



## COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

### REPORTS AGENDA ITEM NO. D.1

**DATE:** September 12, 2023

**TO:** Community Services, Public Safety, Housing & Development Committee

**FROM:** Alexander Nguyen, City Manager, (805) 385-7430, alexander.nguyen@oxnard.org

**SUBJECT:** Consideration of the Concept to Transform the Carnegie Art Museum into the Carnegie Arts Center. (10 minutes)

### RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee:

1. Receive the report on the consideration to transform the Carnegie Art Museum into the Carnegie Arts Center.
2. Discuss any additional items or questions the Committee needs for this consideration, and determine if this item needs to return to Committee; or
3. Forward this item to the City Council for further discussion.

Please click the following link to view the required Measure M pre-recorded presentation video:

<https://youtu.be/nO4vZQSEww>

### BACKGROUND

The Carnegie Museum, constructed in 1906, has been owned and operated as a museum by the City of Oxnard since 1985. Originally constructed in 1906 as the Carnegie Library, it was readapted as a Cultural Arts Center in 1980 and later designated as an art museum in 1985. In 2002, to help support the museum by augmenting the museum's municipal budget, the Carnegie Art Cornerstones received its 501(c)(3) designation. Beginning in 2010, the Cornerstones entered into a contract with the City of Oxnard to manage and operate the Carnegie Art Museum with the continuance of municipal funding.

The museum was closed in July 2019 due to a funding shortfall in the City budget. The previous year's adopted budget (FY 2018/19) set aside \$522,708 for the Carnegie Art Museum. During the City's financial shortfall (swiftly followed by the COVID-19 pandemic, where funds became even tighter), this cost savings was invaluable in ensuring the City could still provide needed services to Oxnard residents.

### DISCUSSION

The intention was always for the Carnegie to re-open its doors. Staff recommends, however, that it re-opens as the Carnegie Arts Center, and discontinue attempting to serve as a municipal art museum.

### Inability to serve as a municipal Art Museum

Unfortunately, there are no more municipal art museums in California. The majority of local art museums have shifted to being privately funded and often operated by non-profits, with some having formal relationships with municipalities providing minimal property or financial support.

Running a financially viable local art museum is very difficult, and relies heavily on private funding and donations. General admission tickets, membership dues, and special exhibit tickets sales cannot cover the operating costs of a museum. Running a municipal art museum has added challenges, especially fulfilling the mission to properly serve the local community. And the Carnegie building's available space (only 3,100 square feet of exhibit space), layout, and physical condition adds even more challenges that staff believes are insurmountable for it to serve as a great municipal art museum.

Many of these issues were identified back in 2005. An economic development study of the Carnegie Art Museum was performed by Economics Research Associates (ERA) in 2005 (Attachment A) to examine the possibility of an expansion. Some of ERA's key findings were:

- 1) The museum's attendance was overwhelmingly comprised of school tours (54%), which was higher than at most museums.
- 2) The museum had a low average visitor market penetration rate of .08% vs. an average of .43% at other local California art museums of comparable size, and a low resident market penetration rate of 1.13% vs. 3.4% at other local California art museums of comparable size.
- 3) The majority of smaller art museums rely heavily on the resident market, with the exception of notable tourist areas such as Monterey.
- 4) ERA reported that without a physical building expansion and accompanying marketing program, the Carnegie would likely not see an increase in visitors.
- 5) The City was the largest source of revenue for the museum, accounting for 85% of the total museum budget. None of the museum's offerings (admissions, membership, or classes) were effective at offsetting the operating costs of the museum. Nor was there sufficient revenue being obtained via fundraising or grants.

The overall takeaways of ERA's study are that the Carnegie Art Museum was of little interest to residents and even less so to visitors; that throughout the state, few visitors attend local art museums; that the Carnegie as an art museum would not see an increase in visitors without a physical building expansion; and that the museum's operating costs were supported almost entirely by the City.

***A summary of the current financial status of the 14 comparison art museums ERA included in Table V-2, is in Attachment B.***

### **A New Vision**

The historic Carnegie building should continue to serve the residents of Oxnard as an arts center. A future Carnegie Arts Center could offer a range of more engaging arts experiences, relevant to the Oxnard community. An initial framework staff offers is for the Carnegie Arts Center to begin by offering three areas of service:

- Formal arts instruction classes for the youth of the City's Recreation programs during weekdays and summer day programs.
- Formal Art Gallery Exhibit space for local artist during evenings, with revenue split.
- Formal rental facility space for special events during weekends.

### **The Museum Collection**

*What would happen to the museum collection?*

If the City should move forward with transforming the Carnegie into an Arts Center, we would proceed under

the strict guidelines of the American Alliance of Museums and the Association of Art Museum Directors in order to meet the highest standards of curatorial, professional, and ethical integrity of the Collection.

Staff will contract with a professional museum director consultant to prepare the formal plan for determining what items the City should retain (and how to manage), which to deaccess, and which to sell. Such a plan will return to City Council for approval.

### **Next Steps**

Depending on the discussion at the Committee meeting, this item may return to the Committee, or advance to the next available City Council meeting for further discussion.

If the concept of transforming the Carnegie Arts Museum into the Carnegie Arts Center is approved by the City Council, staff will create the plan for the Museum Collection and the plan for opening the Carnegie Arts Center, and present those plans to this Committee.

### **STRATEGIC PRIORITIES**

This agenda item supports the Economic Development strategy. The purpose of the Economic Development strategy is to focus on the retention and expansion of Oxnard businesses by increasing the skills and employability of our local workforce, invite new business investments, and target site-based redevelopment opportunities.

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

### **FINANCIAL IMPACT**

There is no financial impact for this item. It is an introduction to the concept of transforming the Carnegie Museum into the Carnegie Arts Center.

*Prepared by: Annie Jensen, Project Manager*

### **ATTACHMENTS**

1. Attachment A - Carnegie Art Museum ERA 2005 Study
2. Attachment B - Summary of Current Financial Status of the 14 Comparison Art Museums
3. 7-25-23 Carnegie Powerpoint



9/13/05

To: Matt Winegar, Development Services Director

From: Suzanne Bellah, Carnegie Art Museum

In response to your email request for additional information for updating the General Plan, a copy of Economics Resource Associates' Feasibility Study undertaken by the Museum's Foundation (Carnegie Art Museum Cornerstones) for expanding the Carnegie is enclosed. The study, which Barbara Murray referred to in the initial meeting, has a shelf life of 3-5 years and should be useful to Matrix Inc and Richard Rush. The primary results and space needs projects for the near future are summarized in section VI.

Thank you for including the Carnegie in the process.





Economics Research Associates

## **ECONOMIC FEASIBILITY OF A PROPOSED EXPANSION OF THE CARNEGIE ART MUSEUM**

Prepared for

**Carnegie Art Museum Cornerstones**

Submitted by

Economics Research Associates

May 2005

ERA Project No. 15891

## **GENERAL LIMITING CONDITIONS**

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible, and they are believed to be reliable. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives or any other data source used in preparing or presenting this study.

This report is based on information that was current as of May 2005 and Economics Research Associates has not undertaken any update of its research effort since such date.

No warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Economics Research Associates" in any manner without first obtaining the prior written consent of Economics Research Associates. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of Economics Research Associates. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of Economics Research Associates. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from Economics Research Associates.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

## TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I INTRODUCTION .....	I-1
II SITE REVIEW AND CONCEPT FOR EXPANSION .....	II-1
Site and Building Overview .....	II-1
Potential Expansion Benefits .....	II-3
Implications of Review of Site and Expansion Concept .....	II-5
III OVERVIEW OF EXISTING OPERATIONS .....	III-1
Attendance .....	III-1
Museum Programs .....	III-3
Staffing .....	III-7
Operating Revenues and Expenses .....	III-8
IV OVERVIEW OF AVAILABLE MARKETS .....	IV-1
Resident Market .....	IV-1
Visitor Market .....	IV-6
Summary of Available Markets .....	IV-8
V REVIEW OF COMPARABLE FACILITIES AND COMPETITIVE ENVIRONMENT .....	V-1
Local Competitive Environment .....	V-1
Comparable Museums .....	V-6
Analysis of Key Ratios .....	V-16
VI EXPANSION PROGRAM, ATTENDANCE, AND FINANCIAL ANALYSIS .....	VI-1
Key Expansion Issues .....	VI-1
Expansion Program .....	VI-2
Preliminary Financial Analysis .....	VI-5
Summary of Expansion Impacts on Museum Operations .....	VI-8



## LIST OF TABLES

<u>Section</u>	<u>Page</u>
II-1 Carnegie Art Museum Facility Size .....	II- 3
III-1 On-Site Attendance at the Carnegie Museum by Category.....	III- 1
III-2 Estimate of Visitor Origin at the Carnegie Art Museum .....	III- 3
III-3 Participation in Carnegie Art Museum On-Site Programs by Type .....	III- 4
III-4 Off-Site Educational Programs .....	III- 5
III-5 Events and Cultural Programs at the Carnegie Art Museum.....	III- 6
III-6 Current Staffing at the Carnegie Art Museum .....	III- 8
III-7 Operating Revenue & Costs, 1999-2004 .....	III- 9
III-8 Current Pricing at the Carnegie Art Museum .....	III-10
IV-1 Ventura County Population Growth, 1990-2004.....	IV- 3
IV-2 Project Population Growth in Ventura County, 2000-2020 .....	IV- 4
IV-3 Comparison of Key Ventura County and Statewide Demographic Characteristics.....	IV- 5
IV-4 Overview of Ventura County Schools and Enrollment, 2003-04.....	IV- 6
IV-5 Ventura County Leisure Visitor Profile, Avg., 1999-2001 .....	IV- 7
IV-6 Ventura County Hotel Occupancy-Based Visitor Volume Estimate.....	IV- 8
IV-7 Transient Occupancy for Ventura County.....	IV- 9
IV-8 Summary of Available Markets, 2003-2011 .....	IV-12
V-1 Key Characteristics of Selected Attractions in Ventura County .....	V- 2
V-2 Key Characteristics of Selected Art Museums .....	V- 7

## LIST OF TABLES

(Continued)

<u>Section</u>	<u>Page</u>
V-3 Penetration Rate Analysis for Selected Arts Museums .....	V-19
V-1 Estimate of Attendance in 2011 Given Unconstrained Facility Size .....	VI- 2
VI-2 Calculation of Additional Exhibit Square Footage Required .....	VI- 3
VI-3 Estimate of Additional Non-Exhibit SF Required .....	VI- 4
VI-4 Summary of Exhibit and Non-Exhibit Additional Space .....	VI- 4
VI-5 Preliminary Recommended Program for Expansion of Carnegie Art Museum .....	VI- 5
VI-6 Preliminary Financial Analysis for the Carnegie Museum Expansion....	VI- 6
VI-7 Key Operating Factors and Ratios for the Carnegie Art Museum Before and After Expansion .....	VI- 9



## LIST OF FIGURES

<u>Section</u>	<u>Page</u>
III-1 School Program and General Visitor Attendance by Month.....	III-2
III-2 Seasonality of Attendance at Carnegie Art Museum.....	III-2
IV-1 Resident Market by Segment .....	IV-2
IV-2 Ventura County Hotel Supply by Area.....	IV-9
IV-3 Lodging Supply by Type, 2000-2005 (January) .....	IV-10
IV-4 Ventura County Occupancy and Avg. Daily Rate, 2000-2004 .....	IV-11

---

## SECTION I: INTRODUCTION

---

The Carnegie Museum, owned and operated as a museum by the City of Oxnard since 1985, was originally built in 1906 as a free public library donated by Andrew Carnegie. In 1998, the Carnegie Art Museum Cornerstones, a private, non-profit organization, was created to promote leadership, involvement, and revenue enhancement for the Museum.

Over the years, the Carnegie Art Museum has developed a range of highly successful exhibits and programs. Its collection, originally established in the 1920s, primarily focuses on the art of California and includes approximately 1,700 items. The Museum's on-site and off-site school programs are extensive, reaching approximately 80 percent of the local school district. The Museum also offers a wide variety of programming each year, including artist lectures and demonstrations, jazz concerts, poetry series, gallery tours, and much more. The Carnegie Art Museum is the only museum in Ventura County dedicated solely to fine arts.

However, the success of the current Museum has occurred with relatively limited resources and space. The exhibit space within the facility is only slightly over 3,100 square feet, limiting the number of exhibits and the ability of the Museum to showcase its collection. As exhibit square footage is typically correlated with attendance, the relatively small amount of exhibit space also constrains the potential attendance to the Museum. The total size of the facility is close to 9,000 square feet, which limits the Museum's ability to expand programming and events and include elements such as a gift shop that could help generate additional earned income. Recent studies have shown that funding for the arts has declined nationwide, which makes the ability of any cultural institution to generate earned income extremely important.

Expansion of the Carnegie Art Museum would allow the Museum to manage the existing education program more effectively by providing additional classroom space, expand the Museum's ability to house permanent and temporary exhibitions, increase revenues from programs, events and merchandise, and provide more support and storage facilities. An expansion would also enable the Museum to better fulfill its mission.

In order to address these issues, the Carnegie Art Museum Cornerstones is considering the potential for expansion and retained Economics Research Associates to conduct a feasibility study for expansion of the facility. Key tasks included within the scope of this feasibility study include:

- Review the existing site and facilities.
- Review historic operations.
- Evaluate the available markets.
- Research comparable and competitive projects.
- Evaluate expansion opportunities.

- Project attendance for a five-year period based on the expansion program.
- Develop a preliminary financial analysis including projected earned income and operating expenses.

This report is divided into seven sections. Immediately following this section in Section II is an overview of the expansion concept and goals and an analysis of existing site and building strengths and constraints. Section III provides background on the existing Museum operations, and an overview of the size and demographics of available resident and visitor markets is provided in Section IV. Section V presents a review of selected comparable and competitive cultural facilities. Section VI presents the expansion scenarios, ERA's attendance projections for each scenario, and the resulting financial analysis.



## SECTION II: SITE REVIEW AND CONCEPT FOR EXPANSION

---

This section presents an analysis of the existing site and facility, as well as an overview of the potential benefits and key issues related to the expansion of the Carnegie Art Museum.

### SITE AND BUILDING OVERVIEW

Information related to the current site and building is presented in this section, as well as trends in the downtown area surrounding the existing facility.

#### Location and Site

The Carnegie Art Museum is located in downtown Oxnard on the corner of 5th and “C” Streets. Surrounding uses include a surface parking lot, government office buildings, and Plaza Park, the city’s main park for civic functions, activities, and events. Heritage Square, a city block of 15 restored 1876-1912 turn-of-the-century structures, is located a few blocks away between 7<sup>th</sup> and 8<sup>th</sup> and “A” and “B” Streets.

Primary access to the Museum from the rest of Ventura County, Los Angeles, the San Fernando Valley, and Santa Barbara is via US Highway 101, while access from the coastal communities is via SR Highway 1. The Oxnard Transportation Center, with bus and train service, is only three blocks away at the 4<sup>th</sup> Street and Oxnard Boulevard intersection.

#### Current Redevelopment Projects in Downtown Oxnard

The Carnegie Art Museum is located within the City of Oxnard Redevelopment Agency’s Central City Revitalization Project Area. This area is undergoing major changes right now, primarily due to the new development of the Centennial Plaza project. Key elements of this project are as follows:

- **Location** – This project encompasses a full city block, from 4<sup>th</sup> to 5<sup>th</sup> and from “A” to “B” Streets, with the entrance at the corner of 5<sup>th</sup> and “B” Streets.
- **Cinema** - The project includes the development of a 14-screen theater that will be operated by San Carlos Cinema. There is currently a City ordinance in place that does not allow theaters to be developed anywhere outside of the downtown.
- **Retail** – In addition to the cinema, 20,000 square feet of retail will be developed in two phases. The first phase includes 16,000 square feet, with the remaining 4,000 square feet in the second phase. Tenants include a mix of local and national tenants, including Starbuck’s, Coldstone Creamery, and Subway (national tenants) and Capriccio’s and A Good Thai and Peruvian Restaurant from Ventura.

- Parking – A 450-space parking structure is being developed to service the cinema, retail, and general downtown area.
- Timing – The project is expected to open August 1, 2005.

This project is expected to have a major impact on the downtown area. Since construction began on the Centennial Plaza project, there have been dramatic changes to the downtown area, including increasing retail rental rates, higher turnover of properties around the theater, and new corporate tenants.

In addition to the Centennial Plaza project, there is another major project currently in preliminary planning stages that could have a major impact on a Carnegie Art Museum expansion. This project is based on the concept of a “downtown marketplace,” and would be a mixed-use project involving a retail, office, and residential. The project will be located between the Carnegie and the Centennial Plaza project, concentrated between “A” and “C” Streets, and could involve sites adjacent to the Carnegie (including the parking lot). While the exact plans for this downtown marketplace project have yet to be determined, it is likely that the project will impact sites near the Carnegie within six to nine months. Therefore, it is important that the Carnegie work with the City in the near term to secure required expansion areas.

### Existing Building

The Carnegie Art Museum is housed in a neo-classical building originally built by Andrew Carnegie in 1906 as a free public library. The building is architecturally very attractive and has a definitive presence in the downtown area. Unfortunately, the existing size and floor plan of the building presents several constraints to museum operations. The existing size of the facility is shown in **Table II-1**, and some of the major issues related to the building are as follows:

- The total facility size is close to 9,000 square feet, spread out on three levels: the ground floor, a second floor mezzanine, and a basement.
- The building has a beautiful lobby and central gallery that can seat 65. This size is generally too small to hold special events, particularly given the exhibits are contained within the lobby area.
- The total exhibit area is approximately 3,160 square feet, which does not allow the Museum to display their permanent collection.
- The layout of the existing facility limits office and storage space. The Director’s office is located in the basement and doubles as storage space for larger objects.
- Program space is extremely limited. As a result, the majority of the Museum’s programs must be located off-site at schools or artists’ studios. Additionally, most on-site programs must be held in the exhibit areas.



- There currently is not enough space to house any museum retail, such as a gift shop.

**Table II-1: CARNEGIE ART MUSEUM FACILITY SIZE**

<b>TYPE OF</b>	<b>SQUARE</b>
<b><u>Gallerie</u></b>	
Alcov	216
Tall	190
Under	456
Masters in our Midst	456
Mini	126
Main	594
Mezzanine	1,12
<b>Subtotal Exhibit</b>	<b>3,15</b>
<b><u>Program</u></b>	
Entry	450
Classroom	840
<b>Subtotal Program</b>	<b>1,29</b>
<b><u>Art</u></b>	
Vault	770
Vault	363
Director's Office / Exhibit Crate	371
<b>Subtotal Storage</b>	<b>1,50</b>
Other	2,94
<b>TOTA</b>	<b>8,90</b>

<sup>†</sup> Includes office space, circulation, restrooms, non-usable space, etc.

Source: Carnegie Art Museum

## POTENTIAL EXPANSION BENEFITS

Expanding the museum could lead to a number of benefits and opportunities, both for the Museum as well as city residents and businesses. Potential benefits and opportunities of an expansion include the following:

- The creation of flexible space for immediate and future growth.
- A substantial increase in the quantity of exhibits, programs, and special events.
- The ability to display a more substantial portion of the permanent collection.

- The creation of a year-round art attraction, since exhibition installation closure periods would be able to be staggered between galleries or buildings.
- An increase in museum membership.
- An increase in museum attendance.
- An increase earned income.
- Ability to increase donations to the permanent collection.
- Facility rentals.
- A museum store.
- A greater link between the Museum and Plaza Park, through building design and programming.
- Increased accessibility for senior or disabled visitors through the addition of an elevator in the expansion area.
- The addition of limited kitchen facilities could allow for catering for fundraising and special events.
- The transformation to a major regional center for fine art and art education.
- More traveling exhibits.
- Ability to house major exhibits and a major artists in residency program.

Potential benefits to the city residents and businesses include:

- Synergies with the current plans for Downtown Oxnard.
- Creation of a destination museum to draw out of town visitors
- A higher number of visitors in the downtown area who will patronize restaurants, shops, and other entertainment.
- Increased direct museum and indirect area employment
- Increased arts education opportunities for students and residents.
- Promotion of an enhanced image of Oxnard throughout Ventura County and Southern California.
- Staying competitive with other art expansions occurring in other cities in Ventura County.

Finally, there are likely to be some challenges related to expansion. These include:

- Fundraising for capital costs as well as an increased operating budget.
- The need to gain a future expansion area before the downtown marketplace project consumes the full museum block.

- Increased staff and marketing requirements.
- The need to retain access to and improve the building's loading dock.

## **IMPLICATIONS OF REVIEW OF SITE AND EXPANSION CONCEPT**

Major implications of ERA's review of the existing site and the expansion concept are as follows:

- Downtown Oxnard is currently undergoing dramatic changes. The Centennial Plaza project has been a catalyst for other developer interest downtown. In Ventura, the cinema and parking project was the catalyst for a major transformation of downtown Ventura.
- An expanded Carnegie would be synergistic with other redevelopment efforts and would serve as a powerful cultural anchor for the revitalization of downtown Oxnard.
- A proposed "downtown marketplace" project could be beneficial to an expansion of the Carnegie Art Museum, but it is important to capitalize on this quickly, before the project plans for adjacent sites are finalized.
- The existing building is a very charming, historic building with a unique architectural style that adds great appeal to the Museum.
- The building also has constraints, in terms of size and layout. The current facility is limited in exhibit space, office space, storage capacity, programming opportunities, museum retail, special events, and facility rentals.
- Potential benefits of a museum expansion are numerous to both the Carnegie's ability to generate higher attendance and earned income, as well as its ability to fulfill its mission of interpreting and displaying regional and national artists and their work, educating the community in the arts, and being a leading cultural institution in the Oxnard area.
- An expansion of the Museum could also have numerous economic and cultural benefits to city residents and businesses, particularly given the positive trends in Downtown Oxnard.
- Key challenges to expansion include the need for additional capital and operating funds and increased staffing and marketing.



### SECTION III: OVERVIEW OF EXISTING OPERATIONS

This section presents an overview of the existing operations of the Carnegie Art Museum. This information is used later as a basis for analyzing the attendance potential impact and financial feasibility of expansion opportunities. Aspects of the existing operations included in this overview are attendance, programs, staffing, and operating revenues and expenses.

#### ATTENDANCE

The attendance at the Carnegie Art Museum has been fairly dependent upon school groups during the past five years. While this is fairly typical of cultural institutions, the current percentage of school groups is higher than at most museums. Attendance trends by category of visitor are shown in **Table III-1**.

**Table III-1: ON-SITE ATTENDANCE AT THE CARNEGIE MUSEUM BY CATEGORY**

	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	Average	% of Total
Adults	855	1,564	1,136	1,953	1,220	1,398	10.4%
Seniors	263	299	232	311	209	271	2.0%
Students	160	177	98	217	145	175	1.3%
Children (6-16)	91	104	102	159	77	108	0.8%
Children under age 6	84	153	140	146	75	115	0.9%
Comp admissions	169	793	1,050	1,235	760	739	5.5%
Members	429	874	1,028	687	452	611	4.6%
School Tours & Programs	8,230	6,335	5,592	7,760	6,804	7,282	54.3%
Adult Tours	684	1,043	506	3,529	0	1,314	9.8%
Adult Art Classes	241	326	164	144	146	214	1.6%
Children's Art Classes	124	313	471	63	0	125	0.9%
Lectures / Talks / Performances / Poetry	962	1,300	967	413	126	700	5.2%
Special Events / Receptions	527	511	2,371	148	239	356	2.7%
<b>Total On-Site Attendance</b>	<b>12,819</b>	<b>13,792</b>	<b>13,857</b>	<b>16,765</b>	<b>10,253</b>	<b>13,407</b>	<b>100.0%</b>

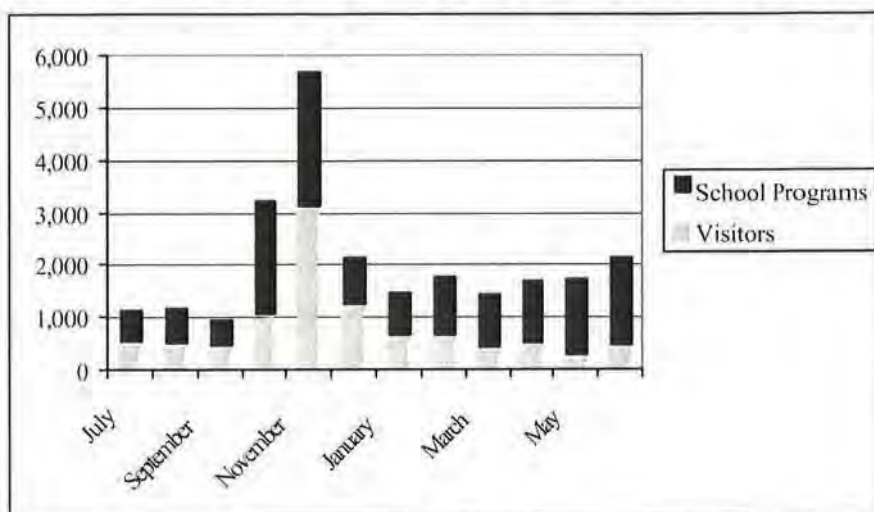
Source: Carnegie Art Museum.

As indicated, museum attendance has generally been between 12,000 and 13,000, with a peak in attendance of over 16,700 in FY2002-03. There was a decrease in FY2003-04 attendance due to reduced visitor access caused by construction in blocks immediately adjacent to the Museum and freeway exit closures. The average annual attendance for four out of the past five years was around 13,400.

The museum is currently highly dependent upon school tours and programs for its attendance, as over 54 percent of total attendance is from school groups. Non-school groups visitors to the museum account for just over 25 percent of total attendance with the remaining visitors comprised of people participating in programs and classes offered by the museum.

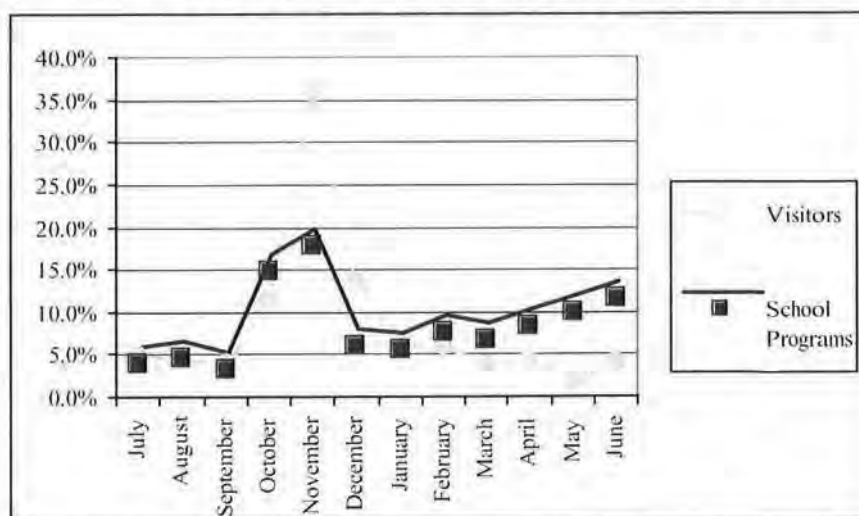
Attendance by month for student and general visitors for FY2003-04 is shown in **Figure III-1**, and the percentage of total attendance is shown in **Figure III-2**. As shown, general visitors and school program visitors have similar seasonality patterns, although the school programs have slightly more regular attendance patterns with less peaking. The peak season for both groups occurs from October through December. November is the peak month, with over 35 percent of overall visitors occurring in November and close to 20 percent of school visitors occurring in November. Fall peaking is not unusual for resident-based museums. However, to the degree that tourism visitation is expanded, seasonality patterns would tend to become more moderate.

**Figure III-1: SCHOOL PROGRAM AND GENERAL VISITOR ATTENDANCE BY MONTH**



Source: Carnegie Art Museum.

**Figure III-2: SEASONALITY OF ATTENDANCE AT CARNEGIE ART MUSEUM**



Source: Carnegie Art Museum.



## Visitor Origin

The Carnegie Art Museum attendance is heavily reliant on residents of Ventura County. As shown in **Table III-2**, ERA estimates that over 94 percent of total visitors to the museum are residents, with approximately six percent comprised of tourists from out of town.

**Table III-2: ESTIMATE OF VISITOR ORIGIN AT THE CARNEGIE ART MUSEUM**

	Five Year Average	% of Total	Resident	Visitor
Adults	1,398	11.6%	95%	5%
Seniors	271	2.3%	95%	5%
Students	175	1.5%	95%	5%
Children (6-16)	108	0.9%	95%	5%
Children under age 6	115	1.0%	95%	5%
Comp admissions	735	6.2%	95%	5%
Members	611	5.1%	91%	9%
School Tours & Programs	7,282	60.6%	95%	5%
Adult Tours	1,314	10.9%	90%	10%
Total Excluding Events	<b>12,012</b>	<b>100.0%</b>	<b>94%</b>	<b>6%</b>

Source: Carnegie Art Museum, ERA.

## MUSEUM PROGRAMS

The Carnegie Art Museum operates an impressive array of programs, particularly considering their size. Their programs are generally divided into on-site and off-site programs.

### On-Site Educational Programs

A variety of educational programs are offered on-site at the Carnegie Art Museum that target different audiences. A summary of programs is described below, and attendance by program is shown in **Table III-3**:

- **On-Site Tours** – The museum offers a variety of on-site tours for students in kindergarten through college. Examples of tours include exhibits with hands on workshops, the Young Writers program, after school programs, the Migrant Program, and Architecture programs.

- Master Workshops – Masters workshops are intensive weekends with professional artists. Workshops have ranged from watercolor journals and oil painting to black and white photography and art dolls. Enrollment for the master workshops is limited to between 12 and 15 people, and fees are between \$125 and \$225, with member discounts.

**Table III-3: PARTICIPATION IN CARNEGIE ART MUSEUM ON-SITE PROGRAMS BY TYPE**

	2002/2003	2003/2004	2004/2005 (6 months)
<b>On-Site Tours (Students K-College)</b>			
Tours	187	202	35
Participants	7,574	6,804	1924
Avg. # Participants per Tour	41	34	55
<b>Master Workshops</b>			
Workshops	7	11	7
Participants	186	146	18
Avg. # Participants per Workshop	27	13	3
<b>College / Adult Lectures</b>			
Lectures	7	1	0
Participants	220	20	0
Avg. # Participants per Lecture	31	20	n/a
<b>Gallery Talks</b>			
Talks	1	2	2
Participants	25	52	65
Avg. # Participants per Gallery Talk	25	26	32.5
<b>Pop-In Art Demonstrations</b>			
Talks	n/a	n/a	2
Participants	n/a	n/a	25
Avg. # Participants per Gallery Talk	n/a	n/a	12.5
<b>TOTAL ALL PROGRAMS</b>			
<b>Programs</b>	<b>202</b>	<b>216</b>	<b>46</b>
<b>Participants</b>	<b>8,005</b>	<b>7,022</b>	<b>2,032</b>
<b>Avg. # Participants per Program</b>	<b>40</b>	<b>33</b>	<b>44</b>

Source: Carnegie Art Museum.

- College / Adult Lectures – Lectures are held at the museum as part of a series. Examples include the “Arte y Cultura Lecture Series” and the Tormenta Lectures Series.
- Gallery Talks – Gallery talks are offered to college students and adults for \$3 (free for members).

- Pop-In Art Demonstrations – This program began during the 2004-05 year and features artist demonstrations.

### Off-Site Educational Programs

Due to on-site capacity constraints, the Carnegie Art Museum has developed extensive off-site educational programs that allow them to reach a wider audience. **Table III-4** presents a listing of these programs along with number of participants.

**Table III-4: OFF-SITE EDUCATIONAL PROGRAMS**

Type of Program	2002/2003	2003/2004	2004/2005 (6 months) <sup>1</sup>
<u>Off Site Presentations (Students K-College)</u>			
Presentations	301	559	23
Participants	7,895	10,269	690
Avg. # Participants per Presentation	26	18	30
<u>Arts One-on-One (Artists visiting high schools)</u>			
Presentations	40	20	20
Participants	2,446	1,370	1,440
Avg. # Participants per Presentation	61	69	72
<u>Artists Studio Tours (adults / members)</u>			
Tours	n/a	2	2
Participants	n/a	55	62
Avg. # Participants per Tour	n/a	28	31
<b>TOTAL ALL PROGRAMS</b>			
Programs	341	579	45
Participants	10,341	11,639	2,192
Avg. # Participants per Program	30	20	49

<sup>1</sup> No Curator of Education from August 2004 - Jan 2005

Source: Carnegie Art Museum.

Additional details related to these programs are as follows:

- Off-Site Presentations – These presentations are conducted in schools, kindergarten through college and included programs such as “In Your Classroom” Art History Presentations, pre-and post-tour visits, the Migrant Youth Program, Decathlon Training, and after school programs at school sites.
- Arts One-on-One – This program consists of artists visiting high schools.



- Artists Studio Tours – These tours of artists studios are geared towards college and adult audiences and are held on Saturday and Sundays. They are offered for members only plus one guest each. The program started in the 2003-04 year.

### Special Events

Finally, the Carnegie Art Museum hosts a number of other special events and cultural programs that are not part of the educational program. The programs are described below, and attendance is summarized in **Table III-5**:

**Table III-5: EVENTS AND CULTURAL PROGRAMS AT THE CARNEGIE ART MUSEUM**

Type of Event	2002/2003	2003/2004	2004/2005 (6 months)
<u>Exhibit Opening Receptions</u>			
Receptions	5	4	3
Attendance	380	304	172
Avg. Attendance per Reception	76	76	57
<u>Arcade Poetry Series</u>			
Poetry Events	6	6	1
Participants	152	149	27
Avg. Attendance per Poetry Event	25	25	27
<u>Jazz / Concerts</u>			
Concerts	2	2	n/a
Attendance	159	80	n/a
Avg. Attendance per Concert	80	40	n/a
<u>Misc. Events</u>			
Events	5	4	3
Attendance	161	206	199
Avg. Attendance per Event	32	52	66
<b>TOTAL ALL PROGRAMS</b>			
<b>Programs</b>	<b>18</b>	<b>16</b>	<b>7</b>
<b>Participants</b>	<b>852</b>	<b>739</b>	<b>398</b>
<b>Avg. # Participants per Program</b>	<b>47</b>	<b>46</b>	<b>57</b>

Source: Carnegie Art Museum.

- Exhibit Opening Receptions – The Carnegie Art Museum hosts an opening reception at the beginning of each exhibit. There are typically five opening receptions annually.
- Arcade Poetry Series – The Arcade Poetry Series brings recognized poets to the Carnegie on Saturday evenings.
- Jazz Concerts – This program is currently being evaluated due to facility constraint issues. However, when it was in existence between 2002 and 2004, it brought jazz bands to the Carnegie Art Museum on Sunday afternoons. Ticket prices were \$10 or \$8 for members.

Miscellaneous Events – There are a number of other special events hosted at the Carnegie Art Museum, including guest receptions, holiday events, and theater performances.

## STAFFING

There are currently 5.2 full-time equivalent employees at the Carnegie Art Museum, displayed in **Table III-6**. The three full-time staff includes the Director, Visitor Service Representative, and Curator of Education. In addition, there are five part-time positions including the Museum Registrar, Workshop Coordinator, Museum Education Assistant, Custodian, and Administrative Assistant.

Other positions that are important to the Carnegie Art Museum operations include:

- Two college interns;
- Volunteers, including 14 active volunteers;
- Approximately two to four guest artists, that conduct tours and workshops (the number varies by program); and
- Contractors, used for professional bookkeeping, website design and maintenance, and insurance.



**Table III-6: CURRENT STAFFING AT THE CARNEGIE ART MUSEUM**

<b>Staffing</b>	<b>FTE</b>	<b>Job Functions / Tasks</b>
Director	1	Chief administrator and curator
Visitor Services Representative	1	Security and reception
Curator of Education	1	Schools Programs
Museum Registrar	0.5	
Workshop Coordinator	0.5	Master workshops, Arts one-on-one high school program
Museum Education Assistant	0.4	Off-site presentations
Custodian	0.5	Janitorial and event set-up
Administrative Assistant	0.3	Clerical and reception
<b>Total</b>	<b>5.2</b>	

Source: Carnegie Art Museum.

## OPERATING REVENUES AND EXPENSES

The Carnegie Art Museum is financially operated through two different entities – the City of Oxnard as well as the Carnegie Art Museum Cornerstones, a non-profit organization that was created to be able to fundraise for the museum. ERA combined operating statements for the two entities in order to provide a comprehensive view of the current financial operations for the museum. This summary of financial revenues and expenses is presented in **Table III-7**. Key points related to the museum's current financial status are:

- The museum's annual operating budget has grown at a rate of 7.3 percent annually from 1999 to 2004, from \$268,500 to \$410,100.
- The City of Oxnard is the largest source of revenue, accounting for 85 percent of the total museum budget.
- Earned income, including admission fees, school programs, other program income, membership, and retail sales, has comprised between 8 and 13 percent of total revenues.
- The museum currently does not rent out the facility to outside parties due to space constraints and concern about security of exhibits.
- Personnel costs account for 53 percent of the total operating budget.
- Program costs are the second largest expenditure category, comprising close to 14 percent of the budget.

Table III-7: OPERATING REVENUE &amp; COSTS, 1999-2004

	1999	2000	2001	2002	2003	2004	Avg- Ann Growth	% of Total
<b>OPERATING REVENUES</b>								
Admission Fees	\$2,580	\$2,777	\$2,457	\$2,619	\$2,828	\$3,168	3.5%	0.8%
School Programs	\$6,471	\$6,473	\$7,056	\$14,497	\$10,524	\$15,113	15.2%	3.7%
Program Income	\$6,714	\$10,899	\$8,451	\$15,868	\$11,297	\$8,612	4.2%	2.1%
Membership	\$9,177	\$11,450	\$11,080	\$9,030	\$8,355	\$3,815	-13.6%	0.9%
Donations	\$24,700	\$9,778	\$7,087	\$5,633	\$6,933	\$12,637	-10.6%	3.1%
Retail Sales	n/a	n/a	\$350	\$1,066	\$495	\$1,214	n/a	0.3%
Grants	\$14,300	\$17,225	\$41,100	\$12,945	\$10,724	\$14,000	-0.4%	3.4%
Interest	\$3,010	\$3,961	\$5,469	\$2,424	\$1,204	\$1,310	-12.9%	0.3%
City of Oxnard	\$201,528	\$219,231	\$264,513	\$287,087	\$326,335	\$350,246	9.6%	85.4%
<b>Total Operating Revenues</b>	<b>\$268,480</b>	<b>\$281,794</b>	<b>\$347,564</b>	<b>\$351,169</b>	<b>\$378,700</b>	<b>\$410,116</b>	<b>7.3%</b>	<b>100.0%</b>
<b>OPERATING COSTS</b>								
Personnel Costs	\$129,017	\$136,907	\$163,573	\$179,420	\$195,775	\$216,907	9.0%	53.0%
Supplies & Services	\$48,484	\$47,167	\$47,244	\$43,829	\$43,040	\$48,824	0.1%	11.9%
Marketing / Advertising	\$2,680	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680	9.7%	1.1%
Legal & Professional Services	\$1,316	\$2,011	\$435	\$1,155	\$930	\$910	-6.0%	0.2%
Insurance	\$8,582	\$8,378	\$7,790	\$8,680	\$8,664	\$10,140	2.8%	2.5%
Utilities	\$8,443	\$8,443	\$14,886	\$14,886	\$14,886	\$17,386	12.8%	4.3%
Maintenance	\$5,300	\$5,300	\$9,800	\$7,300	\$5,300	\$7,300	5.5%	1.8%
Telephone	\$3,870	\$3,870	\$3,940	\$4,110	\$4,548	\$4,548	2.7%	1.1%
Miscellaneous 2/	\$3,633	\$3,475	\$5,884	\$5,568	\$5,531	\$4,071	1.9%	1.0%
Facility charge - space rental	\$0	\$0	\$0	\$0	\$36,200	\$36,200	n/a	8.9%
Program Costs	\$32,419	\$32,469	\$40,778	\$61,810	\$58,379	\$55,424	9.3%	13.6%
Meetings, Conferences, Training	\$1,950	\$2,416	\$2,277	\$2,889	\$2,423	\$2,583	4.8%	0.6%
	<b>\$245,694</b>	<b>\$255,116</b>	<b>\$301,287</b>	<b>\$334,327</b>	<b>\$380,360</b>	<b>\$408,972</b>	<b>8.9%</b>	<b>100.0%</b>

1/ Based on combination of City of Oxnard and CAM Cornerstone budgets - one fiscal year and one calendar year.

2/ Includes bank charges, mileage reimbursements, data processing fees, etc.

Current admission prices are on a donation basis. A summary of all admission prices and program fees is shown in **Table III-8** below:

**Table III-8: CURRENT PRICING AT THE CARNEGIE ART MUSEUM**

<b>Category</b>	<b>Price</b>
Adult Admission	\$3
Senior/Student Admission	\$2
Children 6-16 Admission	\$1
Children under 6 Admission	Free
Museum Members Admission	Free
Lectures / Poetry / Talks / Demos	\$3-\$5
Opening Receptions	\$3
Tours with workshop	\$75-\$85
Group tours	\$2 / \$3
Master Workshops	\$115 - \$225
Off-site Educational Programs	\$35 - \$55
Afterschool & Migrant Programs	\$3,000 per year

Source: Carnegie Art Museum



---

## SECTION IV: OVERVIEW OF AVAILABLE MARKETS

---

The size and characteristics of available markets for a cultural institution are important to determining the potential audience demand. As part of our demand analysis for the proposed Carnegie Art Museum expansion, ERA researched and analyzed both the resident and tourist markets in the region. ERA collected data on historical population, population growth, tourism statistics, transit-occupancy tax, and visitation to nearby attractions.

This section summarizes the size and major characteristics of the available markets and is divided into the following sections:

- 1) Overview of the resident market;
- 2) Key characteristics of the visitor market;
- 3) Competitive environment; and
- 4) Quantification and summary of available markets.

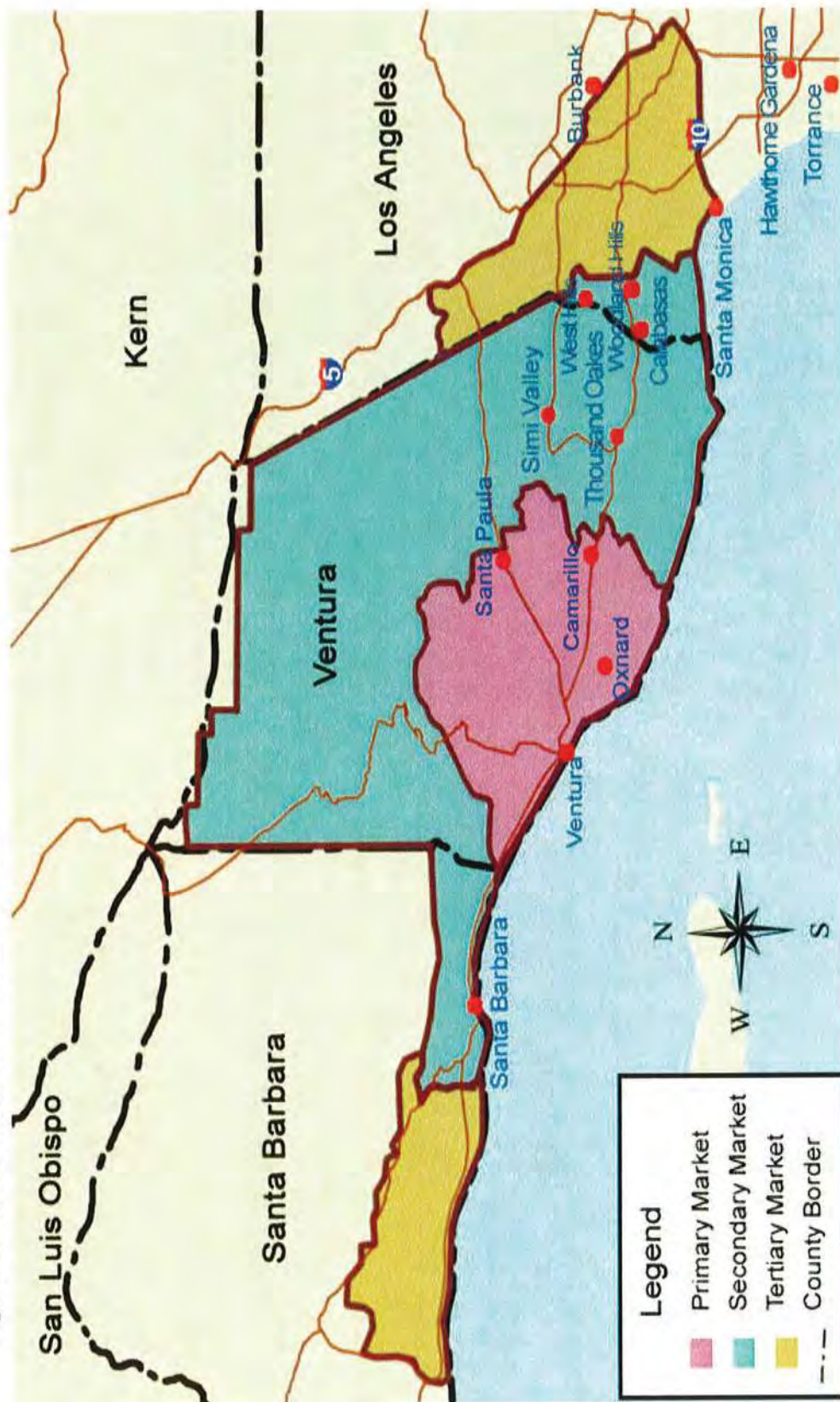
### RESIDENT MARKET

Visitation to cultural institutions has a direct relationship to market proximity. For the purposes of this study, ERA has divided the resident market for the Carnegie Art Museum into three sub-market segments based on distance from the Museum: the primary, secondary, and tertiary markets. ERA determined the boundaries of these three resident sub-markets through a combination of drive times as well as natural and geographic boundaries (i.e. major highways, political jurisdictions, mountain ranges). Based upon these factors, ERA defined the resident segments as follows:

- The primary market includes most of western Ventura County, from Ojai to the north to Port Hueneme to the south, with an eastern boundary just west of Santa Paula and Camarillo.
- The secondary market is generally the rest of Ventura County, West Hills and Woodland Hills, Topanga, Topanga Beach of Los Angeles County and Southern Santa Barbara County just east of Goleta.
- The tertiary market includes the region in Los Angeles County bounded by Interstate 5 and Interstate 10 and the rest of Southern Barbara County that is just east of Highway 101. Residents who travel from further than this would generally stay overnight and be included as part of the overnight visitors market.

A map illustrating the resident market by segment can be found in **Figure IV-1**.

Figure IV-1: RESIDENT MARKET BY SEGMENT





A careful quantification of the population for these three sub-market segments is contained later in this section; information about growth trends and key demographics for the overall region is presented below.

### Historic Growth

The historic growth of the resident market can be seen through trends in Ventura County. As shown in **Table IV-1**, the overall population of the County has grown modestly in the past decade.

Overall, Ventura County's population grew at an average annual compounded rate of 1.3 percent annually, from 669,000 in 1990 to over 802,000 in 2004. Areas that experience the highest population growth during this period include Fillmore, Moorpark, and Oxnard. Oxnard's population has increased faster than the county's average from almost 143,000 in 1990 to 186,000 in 2004 at an average annual compounded rate of 1.9 percent annually. The only city that experienced a slight population decrease is Port Hueneme between 2002 and 2003.

**Table IV-1: VENTURA COUNTY POPULATION GROWTH, 1990-2004**

	1990	1995	2000	2001	2002	2003	2004	Avg. Ann. Growth 1990-2004
Camarillo	52,297	54,100	57,077	58,100	59,400	60,500	61,700	1.2%
Fillmore	11,992	12,800	13,643	13,850	14,450	14,700	15,150	1.7%
Moorpark	25,494	27,800	31,415	31,900	33,200	34,550	34,900	2.3%
Ojai	7,613	7,800	7,862	7,925	7,950	8,000	8,100	0.4%
<b>Oxnard</b>	<b>142,560</b>	<b>155,700</b>	<b>170,358</b>	<b>174,800</b>	<b>179,100</b>	<b>181,800</b>	<b>186,100</b>	<b>1.9%</b>
Port Hueneme	20,322	20,550	21,845	21,950	21,950	21,800	22,150	0.6%
San Buenaventura	92,557	97,300	100,916	101,700	102,800	104,300	105,000	0.9%
Santa Paula	25,062	27,200	28,598	28,800	28,850	28,950	29,100	1.1%
Simi Valley	100,218	100,400	111,351	114,000	116,000	117,700	118,800	1.2%
Thousand Oaks	104,381	108,200	117,005	118,700	121,500	124,000	126,100	1.4%
Unincorporated	86,520	91,000	93,127	93,600	94,200	95,200	95,400	0.7%
<b>COUNTY TOTAL</b>	<b>669,016</b>	<b>702,850</b>	<b>753,197</b>	<b>765,325</b>	<b>779,400</b>	<b>791,500</b>	<b>802,500</b>	<b>1.3%</b>

Note: 1990 and 2000 are census data; rest is population as of January 1st of that year.

Source: California Department of Finance

### Projected Population Growth

The Ventura County population is expected to continue increasing slightly over the next 15 years. The California Department of Finance projects that Oxnard's population will grow to about 187,000 by 2020 at an average annual compounded rate of 1.09 percent annually. Overall, Ventura County's population is projected to increase on average by



slightly less than one percent annually to 915,000 in 2020 (see **Table IV-2** below). The actual population size is different between the Census and the County, but the projections are still useful for indicating future growth rate.

**Table IV-2: PROJECT POPULATION GROWTH IN VENTURA COUNTY, 2000-2020**

	1990	2000	2010	2020	Avg. Ann. Growth Rate 2000-2020
Camarillo	52,297	57,077	72,220	79,186	1.65%
Fillmore	11,992	13,643	16,187	20,964	2.17%
Moorpark	25,494	31,415	31,018	40,322	1.26%
Ojai	7,613	7,862	8,490	9,006	0.68%
<b>Oxnard</b>	<b>142,560</b>	<b>151,904</b>	<b>168,025</b>	<b>186,901</b>	<b>1.04%</b>
Port Hueneme	20,322	21,845	23,176	23,176	0.30%
San Buenaventura	92,557	100,916	113,397	123,397	1.01%
Santa Paula	25,062	28,598	32,730	37,920	1.42%
Simi Valley	100,218	111,351	131,205	140,452	1.17%
Thousand Oaks	104,381	117,005	129,000	131,500	0.59%
Unincorporated	86,520	93,127	110,738	122,181	1.37%
<b>Total Ventura County</b>	<b>669,016</b>	<b>753,197</b>	<b>836,186</b>	<b>915,005</b>	<b>0.98%</b>

Source: Ventura County.

### Resident Market Demographics

Key characteristics of the resident market for the Carnegie Art Museum are summarized in **Table IV-3**. The demographics of Ventura County compare to statewide averages as follows:

- The Ventura County population is slightly younger, with 28.4 percent of the population under the age of 18 in Ventura County compared to 27.3 percent in California.
- The population is less diverse than California as a whole, although the Hispanic/Latino population percentage is slightly higher – 33.4 percent in Ventura County compared to 32.4 percent statewide.
- There is a smaller percentage of foreign born persons, with close to 21 percent in Ventura County and 27 percent statewide.
- Ventura County has a higher percentage of high school graduates and around the same percentage of college graduates as the California as a whole.

- Income levels are significantly higher in Ventura County, with a median household income of \$59,666 compared to \$47,493 for California.

**Table IV-3: COMPARISON OF KEY VENTURA COUNTY AND STATEWIDE DEMOGRAPHIC CHARACTERISTICS**

<b>Demographic Factor</b>	<b>Ventura County</b>	<b>California</b>
Population Growth, 1990-2000	12.6%	13.6%
Persons under 5 years old, 2000	7.5%	7.3%
Persons under 18 years old, 2000	28.4%	27.3%
Persons 65 years and older	10.2%	10.6%
Non-Hispanic White Population	56.8%	46.7%
African American Population	1.9%	6.7%
American Indian Population	0.9%	1.0%
Asian Population	5.3%	10.9%
Hispanic / Latino Population	33.4%	32.4%
High School Graduates	80.1%	76.8%
Bachelor's Degree	26.9%	26.6%
Median Household Income	\$59,666	\$47,493
Foreign Born Persons	20.7%	26.2%

Source: United State Census, 2000.

### **Ventura County Schools**

School groups are an important component of the attendance to any cultural attraction, particularly those focusing on regional history and culture. Schools groups can comprise as much as 30 percent of total attendance at certain history museums and in the case of the Carnegie represent the majority of attendance. Furthermore, school groups represent an important source of repeat visitation.

During the 2003-2004 school year, there were approximately 299 public schools and 94 major private schools in Ventura County, with close to 161,000 public school students and over 15,000 private school students in the School District. A summary of schools and enrollment by type of schools is shown in **Table IV-4**.

**Table IV-4: OVERVIEW OF VENTURA COUNTY SCHOOLS AND ENROLLMENT, 2003-04**

<b>School District</b>	<b>No. of Schools</b>	<b>No. of Students</b>
Elementary	131	71,678
Junior High/Middle School	28	29,073
High School	23	41,277
K-12	1	62
Alternative	4	482
Special Education	2	373
Continuation	12	1,498
Community Day	1	76
Junveile Court	1	196
County Community	1	336
California Youth Community	1	265
Private Schools (more than 6 or more students)	94	15,355
<b>Total Public Schools</b>	<b>299</b>	<b>160,671</b>
<b>Total All Schools</b>	<b>393</b>	<b>176,026</b>

Source: California Department of Education

## VISITOR MARKET

Tourists to Ventura County are an important part of the potential visitation to the Carnegie Art Museum. While the Museum's current visitation is primarily comprised of residents, a larger facility with expanded exhibit and program offerings could attract visitors from out of town. This section analyzes the size, growth, and demographics of the visitor market and provides an overview of regional tourism strategies.

### Visitor Volume and Profile

According to the California Travel & Tourism Commission, between 2001 and 2003, the average annual visitor volume to Ventura County was 3.49 million. This number includes both day-trippers and overnight visitors. Of these 3.49 million visitors, 88 percent, or just over 3 million, visited for the purpose of leisure.

**Table IV-5** presents the 1999-2001 (the most recent available) leisure visitor profile for Ventura County.



**Table IV-5: VENTURA COUNTY LEISURE VISITOR PROFILE, AVG. 1999-2001**

Avg Party Size	2.9 persons
Traveling with Children	25%
Mean Household Income	\$65,400
Avg Length of Stay (inc. day trips)	1.1 nights
Avg Length of Stay (excl. day trips)	2.4 nights
% Day Trips	52%
Used Rental Car	9%
Origin of Domestic Travelers	CA (76%); NV (3%); AZ (2%)
Origin of California Travelers	Los Angeles MSA <sup>1</sup> (49%); San Diego MSA (12%)
Accommodation Type:	Hotel - 35% Home/Apt/Condo (not own) - 30% Private House - 23%
Leisure Trip Purpose:	Visit Friends/Relatives - 53% Special Event - 14% Getaway Weekend - 12%
Popular Recreation Activities:	Touring: auto/bus (19%) Beach/Waterfront (14%) Museum/Art Exhibit (7%)
Trip Started In:	1st Qtr. (Jan-Mar) 19% 2nd Qtr. (Apr-Jun) 30% 3rd Qtr. (Jul-Sept) 24% 4th Qtr. (Oct-Dec) 27%
<sup>1</sup> MSA equals Metropolitan Statistical Area	

Source: California Travel and Tourism Commission

According to the above visitor profile, approximately 48 percent of all leisure visitors to Ventura stayed overnight. This translates to 1.47 million total overnight leisure visitors to Ventura County.

To confirm the numbers received from the CTTC, ERA also utilized an alternative calculation of visitor numbers using countywide (and relevant cities') hotel occupancies. This method returns a total of 1.57 million overnight leisure visitors. The table also estimates visitor volume to the three most relevant cities, Camarillo, Oxnard and San

Buenaventura (Ventura) at a total of just under 1 million visitors. These calculations are summarized in **Table IV-6** below:

**Table IV-6: VENTURA COUNTY HOTEL OCCUPANCY-BASED VISITOR VOLUME ESTIMATE**

	Ventura	Oxnard	Camarillo	Subtotal Market Area	County Total
Total Rooms	2,023	1,700	897	4,620	7,095
Days/Year	365	365	365	365	365
Potential Room-Nights	738,395	620,500	327,405	1,686,300	2,589,675
Occupancy	64.53%	66.44%	76.60%	69.19%	67.02%
Actual Room-Nights	476,486	412,260	250,792	1,166,751	1,735,600
Average Party Size	1.9	1.9	1.9	1.9	1.9
Visitor Nights	905,324	783,294	476,505	2,216,827	3,297,640
Average Length of Stay	2.6	2.4	2.4	2.4	2.4
TOTAL HOTEL VISITORS	348,202	326,373	198,544	923,678	<b>1,374,017</b>
% Leisure Visitors (Visitor Profile)	88%	88%	88%	88%	<b>88%</b>
TOTAL HOTEL LEISURE VISITORS	306,417	287,208	174,719	812,837	<b>1,209,135</b>
Visitors Staying with Friends & Relatives	91,527	85,789	52,189	242,795	361,170
<b>TOTAL</b>	<b>397,945</b>	<b>372,997</b>	<b>226,907</b>	<b>1,055,632</b>	<b>1,570,305</b>
<b>Market Area Percentage of County</b>					<b>67%</b>

Source: California Travel and Tourism Commission, Smith Travel Research, ERA

It is ERA's opinion that the visitation to Ventura, Oxnard, and Camarillo is the best representation of the tourist market available to the Carnegie Art Museum. This market totals nearly 1 million persons per year.

### Visitor Market Growth

Tourism levels have increased steadily over the last 10 years. As shown in **Table IV-7**, transient occupancy tax (TOT) receipts to jurisdictions in Ventura County have risen by 66 percent in the past ten years and 45 percent in the past five years. This represents an average annual increase of 5.6 percent in the County, 8.6 percent in Camarillo, 6.1 percent in Ventura, and 4.5 percent in Oxnard.

**Table IV-7: HISTORICAL TRANSIENT OCCUPANCY FOR VENTURA COUNTY**

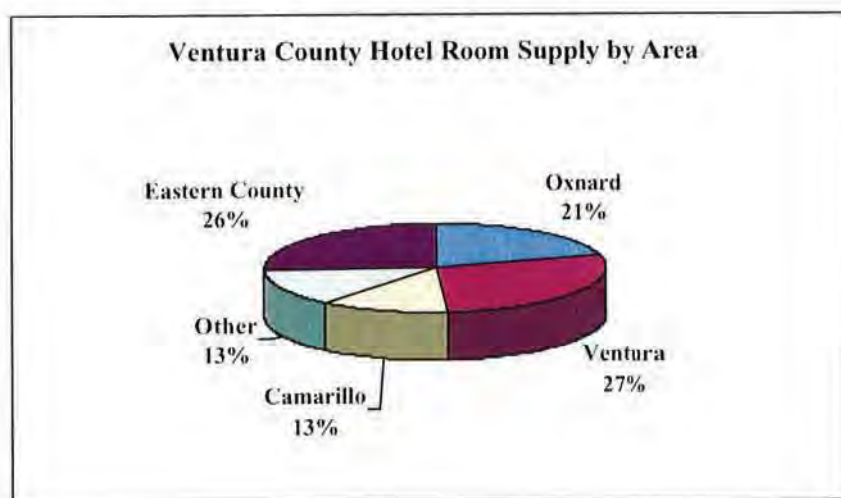
	1994	1999	2000	2001	2002	2003	2004	Avg. Annual Growth ('93-'04)
Unincorporated	59.3	103.1	119.5	133.4	139.9	229.9	228.0	14.4%
<b>Camarillo</b>	<b>612.1</b>	<b>843.9</b>	<b>974.0</b>	<b>1,154.9</b>	<b>1,253.1</b>	<b>1,158.8</b>	<b>1,390.9</b>	<b>8.6%</b>
Fillmore	42.2	41.8	48.7	52.9	50.5	47.0	40.1	-0.5%
Ojai	700.2	1,324.4	1,528.2	1,723.0	1,669.8	1,847.5	618.3	-1.2%
<b>Oxnard</b>	<b>1,462.7</b>	<b>1,907.7</b>	<b>1,876.5</b>	<b>2,328.2</b>	<b>2,321.8</b>	<b>2,247.8</b>	<b>2,275.9</b>	<b>4.5%</b>
Port Hueneme	176.8	234.7	237.3	264.4	251.7	247.2	297.7	5.3%
<b>San Buenaventura</b>	<b>1,758.0</b>	<b>2,508.3</b>	<b>2,436.7</b>	<b>2,896.9</b>	<b>3,017.5</b>	<b>2,835.6</b>	<b>3,169.7</b>	<b>6.1%</b>
Santa Paula	48.4	45.7	70.9	75.3	92.0	98.8	114.8	9.0%
Simi Valley	433.8	785.2	907.2	885.1	998.3	894.1	976.1	8.4%
Thousand Oaks	1,238.6	1,721.5	1,983.2	2,202.7	2,200.0	1,900.0	2,100.0	5.4%
<b>County Total</b>	<b>6,532.1</b>	<b>9,516.3</b>	<b>10,182.2</b>	<b>11,716.8</b>	<b>11,994.6</b>	<b>11,506.7</b>	<b>11,211.5</b>	<b>5.6%</b>

Source: Dean Runyan Associates

### Ventura County Lodging Market

ERA also conducted research on the Ventura County lodging market, in order to provide additional insight into trends in tourism.

According to Smith Travel Research, Ventura County has approximately 7,095 rooms in 79 hotels. These are concentrated in several cities in the county. **Figure IV-2** shows the breakdown of hotel supply by city/area.

**Figure IV-2: VENTURA COUNTY HOTEL SUPPLY BY AREA**

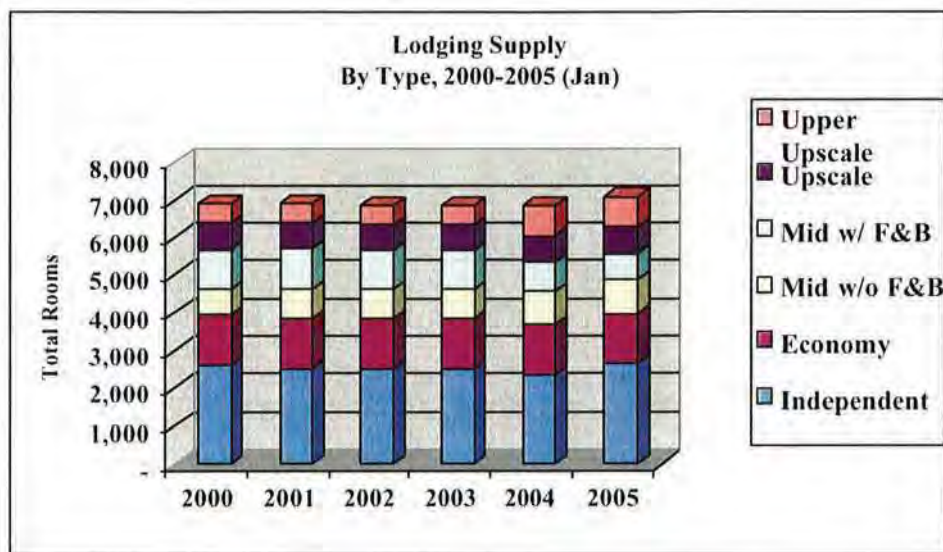
Source: Smith Travel Research



As shown, Ventura has the highest number of hotels rooms in the county with over 2,000 rooms, and 61 percent of the county's room supply is located in the three cities of Camarillo, Ventura, and Oxnard.

**Figure IV-3** shows lodging supply growth by type from January 2000 to 2005. As indicated, total supply has grown by about 3 percent in the five-year period. The upper upscale room supply has grown by over 50 percent in the past five years, indicating growth in the higher-end tourism market.

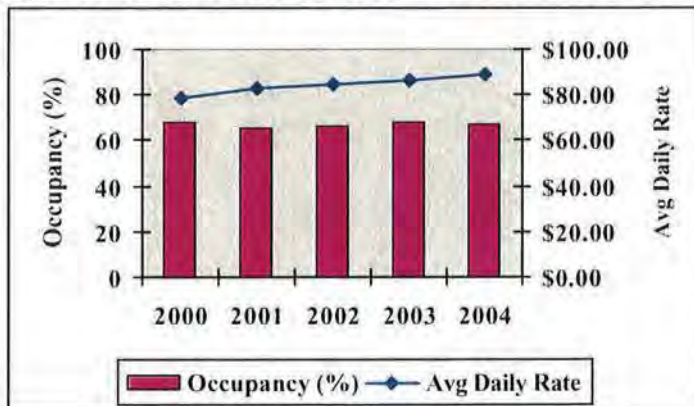
**Figure IV-3: LODGING SUPPLY BY TYPE, 2000-2005 (January)**



Source: Smith Travel Research

Trends in hotel occupancy and average daily room rates are shown in **Figure IV-4**.

**Figure IV-4: VENTURA COUNTY OCCUPANCY AND AVG. DAILY RATE, 2000-2004**



Source: PKF Consulting

The average daily rate in Ventura County has increased 13 percent since 2000, and the 2004 occupancy rate was approximately 67 percent. While this does reflect a decrease of about .5 percent from 2003, it is still higher than the 2001 low of 65.5 percent.

### Tourism Initiatives

Convention and visitor bureaus in Ventura County are pursuing a variety of strategies to attract tourists to their cities. Some common initiatives are as follows:

- Oxnard, Camarillo and Ventura are pursuing renovations of “old town” or downtowns to attract both residents and tourists.
- Increased advertising to attract both individuals and group business is a priority.
- An important strategy is developing festivals and other special events to attract visitors during the slower tourism seasons.

The City of Oxnard is promoting a “hub and spoke” approach, encouraging visitors to stay at lodging located within Oxnard and take advantage of attractions in Santa Barbara and elsewhere in Ventura County. The City of Ventura’s tourism strategy is more focused on developing Ventura into a destination for tourists.

### SUMMARY OF AVAILABLE MARKETS

Based upon the information presented in this section, ERA has carefully quantified the size of each market segment available to the Carnegie Art Museum. This analysis is summarized in **Table IV-8**.

**Table IV-8: SUMMARY OF AVAILABLE MARKETS, 2003-2011**

Market Segment	Current Market Size (2003)	Estimated Future Market Size (2009)	Estimated Future Market Size (2011)
Primary Market	461,772	505,289	520,687
Secondary Market	649,426	709,722	731,040
Tertiary market	2,403,814	2,565,802	2,622,188
<b>Total Resident Market</b>	<b>3,515,000</b>	<b>3,780,800</b>	<b>3,873,900</b>
Overnight Visitor Market	1,000,000	1,126,162	1,171,659
<b>TOTAL AVAILABLE MARKETS</b>	<b>4,515,000</b>	<b>4,906,962</b>	<b>5,045,559</b>

Source: ESRI, ERA.



The analysis was conducted for 2003 (the last year available using the ESRI Geographic Information System), and the size of each market was projected for 2009 and 2011, the projected years for the completion of the museum expansion and the first stabilized year of operations post-expansion.

A summary of implications of ERA's overview of available markets is as follows:

- The resident market available to the Carnegie Art Museum is over 3.5 million, with approximately one million of this within the primary and secondary markets, where penetration rates will be highest. The primary market is relatively small, with a population of close to 462,000 in 2003.
- The resident market is expected to grow at a rate of 1.5 percent annually, resulting in a market size of nearly 3.9 million in 2011, the projected stabilized operating year post-expansion.
- The population in Ventura County is slightly younger than average when compared to the statewide population, and there are over 300 schools with over 176,000 school children in the local area.
- The overnight visitor market is approximately 1 million currently. Based upon growth in hotel occupancies, transient occupancy taxes, and average daily room rates, ERA estimates that the visitor market has been growing at a rate of between two and three percent annually. ERA used a rate of two percent annually for future growth, resulting in a stabilized operating year visitor market of nearly 1.2 million. This only includes leisure visitors to Camarillo, Oxnard, and Ventura.
- While many major urban tourist markets that rely on airport transportation experienced sharp declines in tourism post-September 11<sup>th</sup>, "drive-to" markets such as Ventura County benefited from increased regional trips reliant on automobile transportation.
- Overall, the resident market is of good quality and modest scale with a steady pattern of growth and increasing incomes. Given the limited supply of fine arts institutions in the market, ERA believes that this represents a market opportunity.
- The tourist market is similarly of modest scale, with a strong growth history and outlook. This market, combined with expansion of its higher end also bode well for the Carnegie's expansion.



## SECTION V: REVIEW OF COMPARABLE FACILITIES AND COMPETITIVE ENVIRONMENT

As part of this study, ERA reviewed the competitive market for cultural attractions. We also identified and researched comparable art museums, primarily located in California and the western United States. Facilities were selected on the basis of size, discipline, and location. This section provides a brief description of each facility and their key characteristics.

### LOCAL COMPETITIVE ENVIRONMENT

The Carnegie Art Museum is the only cultural institution in Ventura County dedicated solely to fine arts. In general, there are very few museums located within Ventura County. The population has been increasing over the past decade, and it is ERA's opinion that Ventura County is relatively underserved in terms of cultural institutions. In the past, the population may not have been great enough to justify larger cultural institutions since residents could drive to Los Angeles. However, with an increasing critical mass of population within Ventura County, the need for increased cultural opportunities has also increased.

This section presents an overview of the cultural facilities that do exist. Key characteristics are summarized in **Table V-1**. It should be noted that one of the most comparable facilities in Ventura County is the Ventura County Museum of Art and History, which is discussed later in this section under the comparable facility discussion.

#### Gull Wing Children's Museum for Kids

The Gull Wing Children's Museum for Kids, located in Downtown Oxnard adjacent to the Carnegie Art Museum, was first opened to the public in May 1989. The museum is the only children's museum in the County with the vision to "be a place where children have fun while learning from exhibits that help them explore, imagine, and discover the world around them". Featured in the 4,500-square foot museum are over 15 hands-on, interactive exhibits and activities, including a puppet theater, touch tank, face-painting station, a simulated farmers market as well as exhibits on space, medicine, reptiles, and geology. There are approximately 4,100 square feet of exhibit space. The museum also receives school field trips and organizes special events, summer programs, outreach programs, and birthday parties. The target market of the museum is children ages 2 to 12. Admission to the museum is \$4 per person and free for children under the age of 2. Annual attendance is estimated to be approximately 10,000 visitors. It is estimated that approximately a quarter of the total visitation is out-of-town tourists.

The City of Oxnard leases the site to the museum for \$1 per year. The museum currently operates with no state or federal government support, and relies on admissions and private contributions from individuals, foundations, and corporations to support its programs. Admissions, parties, field trips, outreach, educational programs, and gift shop

Table V-1: KEY CHARACTERISTICS OF SELECTED ATTRACTIONS IN VENTURA COUNTY

Attraction	Location	2004 Attendance	Size (Sqm)		Visitors		Admission		
			Gross	Exhibit	Locals	Tourists	Adults	Children	Seniors
Gull Wings Children's Museum	Oxnard	10,000	4,500	4,100	75%	25%	\$4	\$4	\$4
Heritage Square	Oxnard		NA	NA	n/a	n/a	Free	Free	Free
Ventura County Maritime Museum	Oxnard	25,000	5,800	4,000	75%	25%	Free	Free	Free
Fillmore Historical Museum and Park	Fillmore	500	7,000	2,000	30%	70%	Free	Free	Free
California Oil Museum of Santa Paula	Santa Paula	15,000	11,000	9,500	70%	30%	\$4	\$1	\$3
Channel Islands Visitor Center	Ventura	321,492	n/a	n/a	n/a	n/a	Free	Free	Free
San Buenaventura Mission Museum	Ventura	50,000	8,640	Minimal	20%	80%	\$1	\$0.50	\$1
Seabee Museum/US Navy Civil Engineer Corps	Port Hueneme	26,310	32,000	20,000	80%	20%	Free	Free	Free
Ojai Valley Historical Society and Museum	Ojai	6,535	6,056	4,800	66%	33%	\$3	\$1	\$3
<b>Carnegie Art Museum</b>	<b>Oxnard</b>	<b>10,250</b>	<b>8,900</b>	<b>3,158</b>	<b>94%</b>	<b>6%</b>	<b>\$3</b>	<b>\$1</b>	<b>\$2</b>

Source: 2005 Museum Directory, Individual Properties



revenue (earned income) generate fifty percent of the total operating budget. Occasional fundraisers also help the museum reach its financial goals.

### **Heritage Square**

Heritage Square is located close to the Carnegie Art Museum in Oxnard. This cultural attraction is one city block consisting of 15 restored or replicated structures that date back to late 19th and early 20th centuries. These include several relocated historic residences and ranch houses, a church, water tower, storehouse, a winery and courtyards featuring over 140 varieties of trees, shrubs, and flowers. There is also a visitor center that was formerly a pump house. The forty-five minute guided tours led by costumed docent volunteers are offered every Saturday from 10 am to 2 pm and weekdays tours are also available by appointment. The tour focuses on pioneer family life and early Oxnard history, and are free of charge. Activities are organized at Heritage Square all year round including summer evening concerts and Christmas tours. The site also serves as a venue for weddings, theatrical productions, meetings and special events.

Heritage Square is a preservation and revitalization effort by the Oxnard Redevelopment Agency and several of Oxnard's notable families and investors and was completed in 1985.

### **Ventura County Maritime Museum**

The Ventura County Maritime Museum, located in Oxnard, is dedicated to the interpretation of maritime history through interactive exhibits and outreach. The museum houses one of the two largest collections of antique sailing ship models in the United States that trace more than 3000 years of maritime development history, as well as works by the master ship modeler Edward Marple. The museum also features an extensive marine art collection and exhibits on whaling, sailor's arts, navigation instruments, and the history of Channel Islands Harbor and Port Hueneme, the only deep-water port between Los Angeles and San Francisco. Special topical and featured guest artist exhibitions are presented on an ongoing basis.

The museum occupies a total of 5,800 square feet, of which, 4,000 square feet is dedicated to exhibit space and 800 square feet is administrative offices. There is also a 300-square foot gift shop, with the rest being guest services and storage area. In 2004, the museum received a total of 25,000 visitors. It is estimated that 75 percent of the visitors are local residents residing within a day-trip range, with the rest being overnight visitors representing the whole United States and over 30 foreign countries. The museum also received 5,000 student visitors, mostly through formal school-based education programs.



recreational opportunities, including scuba diving, snorkeling, swimming, bird watching, kayaking, boating, camping, hiking and fishing.

The Robert J. Lagomarsino Visitor Center on the mainland features a museum, living tidepool exhibit, three-dimensional models of all the park islands, interactive touch-screen exhibit, picnic area, a bookstore, and an outdoor native plant garden. There is also a 25-minute park movie shown throughout the day in the auditorium. On weekends, there are free interpretive programs on the natural and cultural resources of the park. Throughout the week, other programs and school visits may be scheduled by calling the visitor center.

Annual visitation to the park's mainland visitor center is 300,000. About 30,000 visitors travel to the islands, and another 60,000 go only into park waters. There are no entrance fees to visit the park. However, there is a \$10.00 fee for camping in National Park Service-operated campgrounds, which includes a reservation fee of \$2.65 per campsite per night.

### **San Buenaventura Mission Museum**

The San Buenaventura Mission Museum is housed in the San Buenaventura Mission founded in 1782 by Father Junipero Serra. Built along the El Camino Real highway, the mission is an active Catholic parish in the Archdiocese of Los Angeles. The mission was the community's center for worship, agriculture, and even commerce during the 18<sup>th</sup> century. Major restoration work was done in 1956 and in 1976. Visitors come to view its detailed interior, original wooden bells, and beautiful courtyard with fountain. The museum on-site provides information about the historic mission as well as collections of paintings, statues and religious and Indian artifacts. Guided tours as well as formally organized education programs for children in conjunction with the Ventura County Historical Museum are also offered.

Admission for the Museum and a self-guided tour is \$1.00 for adults and 50 cents for children. There is also a gift shop offering a wide variety of Catholic devotional, gift, and seasonal and collectible items for sale. Attendance in 2004 to the museum was 50,000 visitors, with a majority from out of town.

### **Seabee Museum**

The Civil Engineer Corps and Seabee Museum, Naval Construction Battalion Center is located in Port Hueneme and was founded in 1947. The museum tracks the development and activities of the Navy Seabees and the Civil Engineer Corps, who not only fought in battles but also built bridges, docks, and runways for the World War II effort. The museum features weapons, uniforms, insignia, models, photos, and other artifacts from the 19<sup>th</sup> century to present along with audiovisual displays and other exhibits related to the U.S. Navy's Civil Engineer Corps (CEC). There are also cultural items and works of

---

### **Fillmore Historical Museum and Park**

The Fillmore Historical Museum and Park is a three building complex that includes the 1905 Craftsman bungalow home, 1887 Southern Pacific Railroad Depot and Hinckley House. The Fillmore Historical Museum occupies the relocated Hinckley House currently, which was the home of Fillmore's first dentist in the early years of the town. The Historical Museum will eventually include the town's train station and bunkhouse for railroad crews once the two buildings are remodeled. The three buildings are 7,000 square feet, of which, 2,000 square feet are exhibit space. The museum features early Fillmore pioneer photos, memorabilia and changing exhibits on history of Fillmore area. Programs organized by the museum include children's classes, film series, community heritage projects, performances, demonstrations, living history program, research, guided tours, outreach to schools, and fundraising events. There is no admission charge for the museum, but donations are encouraged. There were 500 visitors in 2004.

### **California Oil Museum of Santa Paula**

The California Oil Museum of Santa Paula, founded in 1950, is located in Santa Paula. The museum is housed in the original home of the Union Oil Company built in 1890 and illustrates the oil history in California through artifacts, historical memorabilia, videos, paintings, publications, working models, games and restorations. There are also rotating exhibits which focus on transportation, science, technology, history, and art throughout the year.

The facility is 11,000 square feet in size, with about 9,500 square feet of exhibit space. The museum is also available for receptions and special events. Attendance in 2004 was 15,000 visitors. Admission is \$4 for adults, \$3 for seniors and \$1 for children between the age of 6 and 17. Children ages five and below receive free admission.

The museum is operated by the City of Santa Paula. Funding is provided from multiple sources including memberships, admissions, the gift store, an endowment, annual fundraisers, the California oil industry, Unocal Corporation, and the City of Santa Paula.

### **Channel Islands National Park, Robert J. Lagomarsino Visitor Center**

Channel Islands National Park is comprised of five in a chain of eight southern California islands near Los Angeles. The park consists of 249,354 acres, half of which are under the ocean, and include the relatively undeveloped islands of San Miguel, Santa Rosa, Santa Cruz, Anacapa, and Santa Barbara. The park boasts a wide variety of local and international natural and cultural resources including specials unique to the islands and over 2,000 other species of plants and animals. The park also offers a variety of



art from numerous countries where these men and women have served or are currently stationed.

The total facility is 32,000 square feet, with about 20,000 square foot of exhibit space and a gift shop. Admission to the museum is free of charge but donations are accepted. The museum received a total of 26,310 visitors in 2004. Approximately 80 percent of the total visitation is from the resident market, with the remaining 20 percent from out of town.

### **Ojai Valley Historical Society and Museum**

The Ojai Valley Historical Society and Museum, founded in 1966, is situated in a renovated Mission Revival-style building located in Ojai Valley, Ventura County. The museum concentrates on the local cultural, environmental and natural history of Ojai Valley from the area's earliest inhabitants, the Chumash Indians, to pioneers settlers. There are also paintings, temporary exhibitions on art, natural history and cultural history, lectures and programs, as well as botanical gardens featuring native specimens. The private local history library is also available by appointment.

The museum is slightly over 6,000 square feet in size with two exhibit rooms of 2,400 square feet each. Admission to the museum is \$3 for adults, \$1 for children between the ages of 6 and 18, and free for members and children under 6. There were 6,535 visitors in 2004. It is estimated that about two-thirds of the visitors are from the local area.

## **COMPARABLE MUSEUMS**

ERA researched the physical features and operational experiences of 14 comparable art museums throughout California and the western United States. A description of these museums is presented below, and a summary of key operating characteristics is presented in **Table V-2**.

### **Ventura County Museum of History and Art**

The mission of the Ventura County Museum of History and Art is to educate the public about history and art relating to Ventura County through collections, research, exhibitions, and other activities that engage, entertain, and inform. The museum opened in 1977 with 15,000 square feet, of which, 4,000 square feet is exhibit space. The museum has the following exhibit areas:

- The Hoffman Gallery – This space is used to house changing exhibits focused on art and history.



Table V-2  
KEY CHARACTERISTICS OF SELECTED ART MUSEUMS

Location	Santa Cruz Museum of Art & History	Ventura County Museum of History and Art	Bakersfield History and Art	Fresno Art Museum	Laguna Art Museum	Monterey Museum of Art	Santa Barbara Museum of Art
Year Opened	Santa Cruz 1981	Ventura, CA 1977	Bakersfield 1987	Fresno 1949	Laguna Beach 1918	Monterey 1968	Santa Barbara 1941
Last Major Expansion/Renovation	1992	Current	2001	n/a	n/a	n/a	1998
Governance	Private Non-Profit	Private Non-Profit	Private Non-Profit	Private Non-Profit	Private Non-Profit	Private Non-Profit	Private Non-Profit
Facility Size (Sq. Ft.)							
Gross Building SF	23,000	15,000	17,400	n/a	n/a	20,000	69,663
Exhibit SF	8,000	4,000	9,000	n/a	n/a	7,000	28,000
Ratio of Exhibit	35%	27%	52%	n/a	n/a	35%	40%
Admission Pricing							
Adult	\$5.00	\$4.00	\$5.00	\$4.00	\$9.00	\$5.00	\$9.00
Child/Senior	\$3.00	\$3.00 / \$1.00	\$2.00 / \$4.00	\$2.00	\$7.00	\$2.50	\$6.00 / \$7.00
Total Attendance in 2004	20,000	25,000	28,000	27,000	40,000	30,000	142,484
Avg Visitor Length of Stay (min)		Under 1 hour					
Visitors per Exhibit SF	2.5	6.3	3.1	n/a	n/a	4.3	5.1
Total Staff		18					
Full-time	n/a	10	4	n/a	n/a	7	48
Part-time	n/a	8	6	n/a	n/a	10	28
# Volunteers	n/a	175	50-100	n/a	n/a	200+	150
Operating Budget	\$1,100,000	\$750,000	\$650,000	n/a	n/a	n/a	\$6,000,000
Operating Budget per SF	\$48	\$50	\$37	n/a	n/a	n/a	\$86

<sup>1</sup> HVAC installation and interior renovation.

Source: Individual Facilities, 2004.

Table V-2  
KEY CHARACTERISTICS OF SELECTED ART MUSEUMS (continued)

Location	Oceanside Museum of Art	Riverside Art Museum	Napa Valley Museum	Morris Graves Museum of Art	Ontario Museum of History & Art	Triton Museum of Art	Coos Art Museum	Carnegie Art Museum
Year Opened	Oceanside 1995	Riverside 1931	Yountville 1973	Eureka 2001	Ontario 1981	Santa Clara 1965	Coos Bay, OR 1966	Oxnard, CA 1985
Last Major Expansion/Renovation	2006 (planned)	n/a	n/a	n/a	2005 (ongoing)	1987	1999	2004 <sup>1</sup>
Facility Size (Sq. Ft.)								
Gross Building SF	5,000	n/a	n/a	13,000	33,000	7,500	10,000	8,900
Exhibit SF	3,000	n/a	n/a	10,000	6,000	6,700	7,000	3,158
	60%	n/a	n/a	77%	18%	89%	70%	35%
Admission Pricing								
Adult	\$5.00	\$2.00	\$4.50	\$3.00	Free	Free	Free	\$3
Child/Senior	\$3.00	Free / \$2.00	\$2.50 / \$3.50	\$3.00	Free	Free	Free	\$1 / \$2
Total Attendance in 2004	40,000	50,000	20,000	22,166	10,000	21,000	20,000	10,250
Avg Visitor Length of Stay (min)								
Visitors per Exhibit SF	13.3	n/a	n/a	2.2	1.7	3.1	2.9	3.2
Total Staff								
Full-time	3	n/a	n/a	3.5	2	6	1	3
Part-time	1	n/a	n/a	1	4	11	4	5
# Volunteers	70+	n/a	n/a	40	60	10	85-100	20
Total Budget	\$400,000	n/a	n/a	\$365,000	\$350,000	\$1,000,000	\$145,000	\$410,000
Operating Budget per SF	\$80	n/a	n/a	\$28	\$11	\$133	\$15	\$46

<sup>1</sup> HVAC installation and interior renovation.

- **Huntsinger Gallery** – This permanent exhibit is focused on Ventura County in the New West and explores local Native American heritage as well as various eras of Ventura County history.
- **Discovery Center** – This area is open every third Sunday of each month and during special school tours. In this area, children can try traditional Chumash Indian crafts.
- **Agricultural Display** – The museum displays a number of farm implements in an outdoor area.
- **Smith Gallery** – This gallery houses the famous George Stuart Historical Figures exhibits. George Stuart frequently speaks in this gallery as well.
- **Research Library** – The Ventura County records and archives are housed in the museum and are available for public research. It is a non-circulating library.

Museum attendance in 2003 was 28,000, of which, 5,000 were children as part of school groups. Approximately 80 percent of visitation is from residents, with the remaining 20 percent from tourists. The museum has 10 full-time and 8 part-time staff and a budget of approximately \$750,000.

The museum is currently undergoing a 20,000 square foot, \$7 million expansion that will open in 2008.

### **Morris Graves Museum of Art**

The Morris Graves Museum of Art, located in Eureka, California opened on January 1, 2000 by the Humboldt Arts Council as part of the Carnegie Restoration project. The funding for the \$1.5 million restoration of the historic building was raised by the local community, with one-third coming from the Humboldt Arts Council Foundation, one third from naming opportunities (buying personalized bricks or plaques), and the final third from various other public donations. The City Council also extended a \$100,000 loan, which is currently still outstanding.

The three-story historic building (which was also a former Carnegie Library building) was retrofit and restored to include eight galleries (one outdoor gallery) with square footage of approximately 10,000 square feet. There are also spaces dedicated to a young artists' academy, a performance rotunda for music, dance, and literary arts, and administrative offices for the Humboldt Arts Council.

The total attendance in 2004 was 22,166 visitors, of which about 15,000 were in attendance of the Arts Alive program that is held on the 1<sup>st</sup> Saturday of each month. The admission price for all visitors is \$3.00. The museum has a full time staff of 3.5 persons, one part-time staff member, and about 40 volunteers, which include about two to four students interns, and board members.



The operating budget is approximately \$365,000 per year.

### **Coos Art Museum**

The Coos Art Museum, located in Coos Bay, Oregon, established an artist league in 1950, became a museum in 1966, and has been housed in a renovated historical, art deco style federal postal building since 1984. The museum underwent its latest renovation in 1999 when it restored the permanent collection storage room.

Currently, the museum has plans to install track lighting throughout their galleries and is in the process of applying for grants for capital expansion to enable the showing of 18<sup>th</sup> and 19<sup>th</sup> century works of art.

Two floors constitute the museum's 10,000 square feet, with four galleries on the first floor and an additional gallery, an atrium, a storage area for the permanent collection, an art education classroom, and management offices on the second floor. The exhibit space square footage is approximately 7,000 square feet.

The total attendance in 2004 was about 20,000 visitors. The museum maintains a total staff of five with one full-time administrator and four part-time persons. In addition to the permanent staff, art teachers are employed on a contract basis and there are about 85-100 volunteers throughout the year.

The operating budget is approximately \$145,000, with the majority of income derived from membership fees, donations, facility rentals, and fundraiser events, as the museum does not charge an admission or entry fee. The estimated breakdown of the budget is 55 percent from membership fees, 25 percent from fundraising efforts, 1 percent from the City, and the remainder from various grants, such as the grant from the Oregon Arts Commission and the National Endowment for the Arts. There are approximately 450 members with annual fees ranging from \$15 for a student membership to \$2,500 or more for corporate memberships.

### **Oceanside Museum of Art**

The Oceanside Museum of Art is located in Oceanside, California, which is a suburb in north San Diego County. In 1995, an organizing committee decided to develop and support a cultural arts venue in the area, and began to raise funds, talk to community members and search for an appropriate location. The museum opened in October of 1997 and has had 45 exhibitions since its inception.

The museum is currently housed in a 5,000 square foot building; of which, about 3,000 square feet is gallery space. The museum presents five exhibits per year, which are curated in-house. The museum is currently in the process of planning a major expansion that will break ground in 2006 and will add 27,000 square feet, for a total 32,000 square feet. The expansion will bring the museum from a small local museum to a larger

regional museum with an on-site art center or school, a new gallery space, a small café, an expanded museum store, an auditorium, storage facilities to enable a permanent collection, an installation construction facility, and administrative offices.

The attendance in 2004 was about 40,000 visitors. The admission price is \$5.00 for adults and children alike, and \$3.00 for students and seniors. There are about 1,300 members that are part of the museum's membership program that ranges in annual dues from \$30 to \$1,000 or more. The museum maintains a permanent staff of four with three full-time and one part time staff. In addition to the staff, there are over 70 volunteers throughout the year.

The operating budget is \$400,000 and funds various programs beyond the five art exhibits. The museum offers educational instruction through the OMA-School of Art, bus tours to other art museums in Southern California, lectures, demonstrations, workshops and museum tours for school classes and community groups led by OMA's experienced docents, and concerts in the museum galleries. There is also an OMA-Outreach after school program with Art instruction that also incorporates a traveling exhibit constructed by youth of Samoan descent. The museum facilities include a museum store as well.

### **Santa Barbara Museum of Art**

The Santa Barbara Museum of Art opened to the public in 1941 with square footage of 27,400, expanded in 1982 by adding 22,400 square feet, and again in 1998 with an addition of 11,363 square feet, bringing the on-site total to 61,163 square feet. The museum also owns an off-site facility that is 8,500 square feet, which results in a museum total square footage of 69,663 square feet. The facilities include a 154-seat auditorium, a museum library, a museum store, and a café along with gallery space for various permanent collections and traveling exhibits.

Permanent museum collections include antiquities, Asian, European, American, works on paper, modern & contemporary art, and photographic art galleries. In addition to the permanent exhibits, the museum houses special exhibitions.

The attendance in 2004 was 142,484 visitors. The admission prices are: free for members, \$9.00 for general admission, \$7.00 for seniors, and \$6.00 for children and students. The museum maintains a full-time staff of 48 and a part-time staff of 28, which are supplemented by an estimated 150 volunteers, including docents. The annual operating budget is approximately \$6 million.

The museum does not rent its facilities to the public for special events, but makes an exception once a year for a special event for its corporate members.



### **Bakersfield Museum of Art**

The Bakersfield Museum of Art is located in Bakersfield, California, with a vision “to be recognized as a destination for fine art exhibitions that enrich the quality of life for residents and visitors of the San Joaquin Valley and as a leader in the area of art education for children and adults.” The museum began as a memorial art gallery in 1956 with a private family donation. The gallery was later given to the City to be operated by volunteers of the Bakersfield Art Association and a City appointed Art Commission. In 1990, the Bakersfield Art Foundation was established as the independent governing agency, thus changing the name of the museum to the Bakersfield Art Museum. The most recent expansion that the museum underwent was in 2001. Presently, the museum stands at 17,400 square feet with five galleries that occupy about half of the building square footage, or about 9,000 square feet.

In 2004, the annual attendance was 28,000 visitors. The admission prices are \$5.00 for general admission, \$4.00 for seniors, \$2.00 for students and free for children. The membership program has approximately 1,000 members, with membership annual dues ranging from \$20 for a student membership to \$1,000 for a “patron” membership. The annual operating budget is approximately \$650,000.

The museum does not have any facilities in addition to its galleries, but does rent out the gallery space for special events approximately once a week.

### **Laguna Art Museum**

The Laguna Art Museum is located about 300 feet from the ocean in Laguna Beach, California. The museum incorporates an eclectic mix of historical and contemporary exhibitions with tidbits of “pop culture” shows dealing with subjects such as surfing, cars, and tattooing. The Laguna Beach Art Association opened a one-room gallery in 1918 in a hotel and later moved to a larger, more permanent space in 1929. In 1972, the name changed to the Laguna Beach Museum of Art, and changed its name once again during its most recent major renovation in 1986 to the Laguna Art Museum. The building has approximately 11,000 square feet with exhibition space utilizing 7,000 square feet.

In 2004, the annual attendance was 40,000. The admission prices are \$9.00 for general admission, \$7.00 for students and seniors, and free for children 12 years and under. The membership program has about 1,700 members, with membership annual fees that range from \$25 for student membership to \$500 for a “patron” membership. The museum maintains a permanent staff of 11 full-time and 5 part-time people. In addition to the permanent staff, there are approximately 100 volunteers. The museum’s annual operating budget is about \$1 million.

In addition to the galleries, the museum has a small gift shop. The museum rents its facilities out for special events, which happen approximately once a month.



### **Triton Museum of Art**

The Triton Museum of Art was originally established in San Jose, California in 1965, but moved to its current location in Santa Clara, California in 1967. The current facility went through various expansions with the most recent occurring in 1987. The building is approximately 22,000 square feet, and contains three galleries with an estimated square footage of 6,700.

In 2004, the attendance was 21,000 visitors and admission to the museum is free of charge. The membership program provides a portion of the museum's operating budget with annual dues ranging from \$15 for a student membership to \$1,000 for a benefactor membership. The museum maintains 6 full-time and 11 part-time staff people and has approximately 10 volunteers that support the staff on a fairly regular basis. The museum's annual operating budget is a little over \$1 million.

In addition to the galleries, the museum has a small gift shop. The museum rents its facilities out for special events, which occur approximately one to two times a month.

### **Monterey Museum of Art**

The Monterey Museum of Art was founded in 1968 and is housed in two locations, Pacific Street and La Mirada, which are both located in Monterey, California. The Pacific Street location is approximately 10,000 square feet and contains eight galleries, an education center, and a library. The La Mirada location is also roughly 10,000 square feet and includes four galleries, along with outdoor gardens, and an additional wing that was added in 1993.

In 2004, the museum had an estimated 30,000 visitors. The admission prices are \$5.00 for general admission, \$2.50 for students, and free for children under 12 years old. The museum has a membership program with annual membership fees ranging from \$15 for a student/teacher membership to \$1,000 for the highest membership level. The museum maintains 7 full time staff and 10 part-time staff, which include recurring contractual staff. In addition to the permanent staff, the museum utilizes 93 docents and has over 200 volunteers to help with programs and event hospitality among other responsibilities.

In addition to the galleries, both locations also have a museum store.

### **Museum of History & Art, Ontario**

The Museum of History & Art, located in Ontario, California was established in 1981 in a 33,000 square foot building. The exhibition space comprises approximately 6,000 square feet, while collection space constitutes about 1,500 square feet.

In 2004, the attendance for the museum was 10,000 visitors. There is no entry fee to visit the museum. There is a membership program with approximately 250 members and membership annual dues that range from \$15 for a student membership to \$1,000 for the highest level of membership. The museum staff is comprised of 2 full-time staff, 4 part-time staff, and approximately 60 volunteers.

The annual operating budget for the museum is approximately \$350,000 with the majority of the budget, 95% or about \$330,000, supplied by a city allocation and the remaining 5% coming from earned income through membership fees and donations.

In addition to the gallery space and collection storage space, the museum facilities include a museum store as well as a 75-seat auditorium. The museum does not rent out its space for special events.

### **Santa Cruz Museum of History and Art**

The Museum of Art and History (MAH) is a 501(c)3 organization established in 1996 by a merger between the Art Museum of Santa Cruz County and the History Museum of Santa Cruz County. The museum has 9,000 square feet of exhibit space, which houses primarily temporary exhibits. The mission of MAH is to promote a greater understanding of contemporary art and the history of Santa Cruz County, through its exhibitions, collections, and programs, for the benefit of residents and visitors to Santa Cruz County.

The idea for collaboration between the Santa Cruz Museum of History and the Museum of Art occurred after the 1989 Loma Prieta earthquake. Prior to the earthquake, both organizations were located in Santa Cruz but were looking for new facilities. The Art Museum was thinking of locating in the vacated County jail, and the History Museum was looking for a new home. The earthquake occurred, and local community leaders had the opportunity to think about a broader strategy for rebuilding the city.

The Santa Cruz MAH is funded by membership, private donations, planned gifts, grants, and support from Santa Cruz County, primarily for maintenance of the historic archives, the Evergreen Cemetery, and the Davenport Jail. Therefore, instead of simply renovating a building for one museum, the entire city block was renovated and a new museum structure was developed which housed both organizations separately. This new building opened in 1992.

With the new building, exhibits were located on the second floor and office space was on the third floor. There was one gift shop, which reported to two separate museum directors.



The visitor experience was very confusing, and both organizations had problems with their own members not being able to enter the space of the other organization. This situation lasted three years, at which point, discussions were held and the two organizations merged. The Executive Director of the Art Museum became the Director of the new Museum of Art and History.

The museum currently has an annual attendance of approximately 20,000, of which half are paid admissions and half are schools programs, tours, and special events. The total operational budget is \$1.1 million, of which 50 percent reflects salaries and benefits.

When the new museum facility was developed, an office building was also developed which the museum receives rental income from. This has been an important source of revenue and currently provides approximately one-third of total operating revenue. Another 33 percent is from contributed income, with approximately 30 percent from earned income. The museum building is 23,000 square feet total, including 8,000 square feet of exhibit space and 1,600 square feet of storage space.

### **Napa Valley Museum**

The Napa Valley Museum, located in Yountville in the heart of the Napa Valley, is dedicated to promoting the cultural and environmental heritage of the Napa Valley. While the permanent exhibits are focused on the history of the region and the “art” of winemaking, changing exhibits represent a diverse range of subjects from fine arts to history to natural sciences. The museum was founded in 1973 and moved to its currently facility in 1998. Since then, they have not expanded the facility. Examples of art exhibits include “Northern Views: California Painting in the Plein Art Tradition” and “Arts for the Parks,” an exhibition organized by the National Park Academy of the Arts and focused on depictions of nature in American art. Special events and programs include musical performances, guest curator lectures, and art workshops.

The museum received approximately 20,000 visitors in 2004. The admission price is \$4.50 for adults, \$3.50 for seniors, and \$2.50 for children.

### **Fresno Art Museum**

The Fresno Art Museum was originally a regional arts center, established in 1948. Since then it has grown into a larger museum focused on contemporary and modern art. In the late 1940s, a group of local artists formed the Fresno Art League in order to have a forum for critiquing and exhibiting their artwork. In 1958, the Fresno Art League combined with others interested in building a place to exhibit and study art, and the original building was constructed on City of Fresno property at Radio Park. Originally called the Fresno Art Center and Museum, it changed to the Fresno Art Museum in the late 1980's.



The mission of the Fresno Art Museum is to collect, preserve, and exhibit to the public tangible objects valuable to art and history. Exhibitions include a wide range of contemporary as well as modern works by local, national and international artists. With additional emphasis on Mexican art from pre-Columbian times to the present, and with the planned bequest of significant collections of pre-Columbian ceramics and French post-impressionist graphics, the museum is striving to serve as both an educational facility and a repository for important collections from the Central Valley.

The museum markets itself as the only modern art museum between San Francisco and Los Angeles. Its target audience is the residents of the Central Valley.

The museum's attendance was 27,000 in 2004, which included approximately 10,000 students from the local school district. Pricing is \$4 for adults and \$2 for seniors and children.

### **Riverside Art Museum**

The Riverside Art Museum's mission is to serve the varied communities of the Inland Empire by providing visual art of the finest quality and related educational and interpretive programs. It strives to exhibit art that addresses social issues, diverse themes, and a range of media techniques. The museum was originally founded as the Riverside Art Association in the 1950s. In 1960, the Riverside Art Center purchased a Julia Morgan-designed former YWCA building and moved in. In 1990, the Museum Trustees began a campaign to obtain funds for capital improvements, and the following year, began a three-phase renovation of the building. The City of Riverside contributed a significant portion of the \$1.25 million required for the improvements, which included a state-of-the-art climate control system, increased exhibition space, collection storage, and an office at the back entry of the building. The garden atrium was enclosed with a glass ceiling to provide a weatherproof dining area, and the kitchen area was expanded to accommodate restaurant service needs. An unused bathroom space on the second floor was converted into a library.

The Riverside Art Museum currently has four separate galleries in which it hosts more than 20 exhibitions annually, including traveling exhibits and private organized exhibits. In 2004, there were 50,000 visitors to the museum. Admission prices are \$2 for adults and seniors and free for children.

## ANALYSIS OF KEY RATIOS

In order to better compare the experience of comparable art museums to the Carnegie Art Museum, ERA analyzed key ratios including penetration rates and the ratio of visitors to exhibit square feet.

### Penetration Rate Analysis

ERA conducted an analysis of the market penetration rates of each museum for resident and visitor markets. Market penetration rates indicate what percent of the various markets the institutions are capturing annually. Penetration rates for each museum are shown in **Table V-3**. Key conclusions from this analysis are summarized below:

- The majority of smaller art museums included in ERA's research rely heavily upon the resident market for attendance. Exceptions included museums located in notable tourist areas such as Monterey, Laguna, and the Napa Valley. Excluding these three examples, the percentage of residents ranges from 60 percent to 90 percent.
- Penetration into resident markets varies widely, from as low as .14 percent to 16 percent. The average for all museums is 3.4 percent, and without the two most extreme outliers is 2.6 percent.
- Penetration rates into visitor markets are less varied and are almost all under one percent. The average penetration rate is .43 percent.
- The Carnegie Art Museum currently achieves a slightly lower than average penetration rate into the local community, and a significantly lower than average penetration rate into the visitor community.

### Ratio of Visitors to Exhibit Square Footage

The ratio of visitors to exhibit square footage is another useful measure of how effective a museum is at reaching its available markets. Successful museums typically achieve a ratio of anywhere between 4 and 6, with a national average of 5. ERA examined this ratio in the comparable facilities (where exhibits square footage information was available). As shown in **Table V-2**, the range for the selected museums is from 1.7 to 13.3, with the average of all museums at 4.6, and the average for all museums not including the highest and lowest outliers at 3.7. The current ratio of the Carnegie Art Museum is 4.3. This indicates that for its size, the Carnegie is doing a fairly good job of attracting attendance.

### Conclusions

Given the above market analysis and benchmarking exercise, ERA believes that the Carnegie is performing well for its scale. However, its lower than average penetration

rates, combined with a dearth of competition in the area, indicate that there is notable upside in market potential if the Carnegie chooses to expand. This opportunity is addressed further in the subsequent section.



Table V-3: PENETRATION RATE ANALYSIS FOR SELECTED ARTS MUSEUMS

Attraction	2004 Attendance	Visitor Origin		Market Size		Penetration Rate	
		% Resident	% Visitor	Resident	Visitor	Resident	Visitor
Santa Cruz Museum of History and Art	20,000	85%	15%	3,162,825	3,920,000	0.54%	0.08%
Ventura County Museum of History & Art	25,000	80%	20%	1,634,400	1,200,000	1.22%	0.42%
Bakersfield Museum of Art	28,000	80%	20%	649,569	1,000,000	3.45%	0.56%
Fresno Art Museum	27,000	75%	25%	1,247,174	3,250,000	1.62%	0.21%
Laguna Art Museum	40,000	40%	60%	11,132,805	4,000,000	0.14%	0.60%
Monterey Museum of Art	30,000	40%	60%	976,713	6,180,000	1.23%	0.29%
Oceanside Museum of Art	40,000	60%	40%	4,183,714	1,000,000	0.57%	1.60%
Riverside Art Museum	50,000	80%	20%	8,585,945	6,000,000	0.47%	0.17%
Napa Valley Museum	20,000	40%	60%	3,295,719	2,860,000	0.24%	0.42%
Morris Graves Museum of Art	22,166	90%	10%	123,732	1,300,000	16.12%	0.17%
Museum of History & Art, Ontario	10,000	90%	10%	13,643,388	6,000,000	0.07%	0.02%
Santa Barbara Museum of Art	142,484	60%	40%	716,039	6,970,000	11.94%	0.82%
Triton Museum of Art	21,000	70%	30%	5,815,786	6,520,000	0.25%	0.10%
Coos Art Museum	20,000	60%	40%	127,113	n/a	9.44%	n/a
<b>Average all Comparable Museum</b>						<b>3.38%</b>	<b>0.43%</b>
<b>Average without Highest and Lowest Outliers</b>						<b>2.59%</b>	<b>0.43%</b>
<b>Average without All Outliers</b>						<b>1.90%</b>	<b>0.43%</b>
<b>Carnegie Art Museum</b>	<b>13,400</b>	<b>94%</b>	<b>6%</b>	<b>1,111,000</b>	<b>1,000,000</b>	<b>1.13%</b>	<b>0.08%</b>

Source: Individual Facilities, Visitors Bureau, ESRI, ERA.

Carnegie Art Museum Expansion Feasibility Study  
ERA Project No. 15891Comparable and Competitive Facilities  
Page V-19

---

## SECTION VI: EXPANSION PROGRAM, ATTENDANCE AND FINANCIAL ANALYSIS

---

Based upon our review of existing Carnegie Museum operations, key operating characteristics of comparable museums, and the size and demographics of the available resident and visitors markets, ERA determined the attendance potential for the museum given an unconstrained facility space scenario. We then applied ratios based on industry standards and our examination of comparable museums in order to develop a preliminary expansion program for the Carnegie Art Museum.

### KEY EXPANSION ISSUES

It is ERA's opinion that the Carnegie Art Museum is currently operating highly successfully and efficiently given current facility and floor plan constraints. Key issues that provide background for the proposed expansion are as follows:

- Exhibit space is critical to the ability of a museum to attract visitors, and the relationship between visitors and exhibit square footage is an important ratio. The Carnegie Art Museum is currently effectively reaching a number of visitors that is proportional to its exhibit square footage. It is unlikely that without the addition of exhibit space, attendance could increase very significantly.
- Given its limited program space, the Carnegie Art Museum has developed an impressive array of programs. The Museum has been creative in working around physical constraints to develop programs in existing spaces and off-site. This primarily off-site effort allows the Carnegie to reach a broader community than could be accommodated by the existing facility.
- The penetration of the Carnegie Art Museum into the resident community is slightly under average, which implies that given additional space, there is market support to achieve higher attendance levels.
- The penetration of the Carnegie Art Museum into the visitor market is significantly lower than average, which also implies a higher level of market support given adequate physical facilities. Cultural institutions must often reach a critical mass in size in order to gain the attention of tourists. It is also important to reach a certain size to justify spending operating monies on marketing to attract visitors.
- The Museum is currently very dependent on school groups for on-site attendance. Expanding would allow increased programming and justify increased marketing expenditures to attract a higher number of non-school group resident visitors. Having a higher percentage of non-school group visitors will also allow the Museum to increase their admissions price yield (ratio of average admission fees collected per visitor to full adult admissions price). The current ratio is 54 percent, which could be slightly higher.



- Expansion would enable the Carnegie to have a longer operating season by eliminating the need for complete shutdown during exhibit installations.
- The current operating budget is very close to national averages for museums as well as for smaller size institutions. Typical operating costs per gross square foot range from \$40 to \$60, although there is a significant range and costs can go up to \$100 per square foot or even higher. National averages tend to fall around \$50 per square foot. The current operating budget for the Carnegie Art Museum has grown from \$28 to \$46 per gross square foot during the past five years.
- The current expenditures on marketing and advertising are less than industry standards. A full marketing program is essential to attracting both residents and visitors from out of town.

## EXPANSION PROGRAM

In order to determine how much space should be included in the expansion, ERA used a market-based approach. The goal of our analysis was to determine how much additional exhibit space would be necessary to maximize the attendance potential of the museum, given the size and characteristics of the resident and visitors markets. Our specific methodology is described below.

### Calculation of Potential Attendance

We first identified reasonable market penetration rates for comparable art museums as a guide to determine what attendance could be without physical space constraints. As discussed in Section V, the average market penetration rates into resident markets was approximately 1.9 percent, excluding outliers, and for visitor markets was .43 percent. We used this as basis for our “medium” scenario, and used slightly higher penetration rates for a “high” scenario and slightly lower for the “low” scenario.

We then applied these penetration rates to resident and visitor markets in the year 2011, the first projected stabilized year of operations post-expansion. This estimate assumes the expansion is completed in 2009, which is an approximate timeframe allowing time for fundraising, the design process, and construction. This analysis is shown below in **Table VI-1:**

**Table VI-1: ESTIMATE OF ATTENDANCE IN 2011 GIVEN UNCONSTRAINED FACILITY SIZE**

Market Segment	Market Size (2011)	Penetration Rate			Resulting Attendance		
		Low	Medium	High	Low	Medium	High
Primary & Secondary Market	1,251,727	1.5%	1.9%	2.0%	18,800	23,800	25,000
Tertiary Market	2,622,188	0.05%	0.10%	0.15%	1,300	2,600	3,900
Visitor Market	1,171,659	0.3%	0.4%	0.5%	3,500	4,700	5,900
<b>Total</b>	<b>5,045,575</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>23,600</b>	<b>31,100</b>	<b>34,800</b>

Source: Economics Research Associates.



As indicated, this process results in a 2011 stabilized year attendance of 31,100 in the medium scenario, close to 24,000 in the low scenario, and nearly 35,000 in the high scenario. The medium attendance scenario draws 85 percent of its attendance from residents and 15 percent from the visitor market, which is a more balanced visitor origin profile for the Carnegie Art Museum. If the expansion does not open by 2009, ERA's estimates would still apply but may need to be adjusted based upon population and visitor market size in the first stabilized year.

### Determination of Additional Exhibit Space

Based upon the projected attendance for 2011 and industry standards for ratio of visitors to exhibit space, we calculated the amount of exhibit space needed to achieve this level of attendance.

**Table VI-2: CALCULATION OF ADDITIONAL EXHIBIT SQUARE FOOTAGE REQUIRED**

	Low	Medium	High
Projected Attendance (2011)	23,600	31,400	34,800
Ratio of Visitors to Exhibit SF	4.5	4.5	4.5
Required Total Exhibit SF	5,200	7,000	7,700
Existing Exhibit SF	3,200	3,200	3,200
<b>Net Increase Exhibit SF</b>	<b>2,000</b>	<b>3,800</b>	<b>4,500</b>

Source: Economics Research Associates

As shown, ERA estimates that adding approximately 3,800 square feet of exhibit space (in the medium scenario) would result in attendance levels that maximize attendance given the size of available markets. This would also have a number of benefits including allowing the Carnegie Art Museum to display some of its permanent collection, offer exhibitions year round (can rotate galleries during installation and de-installation periods), and create some additional space that can be used for certain programs (primarily lectures, gallery walks, etc.)

### Estimate of Additional Non-Exhibit Space Required

We calculated the amount of additional non-exhibit square footage required in two ways. First, we used average ratios of exhibit to total facility square footage as a rough guide to determine additional square footage required. Then, in order to confirm this, we used a "bottom up" approach, estimating the amount of additional square footage that would be required for specific uses (i.e. gift shop, office space, event space, etc).

The average ratio of exhibit square footage to total square footage in art museums is typically between 40 and 50 percent (according to various industry and ERA surveys),

depending on a number of factors including the size and type of collection, other storage requirements, on-site food and beverage, etc. The average for the comparable art museums examined is 48 percent for all museums and 43 percent excluding outliers. ERA used a range between 35 percent and 45 percent

**Table VI-3: ESTIMATE OF ADDITIONAL NON-EXHIBIT SF REQUIRED**

	Low	Medium	High
Additional Exhibit SF	3,800	3,800	3,800
Percentage of Exhibit SF to Gross SF	45%	40%	35%
Resulting Gross SF	8,444	9,500	10,900
Additional Non-Exhibit SF Required	4,644	5,700	7,100

Source: Economics Research Associates.

Based upon this calculation, ERA estimates between 4,600 and 7,100 square feet of non-exhibit space should be added as part of the expansion, given reasonable proportions of exhibit to gross square footage. A summary of the existing, additional, and resulting total exhibit and non-exhibit square footage based on these calculations is shown below in **Table VI-4**.

**Table VI-4: SUMMARY OF EXHIBIT AND NON-EXHIBIT ADDITIONAL SPACE**

Type of Space	Existing	Additional	Total
Exhibit	3,200	3,800	7,000
Non-Exhibit	5,700	5,700	11,400
<b>Total</b>	<b>8,900</b>	<b>9,500</b>	<b>18,400</b>

Source: Economics Research Associates.

### Recommended Program

Finally, ERA developed a more detailed expansion program based upon specific facility uses. This program is summarized in **Table VI-5**, and details regarding specific uses are described below:

- Gift shop – The gift shop size was based on typical sizes of gift shops in small to mid-size museums. ERA also corroborated this using expected per capita sales to calculate reasonable sales per square foot.



- Office Space – ERA calculated the amount of office space first by estimating the expected number of employees. This number was estimated by determining the overall budget (using industry standards per gross square foot), applying a typical ratio of personnel costs to total budget, using an average salary to determine the number of employees, and then applying a reasonable ratio of square feet per employee. Based upon this calculation, ERA estimates that there will be an additional 1,000 square feet of office space required.
- Program / Event space – This space is expected to be flexible, so that a variety of program types can be accommodated, from larger receptions to classes, lectures, concerts, and film showings. This space can also be used for facility rentals. ERA estimated that this space should be able to accommodate a seated dinner for 150 to 200 people. It is also expected that some type of meeting room that can be used for committee and Board meetings would be created as part of this space.
- Art Collection & Other Storage – ERA estimated an increase of 900 square feet for storage, which could be larger if necessary and may be included in the “other” category.
- Other / Circulation – This category includes elevators, restrooms, corridors, etc.

**Table VI-5: PRELIMINARY RECOMMENDED PROGRAM FOR EXPANSION OF CARNEGIE ART MUSEUM**

Type of Space	Existing	Amount Added	Total After Expansion
Exhibit	3,200	3,800	7,000
Gift Shop	0	500	500
Catering kitchen/ prep space	0	500	500
Office Space	500	1,000	1,500
Program / Event Space	1,300	2,200	3,500
Storage	1,100	900	2,000
Circulation / Other	2,800	600	3,400
<b>Total</b>	<b>8,900</b>	<b>9,500</b>	<b>18,400</b>

Source: Economics Research Associates.

## PRELIMINARY FINANCIAL ANALYSIS

Based upon the projected attendance and expansion program, ERA prepared a preliminary financial analysis showing existing earned income revenues and operating expenses compared to year 2011, the first stabilized year of operations (see **Table VI-6**).



This is meant to serve as a very preliminary guide to demonstrate the value of expansion. It is not meant to be a detailed business plan.

### Earned Income

Major sources of earned income, and the methodology used to estimate the amount possible in 2011 are described below:

**Table VI-6: PRELIMINARY FINANCIAL ANALYSIS FOR THE CARNEGIE MUSEUM EXPANSION**

	Existing (2004)		Post-Expansion (2011)	
	Amount	% of Budget	2011	% of Budget
Attendance	13,000	n/a	31,100	n/a
<b>EARNED INCOME</b>				
Admission Fees	\$3,168	0.8%	\$84,000	10.1%
School Programs	\$15,113	3.7%	\$30,000	3.6%
Program Income	\$8,612	2.1%	\$40,000	4.8%
Membership	\$3,815	0.9%	\$20,000	2.4%
Net Retail Sales	\$1,214	0.3%	\$27,000	3.3%
Facility Rental Fees	\$0	0.0%	\$25,200	3.0%
<b>Total Earned Income</b>	<b>\$31,922</b>	<b>7.8%</b>	<b>\$226,200</b>	<b>27.3%</b>
<b>OPERATING COSTS</b>				
Personnel Costs	\$216,907	53.0%	\$414,000	50.0%
Supplies & Services	\$48,824	11.9%	\$88,000	10.6%
Marketing / Advertising	\$4,680	1.1%	\$55,000	6.6%
Legal & Professional Services	\$910	0.2%	\$3,000	0.4%
Insurance	\$10,140	2.5%	\$15,000	1.8%
Utilities	\$17,386	4.3%	\$36,800	4.4%
Maintenance	\$7,300	1.8%	\$55,200	6.7%
Telephone	\$4,548	1.1%	\$10,000	1.2%
Miscellaneous	\$4,071	1.0%	\$10,000	1.2%
Facility charge - space rental	\$36,200	8.9%	\$36,000	4.3%
Program Costs	\$55,424	13.6%	\$100,000	12.1%
Meetings, Conferences, Training	\$2,583	0.6%	\$5,000	0.6%
<b>Total Operating Costs</b>	<b>\$408,972</b>	<b>100.0%</b>	<b>\$828,000</b>	<b>100.0%</b>
<b>Contributed Income Required</b>	<b>\$377,050</b>	<b>92.2%</b>	<b>\$601,800</b>	<b>72.7%</b>

Source: Economics Research Associates.

- Admission Fees – Admission fees are typically related to the length of stay, with the price determined by the market value for entertainment. The price of a movie

can usually demonstrate the average value of 1 hour of entertainment, with today's rate at approximately \$5 per hour. It is ERA's opinion that after the expansion, admission prices can be raised to \$4.50 for adults, with discounts offered for seniors, children, and students. Members are still free. ERA also increased the admissions yield, which is the average admission fee per visitor (including all discounts and complimentary admissions) from 54 percent to 60 percent. This is based on a shift in visitor composition that will include a higher percentage of visitors from out of town and non-school groups visitors. School groups will continue to be an important part of the Carnegie Art Museum's programs, but the on-site attendance will be more varied.

- **School Programs** – ERA increased the revenue from school programs to reflect the potential for increased on-site school groups and the ability to draw from a larger regional area.
- **Program Income** – Program income was increased somewhat proportionally to program space, to reflect the increase in number and scale of programs that could occur on-site with adequate space.
- **Membership** – Membership income was projected based upon assuming 500 members at an average price of \$40 each. With new exhibit space and program space, the Carnegie Art Museum should be able to achieve this number of members, which reflects less than two percent of visitation. The \$40 average price reflects a slight increase in member fees. These numbers are consistent with the level of membership and fees for small to mid-size institutions. There may also be the increased potential to reach corporate members with the addition of more exhibit space.
- **Net Retail Sales** – Per capita retail sales can vary widely based upon type of merchandise, with averages for smaller to mid-size museums between \$1 and \$3.50. ERA used an estimate of \$1.75 per capita, with a 50 percent cost of goods sold to calculate net retail sales.
- **Facility Rental Fees** – The added flexible program and event space can now be used for facility rentals to outside organizations, including corporations, private parties, and other non-profit organizations. For purposes of analysis, ERA assumed that the Carnegie could achieve 36 facility rentals averaging approximately \$700 each. This number assumes that catering and any additional security or operational costs are also paid by the entity renting the facility. This estimate could include smaller rentals for meeting space as well.

Based upon these factors, total earned income is estimated to be \$226,000, which represents an earned income ratio of 27 percent. This earned income ratio is within the range of comparable facilities reviewed and national averages.



## Operating Expenses

The operating budget for the Carnegie Art Museum was based largely upon typical operating cost per square foot numbers for smaller to mid-size art museums. Total costs are estimated to be \$45 per gross square foot, which results in a total budget of \$828,000. ERA used somewhat proportional increases in costs for certain categories such as programs and supplies and services, but estimated other costs using specific guidelines, as follows:

- Personnel costs were assumed to be 50 percent of the total budget, based on institutional average ratios.
- The marketing budget was estimated at seven percent of the total budget. Marketing is typically under-funded in many museums, but will be important to attracting visitors from out of town, increasing non-school visitors, and increasing membership.
- Utilities and maintenance costs are estimated based upon a square foot basis, with utilities at \$2 per square foot and maintenance at \$3 per square foot.

It should be noted that ERA used existing expense categories for purposes of comparison and assumes that exhibit related costs are reflected through supplies and service, maintenance, and program costs.

## Required Contributed Income

The remaining amount of contributed income required after the expansion is close to \$602,000. While the operating costs more than doubled, the amount of contributed income only increased by 60 percent due to the increased ability to generate earned income.

Furthermore, contributed income opportunities are also likely to increase with an expanded facility. Donations are largely based upon number of members, which should increase. Corporate sponsorship of exhibits could also increase with a higher number of exhibits offered year-round. With the additional event space, additional fundraisers can be held at the Carnegie Art Museum. Small to mid-size art museums can net as much as \$50,000 or more from annual fundraisers. It should be noted that there are only a few comparable museums that are owned by a municipality. The non-profit organization associated with the Carnegie Art Museum will be very important for maximizing fundraising opportunities.

## SUMMARY OF EXPANSION IMPACTS ON MUSEUM OPERATIONS

It is ERA's opinion that an expansion of the Carnegie Art Museum would have a number of benefits to both museum operations and to the community. The added exhibit and program space would clearly allow the Museum to better reach its mission of interpreting

and displaying regional and national artists and their work, educating the community in the arts, and being a leading cultural institution in the Oxnard area, as well as fulfilling its role of the only cultural institution in Ventura County dedicated solely to the fine arts. The expansion program could play an important role in the current revitalization efforts for downtown Oxnard as well as in tourism attraction strategies.

The Carnegie Art Museum has been operating highly efficiently and creatively to reach the community given current space constraints. The Museum is currently operating within reasonable standards for cultural institutions of its size, which indicates that without an expansion, there is little to gain in operational efficiencies or effectiveness. ERA's research indicates that there is market support to justify an expanded facility.

A summary of the impact of an expansion on key operating factors and ratios, compared to reasonable targets based on industry standards or ERA's review of comparable museums is shown in **Table VI-7:**

**Table VI-7: KEY OPERATING FACTORS AND RATIOS FOR THE CARNEGIE ART MUSEUM BEFORE AND AFTER EXPANSION**

Factor / Ratio	Current (2004)	After Expansion (2011)	Target based on Institutional Standards or Comps
Attendance	13,000	31,100	Varies
Exhibit Sq. Ft.	3,200	7,000	Varies
Gross Sq. Ft.	8,900	18,400	Varies
Visitors per Exhibit Sq. Ft.	4.1	4.4	Between 4 and 6
Resident Market Penetration Rate	1.13%	1.9%	1.7% to 2.2%
Visitor Market Penetration Rate	0.08%	0.4%	.4% to .8%
Total Operating Budget	\$408,972	\$828,000	Varies
Operating Costs per Gross SF	\$45.95	\$45.00	\$40 - \$60
Adult Admission Price	\$3.00	\$4.50	Based on length of stay
Admission Price Yield %	54%	60%	60% to 70%
Gift Shop Sales per Capita	\$0	\$1.75	\$1 to \$3
Earned Income Percentage	8%	27%	20% to 40%

Source: Economics Research Associates.

As shown, assuming that the Carnegie Art Museum continues to operate at its current high level of standards, an expansion is likely to result in higher attendance, a higher penetration rate into resident and visitor markets, and a more self-sufficient institution relative to the percent of revenues derived from earned income.



Finally, the Carnegie Art Museum expansion will provide cultural benefits to Oxnard residents and will create an economic impact on the Oxnard community through enhanced expenditures, extended visitor length of stay, and the attraction of new visitors to the downtown area.

Museum Budgets				
	Museum Name	Operated by & IRS status	Municipal Contributions/Involvement	2022 Budget
C)	Bakersfield Museum of Art	Bakersfield Museum of Art (501(c)(3) nonprofit)	-City of Bakersfield's FY23 proposed budget states the City contributes General Fund dollars to the museum, but no specific amount is listed	FY ending 5/31/22:  <b>Total Revenue:</b> \$1,099,730.00 <b>Total Expense:</b> \$871,905.00 <b>City Subsidy:</b> unknown <b>Net Revenue:</b> \$227,825.00 (profit)
D)	Fresno Art Museum	Fresno Art Museum (501(c)(3) nonprofit)	-City maintains the museum's exteriors but does not contribute financially to the museum	FY ending 6/30/22:  <b>Total Revenue:</b> \$731,704.00 <b>Total Expense:</b> \$956,602.00 <b>City Subsidy:</b> \$0.00 <b>Net Revenue:</b> \$-224,898.00 (loss)
E)	Laguna Art Museum	Laguna Art Museum (501(c)(3) nonprofit)	-City of Laguna Beach contributes funds toward the museum as part of its tourism marketing department efforts	FY ending 6/30/22:  <b>Total Revenue:</b> \$2,876,596.00 <b>Total Expense:</b> \$2,718,298.00 <b>City Subsidy:</b> \$284,900.00 <b>Net Revenue:</b> \$158,298.00 (profit)
F)	Monterey Museum of Art	Monterey Museum of Art (501(c)(3) nonprofit)	-City of Monterey leases the building at no cost to the museum -No other funding contributions from the City are specified in recent adopted budgets	FY ending 6/30/22:  <b>Total Revenue:</b> \$3,167,468.00 <b>Total Expense:</b> \$2,355,547.00 <b>City Subsidy:</b> \$0.00 <b>Net Revenue:</b> \$811,921.00 (profit)
G)	Santa Barbara Museum of Art	Santa Barbara Museum of Art (SBMA) (501(c)(3) nonprofit)	-County of Santa Barbara leases the main building and one wing addition to the museum at no cost -Additional museum buildings are leased from the County via amortized lease	<b>FY ending 6/30/21:</b>  <b>Total Revenue:</b> \$22,074,169.00 <b>Total Expense:</b> \$7,262,804.00 <b>City/County Subsidy:</b> unknown <b>Net Revenue:</b> \$11,811,365.00 (profit)
H)	Oceanside Museum of Art	Oceanside Museum of Art (501(c)(3) nonprofit)	-The museum building is leased from the City of Oceanside -No other funding contributions from the City are specified in recent adopted budgets	FY ending 12/31/22:  <b>Total Revenue:</b> \$1,878,837.00 <b>Total Expense:</b> \$1,788,732.00 <b>City Subsidy:</b> \$0.00 <b>Net Revenue:</b> \$90,105.00 (profit)
I)	Riverside Art Museum & The Cheech Museum	Riverside Art Museum (501(c)(3) nonprofit)	-The Cheech Museum is a public-private partnership between the Riverside Art Museum (nonprofit), City of Riverside (city), and a private donor -City of Riverside provides an annual management feed to the nonprofit to operate the Cheech in addition to the private, non-profit Riverside Art Museum -City of Riverside covers the cost of utilities, landscape maintenance, and certain repairs such as plumbing and roof repair for the Cheech Museum -City of Riverside owns the Cheech Museum building -Of note, the Cheech Center opened in June 2022	FY ending 8/31/22:  <b>Total Revenue:</b> \$3,545,715.00 <b>Total Expense:</b> \$4,765,978.00 <b>City Subsidy:</b> \$825,000.00 <b>Net Revenue:</b> \$-1,220,263.00 (loss)
J)	Napa Valley Museum	Napa Valley Museum (501(c)(3) nonprofit)	-Per the Napa Valley Museum website, the organization is funded in part by the Napa County Board of Supervisors through the Napa County Arts and Cultural Advisory Committee and by the Town of Yountville and the Napa Valley Tourism Improvement District - Yountville -Neither the County of Napa or Town of Yountville specify an exact funding amount dedicated to the museum -Town of Yountville included \$1,197,500.00 in their FY 22-23 budget for the tourism improvement district	FY ending 6/30/22:  <b>Total Revenue:</b> \$728,595.00 <b>Total Expense:</b> \$690,426.00 <b>City Subsidy:</b> unknown <b>Net Revenue:</b> \$38,169.00 (profit)



Museum Budgets				
	Museum Name	Operated by & IRS status	Municipal Contributions/Involvement	2022 Budget
K)	Morris Graves Museum of Art (Eureka, CA)	Humoldt Arts Council (501(c)(3) nonprofit)	<ul style="list-style-type: none"> <li>-The Council became the State Local Partner for the California Arts Council in 1987 and are the community representative for the CA State Summer School for the Arts Program</li> <li>-They receive grant funding from the California Arts Council (\$59,000 for State-Local Partnership and \$57,000 for Arts Education Program in 2022)</li> <li>-City of Eureka does not include any contribution to the Council/Museum in FY 23 budget</li> <li>-Humboldt County does not include any contribution to the Council/Museum in FY 23 budget</li> </ul>	FY ending 6/30/22: <b>Total Revenue:</b> \$294,339.00 <b>Total Expense:</b> \$314,709.00 <b>State Subsidy:</b> \$116,000.00 <b>Net Revenue:</b> \$-20,370.00 (loss)
M)	Triton Museum of Art (Santa Clara)	Triton Museum of Art (501(c)(3) nonprofit)	<ul style="list-style-type: none"> <li>-The museum buildings are owned by the City, but the museum is operated by the nonprofit</li> <li>-FY 21-22 budget included \$35,000 for Triton Museum repair and modifications (not accounted for in "city subsidy" amount)</li> <li>-City of Santa Clara FY 21-22 and FY 22-23 budget includes \$266,000 for the Triton Museum programs (reduced by \$29,600 from FY 20-21)</li> </ul>	FY ending 6/30/22: <b>Total Revenue:</b> \$611,395.00 <b>Total Expense:</b> \$670,559.00 <b>City Subsidy:</b> \$266,000.00 <b>Net Revenue:</b> \$-59,164.00 (loss)
N)	Coos Art Museum (Oregon)	Coos Art Museum (501(c)(3) nonprofit)	<ul style="list-style-type: none"> <li>-City of Coos Bay funding is to be put towards management, maintenance and utilities of the museum (included in the FY 22-23 budget)</li> </ul>	<b>FY ending 12/31/21:</b> <b>Total Revenue:</b> \$351,784.00 <b>Total Expense:</b> \$216,009.00 <b>City Subsidy:</b> \$35,000.00 <b>Net Revenue:</b> \$135,775.00 (profit)

# **Consideration of Concept to Transform the Carnegie Art Museum into the Carnegie Arts Center**

**Community Services, Public Safety, and Housing &  
Development Committee Meeting  
July 25, 2023**



# RECOMMENDATION

That the City Council receive the report on the Carnegie Art Museum and consider the concept to transform the museum into the Carnegie Arts Center.



# What is the best use for the Carnegie building?

Expansion study found that:

- 1) Attendance is primarily school tours; both resident and visitor market penetration is minimal.
- 1) Attendance likely will not increase.
- 1) Operating costs will have risen since 2019 and can be expected to continue to rise annually.



# A Carnegie Arts Center?

- 1) Art classes
- 1) Display space for local artists
- 1) Facility for local events







Thank you for listening!

Please feel free to bring your questions to the July 25th meeting.