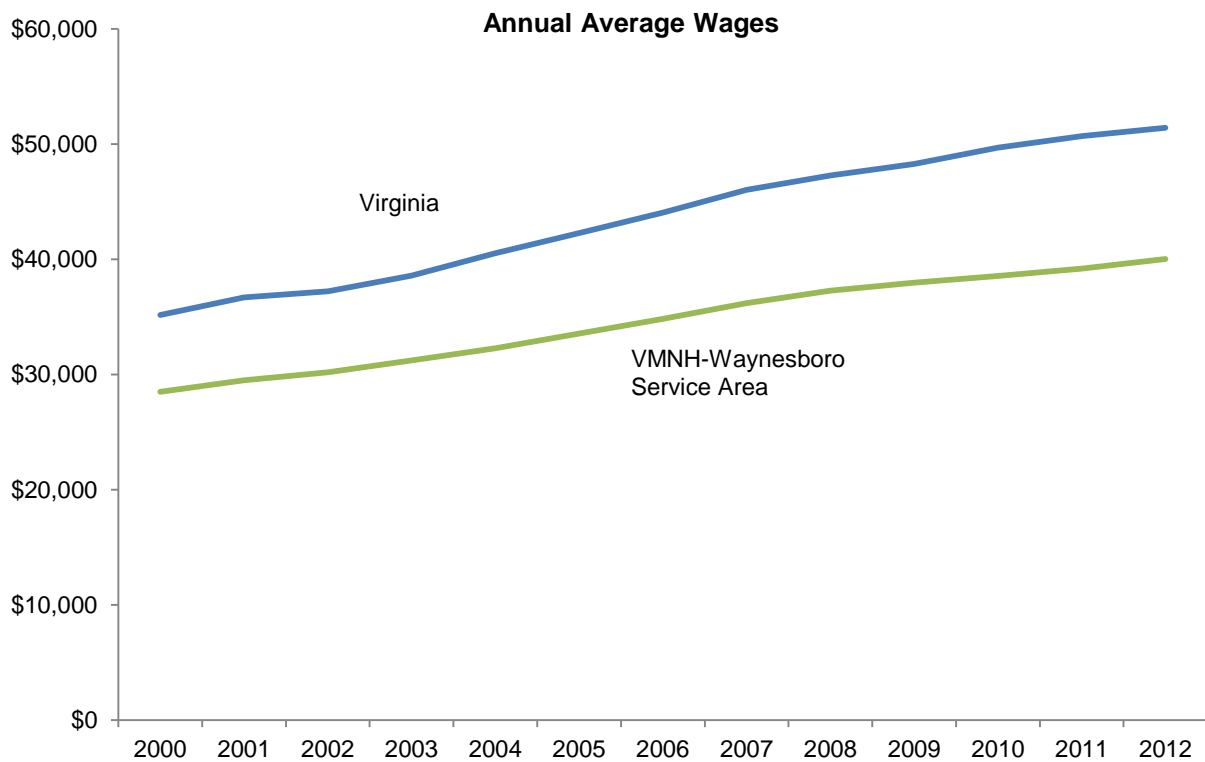
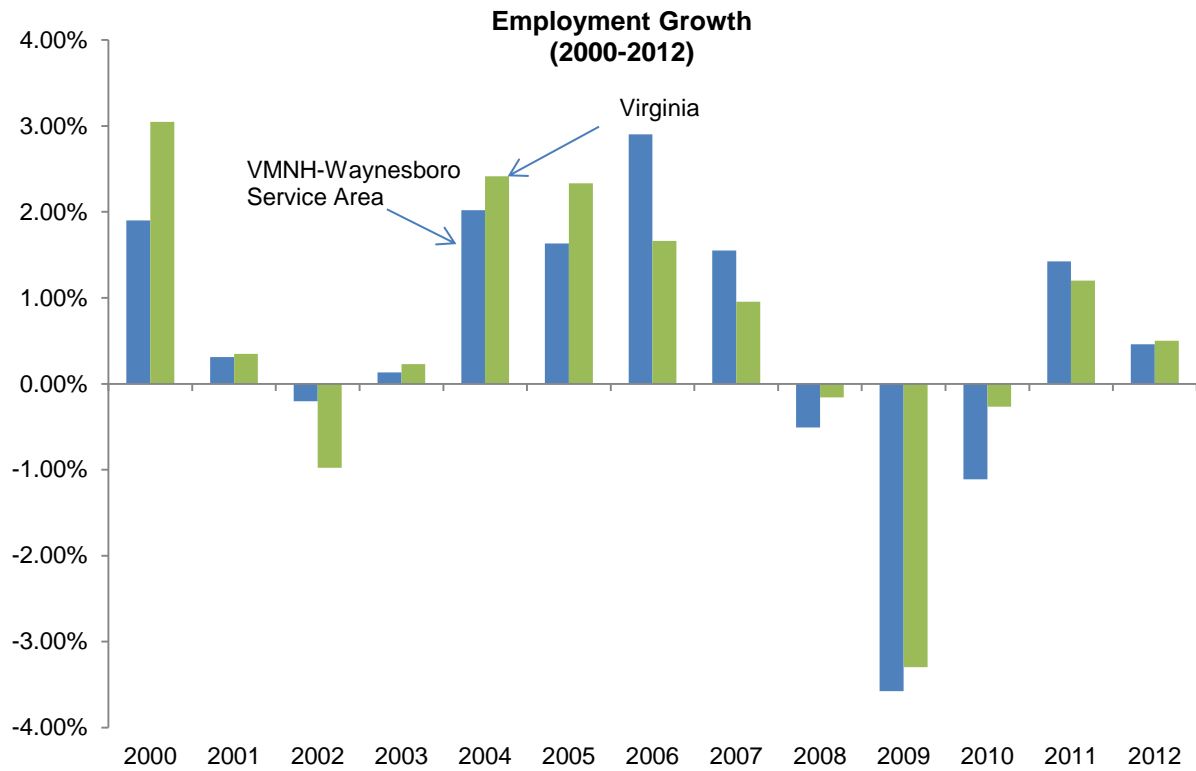
City/County	Per Capita Income (2000)	Per Capita Income (2011)	Average Annual Growth Rate
Albemarle County	\$33,585	\$47,052	3.1%
Augusta County	\$24,493	\$34,442	3.1%
Nelson County	\$25,292	\$39,862	4.2%
Charlottesville	\$33,585	\$47,052	3.1%
Staunton	\$24,493	\$34,442	3.1%
Rockingham County	\$22,700	\$31,324	3.0%
Harrisonburg	\$22,700	\$31,324	3.0%
Rockbridge County	\$22,090	\$32,028	3.4%
Buena Vista	\$22,090	\$32,028	3.4%
Lexington	\$22,090	\$32,028	3.4%
Waynesboro	\$24,493	\$34,442	3.1%
Total Service Area	\$26,714	\$37,645	3.2%
Virginia	\$31,634	\$46,107	3.5%

Source: Bureau of Economic Analysis

Percentage of Individuals in Poverty (2010)

Source: U.S. Census





Industry Mix of the Region (2012)

Industry	Service Area	Virginia
Construction	5.0%	5.2%
Education and Health	31.7%	22.3%
Financial Services	3.2%	4.9%
Government	3.5%	6.7%
Information	2.1%	2.2%
Leisure	12.1%	10.4%
Manufacturing	11.2%	6.7%
Natural Resources	1.0%	0.6%
Other Services	3.2%	3.6%
Professional and Business Services	9.2%	19.0%
Trade	14.0%	14.6%
Transportation, Warehousing & Utility	4.0%	3.9%
Unclassified	0.0%	0.1%
Grand Total	100.0%	100.0%

Source: Virginia Employment Commission

New Facility and Feasibility

Current Martinsville Facility

Virginia Museum of Natural History-Martinsville Revenues and Expenses

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
REVENUES:			
General Fund Appropriations	\$2,386,588	\$2,612,965	\$2,532,042
Federal Grants	\$40,000	\$140,905	\$90,000
Support from Private Councils, Foundations, and Trusts	\$229,109	\$153,977	\$169,023
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Total Revenues	\$3,019,942	\$3,149,439	\$3,115,363
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Collections Management	\$92,880	\$99,127	\$97,162
Research	\$560,718	\$569,120	\$559,119
Education and Outreach	\$791,275	\$686,348	\$636,016
Total Expenses	\$2,890,581	\$2,990,985	\$2,915,315
Net Operating Income	\$129,361	\$158,454	\$200,048

Source: Virginia Museum of Natural History

New Museum Cost Estimates

VMNH-Waynesboro Development Cost Estimate

	Size (Square Feet)	Amount
Public Exhibit Area	10,000	\$4,000,000
Laboratories	3,000	\$900,000
Children's Area	2,000	\$500,000
HVAC	2,000	\$800,000
Classroom	600	\$120,000
Office and Storage	750	\$150,000
Restrooms	250	\$50,000
Box Office	250	\$50,000
Secure Outdoor Research Area	3,000	\$0
Exhibit Design		\$800,000
Total	21,850	\$7,370,000

Source: Virginia Museum of Natural History



Income and Expense Projections for VMNH-Waynesboro

VMNH-Waynesboro Projected Revenues and Expenses (2016)

REVENUES	
Admissions	\$196,746
Memberships	\$70,000
Donations	\$57,500
Total Revenues	\$324,246
EXPENSES	
Payroll	\$176,250
Other Costs	\$66,000
Total Expenses	\$242,250
Net Operating Income	\$81,996

Source: Virginia Museum of Natural History

VMNH-Waynesboro 5-Year Revenue/Expenses Projection

	Revenues	Expenses	Net Operating Income
2016	\$324,246	\$242,250	\$81,996
2017	\$329,369	\$246,077	\$83,292
2018	\$334,572	\$249,965	\$84,607
2019	\$339,858	\$253,914	\$85,944
2020	\$345,227	\$257,925	\$87,302

Source: VMNH and Chmura

Comparison Data for Peer Facilities

Danville Science Center, 2012 Attendance: 20,806.¹²

Danville Science Center Revenues and Expenses

	2010	2011
REVENUES:		
Other Contributions, Grants, and Gifts	\$396,257	\$256,433
Fundraising Events	\$20,289	\$23,790
Memberships	\$21,205	\$22,175
Investment Income	\$17,661	\$15,551
Misc. Revenue	\$133,002	\$29,948
Total Revenues	\$588,414	\$347,897
EXPENSES:		
Grants to Other Organizations	\$197,450	\$93,357
Exhibits	\$141,502	\$135,098
Other Salary and Wages	\$39,407	\$37,304
Payroll Taxes	\$18,814	\$16,106
Other Expenses	\$82,226	\$133,408
Total Expenses	\$479,399	\$415,273
Net Operating Income	\$109,015	-\$67,376

Source: IRS

¹² Source: Annual Report, Science Museum of Virginia.

Milwaukee Public Museum, 2010 Attendance: 451,056.¹³

Milwaukee Public Museum Revenues and Expenses			
	FY2010	FY2011	FY2012
REVENUES:			
Contributions and Membership	\$3,463,817	\$3,649,069	\$3,825,509
Public Support	\$3,549,276	\$3,502,376	\$3,502,376
Earned Revenue	\$7,183,655	\$4,661,682	\$5,151,766
Misc. Revenue	\$1,833,696	\$1,119,365	\$1,708,017
Total Revenues	\$16,030,444	\$12,932,492	\$14,187,668
EXPENSES:			
Custodial	\$1,195,071	\$1,266,901	\$1,261,444
Exhibits & Graphics	\$3,082,887	\$1,019,556	\$3,523,119
Special Events	\$152,716	\$169,979	\$253,111
IMAX Theater	\$820,000	\$736,416	\$624,176
Programs	\$625,273	\$571,631	\$529,161
Contributed Services	\$248,154	\$288,824	\$312,193
Restaurant/Facility Rental	\$85,496	\$90,260	\$64,889
Retail	\$738,955	\$638,207	\$507,646
Fundraising	\$1,024,714	\$1,034,692	\$1,179,567
Administration	\$2,204,924	\$2,264,788	\$2,216,984
Facilities	\$3,027,936	\$3,144,646	\$3,273,188
Marketing	\$479,613	\$589,805	\$598,117
Interest Expenses	\$335,350	\$249,892	\$217,811
Depreciation	\$1,356,895	\$1,510,418	\$1,415,410
Total Expenses	\$15,377,984	\$13,576,015	\$15,976,816
Net Operating Income	\$652,460	-\$643,523	-\$1,789,148

Source: Milwaukee Public Museum

¹³ Source: 2010 Annual Report, Milwaukee Public Museum.



Vermont Institute of Natural Science, 2012 total participants: 44,300.¹⁴

**Vermont Institute of Natural Science
Revenues and Expenses**

	FY2012
REVENUES:	
Donations	\$506,700
Admissions	\$212,300
Program Fees	\$175,100
Grants	\$121,500
Memberships and Adoptions	\$67,400
Merchandise Sales (Net)	\$54,000
Other Income	\$170,700
Total Revenues	\$1,307,700
EXPENSES:	
Natural Center	\$566,400
Programs	\$296,400
Administration and Fundraising	\$260,200
Wildlife Rehabilitation	\$174,900
Total Expenses	\$1,297,900
Net Operating Income	\$9,800

Source: Vermont Institute of Natural Science

¹⁴ Source: VINS Annual Report 2011-2012.



Economic and Fiscal Impact

Economic Impact of Construction, Operation, and Visitor Spending

Economic Impact of Museum Construction in the Region

		Direct	Indirect	Induced	Total
Total	Spending (\$Million)	\$6.9	\$1.7	\$1.8	\$10.4
(2015-2016)	Employment	81	13	14	108
Annual Average	Spending (\$Million)	\$3.5	\$0.9	\$0.9	\$5.2
(2015-2016)	Employment	41	6	7	54

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2011 and Chmura

Annual Economic Impact of Museum Operation in Waynesboro Region (2016)

	Direct	Indirect	Induced	Total Impact
Spending (\$Million)	\$0.3	\$0.1	\$0.0	\$0.5
Employment	7	2	1	10

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2011 and Chmura

Annual Economic Impact of Visitor Spending in Waynesboro Region (2016)

	Direct	Indirect	Induced	Total Impact
Spending Impact (\$Million)	\$1.2	\$0.3	\$0.3	\$1.8
Employment Impact	15	2	2	20

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2011 and Chmura



Fiscal Impact from Construction, Operation, and Visitor Spending

Tax Revenue from Construction (Annual Average, 2015-2016)

	Local Governments Waynesboro	State of Virginia
BPOL	\$6,813	
Income Tax-Individual		\$44,249
Income Tax-Corporate		\$10,580
Total	\$6,813	\$54,830

Source: Chmura Economics & Analytics

Tax Revenue from Visitor Spending (Annual 2016)

	Local Governments Waynesboro Region	State of Virginia
Local Sales Tax	\$6,126	\$24,505
Meal Tax	\$10,565	
Lodging Tax	\$5,939	
BPOL	\$978	
Income Tax-Individual		\$14,000
Income Tax-Corporate		\$11,070
Total	\$23,608	\$49,576

Source: Chmura Economics & Analytics

Site Evaluation

Museum Site Selection Evaluations			
	Downtown Waynesboro	Waynesboro Industrial Park	Lew Dewitt Boulevard
Physical Location			
Size	Adequate	Adequate	Adequate
Centrality of the Location	Close to other visitor services businesses, close to other museums such as Shenandoah Arts Center and Heritage Museum	Industrial park, targeted for commercial and light industry development, limited visitor services close by	Major commercial development area, big box retail, and strip retail center
Future Expansion	Adequate for either site	Adequate	Adequate
Regulation			
City Land Use Guidelines	Calls for concentration of civic and institutional resources in downtown area	Industrial area, no cluster of cultural institutions	Commercial area, no cluster of cultural institutions
	Calls for Downtown Waynesboro to be a visitor destination		
Land Ownership	Privately owned	City owned	Privately owned
Accessibility			
Vehicular Access	7 minutes from I-64 (Exit 96)	I-64, right on Exit 96	4 Minutes from I-64, Exit 94
Walking	Within walking distance from other businesses on Main Street	No	No
Biking	Bike accessible	Difficult to assess by bike	Difficult to access by bike
Visibility	Not visible on highway	Visible from I-64, attract pass through traffic	Not visible from I-64
Public Transportation	Waynesboro Circulator	Not available	Not available
Parking	Limited parking downtown, but adequate	No parking concerns	No parking concerns
Environment			
	Flood Concerns	None	None
Utility			
	Infrastructure ready	Infrastructure should be ready	Infrastructure ready
Cost of Land Acquisition			
	\$3.00/SF for Mill at South River \$8.00/SF for West Main Street	\$50,000 total	\$500,000 per acre

