

# Economic Benefits Analysis

## St. Petersburg Museum of History



December 2018



Wynne & Associates, LLC  
Planning and Economic Analysis

Revised July 2019

# St. Petersburg Museum of History

## ECONOMIC BENEFITS ANALYSIS

### Executive Summary

SPMOH is applying for financial assistance through Pinellas County’s Tourist Development Council’s Capital Projects Funding Program. The County allocates a percentage of the Tourist Development Tax to capital projects. An Economic Impact Study is required as part of the application process. Specifically, the following must be identified:

Projected incremental increases in the number of Tourist room nights expected to be generated by the Museum expansion after completion and occupancy are 11,612 in year one and 116,120 cumulatively over ten years.

Projected annual incremental increase in the number of Tourist attendees expected to be generated by the Museum expansion project are 76,770 in year one and 767,700 over ten years.

The projected annual increase in bed taxes expected to be generated by the Museum expansion is \$100,324 in year one and \$1,088,340 over ten years.

The projected annual increases in sales taxes expected to be generated by the Museum expansion is \$84,377 in year one and \$915,344 over ten years.

The following table summarizes these incremental increases:

| <b>St. Petersburg Museum of History Expansion</b>                   |           |             |             |             |             |
|---|-----------|-------------|-------------|-------------|-------------|
| <b>Incremental Room Nights, Hotel Tax, and Sales Tax Generation</b> |           |             |             |             |             |
|   |           |             | Cumulative  |             |             |
|   | Year 1    | 10 Years    | 20 Years    | 30 Years    | 40 Years    |
| Museum Attendees  | 76,770    | 767,700     | 1,535,400   | 2,301,000   | 3,068,000   |
| Room Nights   | 11,612    | 116,120     | 232,240     | 348,360     | 464,480     |
| Bed Tax Collections   | \$100,324 | \$1,088,340 | \$2,353,149 | \$3,821,012 | \$5,524,526 |
| Sales Tax Collections   | \$84,377  | \$915,344   | \$1,979,107 | \$3,213,648 | \$4,646,383 |

Room Nights are expressed as an annual average so no growth rate is applied. e.g., some years will be higher than others.

Assumes 1.5% growth rate for bed and sales tax collections.

## Introduction

This economic benefits analysis will explore the value of the St. Petersburg Museum of History (SPMOH) in qualitative and quantitative measures. We will take a brief look at the qualitative importance of museums in the community's educational, cultural, and heritage realm. The economic and fiscal values of the SPMOH will be quantified. Economic benefits will be measured in employment, wages, and value-added benefits attributable to the museum. Fiscal impacts will be measured by the contribution of the museum related to Tourist Development Tax and Sales Tax collections. Fiscal impacts will be expressed in incremental or net new terms. This analysis explores the increases in Room Nights, Bed Tax, and Sales Tax generated by the SPMOH expansion.

## Cultural Importance of the Museum

Cultural and heritage tourism is a fast-growing segment of the Pinellas tourism industry that provides vast cultural benefits to the community in addition to its economic benefits. Pinellas is known world-wide as an arts destination, and St. Petersburg is quickly gaining a reputation as a true "museum city." The qualitative value to a community is invaluable for the education and cultural opportunities provided. SPMOH is focused on sharing the history of Florida with an emphasis on St. Petersburg and Pinellas County. The modernized facility will be better able to accommodate student field trips. Florida history is part of the curriculum for public school students. SPMOH currently hosts hundreds of students each year. With the Main Gallery designed to match Florida state standards for Florida history, it is estimated that 8,500+ students will visit annually. It is anticipated that students from neighboring districts will visit as well. Along with the noteworthy educational opportunities, studies show that these students bring their families back for additional visits. *"You have to know the past to understand the present"* – Carl Sagan.

## Museum Expansion and Modernization Plans

The St. Petersburg Historical Society was established in 1920, with the Museum of History opening in 1922. After much negotiation, the City provided the Historical Society an old aquarium building for the public display of its collections. The Museum stands on that same spot today. The current museum has around 9,000 square feet of exhibit space and houses a working replica of the Benoist XIV Airboat, the plane flown by Tony Jannus on January 1, 1914 in the world's first commercial airline flight from St. Petersburg to Tampa. The proposed expansion and modernization will have two stories and increase the museum exhibit space by 8,000 square feet for a total exhibit space of over 16,000 square feet. The modernized facility will include twelve state-of-the-art permanent exhibit modules, auditorium seating for 200+ and reception facilities that will accommodate several hundred guests. Most importantly, the expansion will allow the museum to host "blockbuster" exhibits like the ones hosted by the former Florida International Museum such as *Treasures of the Czars* and *Titanic*.

## Projected Museum Attendance Post Expansion

Museums and galleries work in aggregate to attract overnight visitors and enhance the visitor experience in the region. The beach is clearly Pinellas County's top draw; however, many visitors are attracted to St. Pete/Clearwater based on the quantity and quality of arts and cultural (e.g., museums and galleries) offerings. The expanded and modernized SPMOH will add to the draw of St. Pete/Clearwater and is a complimentary attraction with the new St. Pete Pier.

The SPMOH will draw visitors from four major categories: regular, traveling exhibitions, education and special events and rentals. The Museum will benefit from its location at the gateway to the approach of the new St. Pete Pier. The Pier is estimated to draw 1.7 million visitors a year. Additionally, the Museum is part of downtown St. Petersburg's vibrant and growing arts and cultural scene. There are five major museums and over a dozen galleries within a 15-minute walk of SPMOH. Quality arts and cultural offerings are a vital component to tourist development. Recent visitor research conducted for Visit St. Petersburg/Clearwater by Destination Analysts reports that a significant percentage of several traveler segments visit museums when in the area.

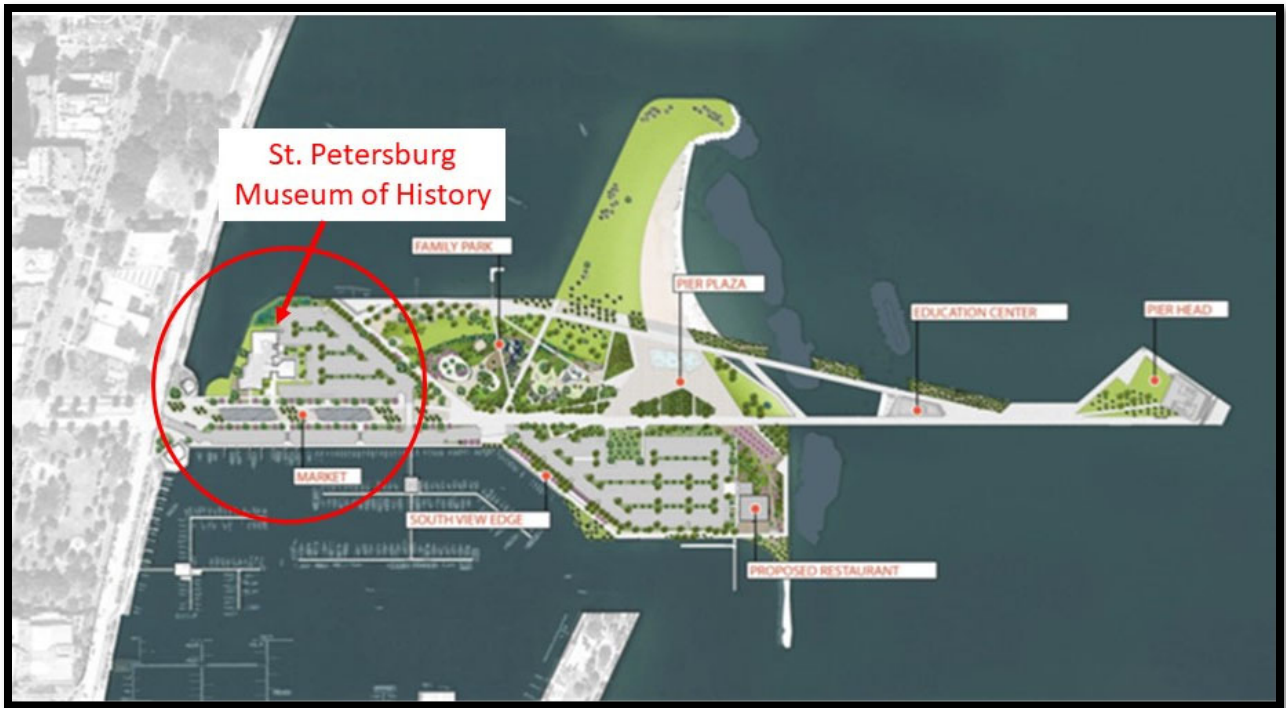
|                         | <b>Q4 2017</b> | <b>Q1 2018</b> | <b>Q2 2018</b> |
|-------------------------|----------------|----------------|----------------|
| Arts & Cultural Visitor | 76.5           | 80.5           | 89             |
| Affluent Visitor        | 30.7           | 22.5           | 27             |
| Millennials             | 29.6           | 16             | 42.7           |
| Generation X            | 18             | 17             | 20             |
| Boomers                 | 95.59          | 92             | 85             |

Source: Destination Analysts' Visitor Profile Studies

The Museum is located at the entrance of the new Pier District and forty-percent (appx 180 spaces) of Pier parking will be in the north lot, adjacent to the Museum. Also, the Pier Marketplace is located just outside the front door. Due to its location, pedestrians and bicyclists traveling the approach will flow past the Museum entrance, and its planned Pinellas Visitors Center. The Museum will be accessible by transit options including Looper Trolley, PTSA bus service and the Pier District tram, which will have a stop just steps from the Museum entrance. Future marine ferry service and historic vessels such as the LYNX will dock adjacent to the Museum.

The combination of an expanded and modernized museum and the draw of the new St. Pete Pier is expected to drive museum attendance significantly. SPMOH already enjoys favorable reviews in the travel community (see Appendix F) and the expansion will only enhance the Museum's stature as a tourist attraction.

The following diagram from the Pier Master Plan depicts the Museum's outstanding location along The St. Pete Pier approach.



#### Projected General Admissions

Projected regular/general attendance is a derivative of estimated visitors to the new St. Pete Pier. Pier visitors are expected to have a 58/42% local/non-local split. SPMOH attendance profiles indicates the museum skews the opposite between 50/50 to 40/60. Of the 1.7 million estimated Pier visitors, 340,000 are expected to attend gated admission shows. It is unknown if these visitors will be interested in other activities during their Pier visit. The remaining 1,376,000 projected Pier visitors provides an estimate of the addressable market. Estimated capture rates for locals and day trippers are 2% and 2.5% for overnight visitors. Stated another way, the Pier visitors will add to SPMOH attendance and vice-versa.

**Projected Standard Admissions Attendees  
Average Annual 2021-2030**

|                        | <b>Local (Pinellas)<br/>Attendee</b> | <b>Day Tripper<br/>Attendee</b> | <b>Overnight<br/>Attendee<br/>Staying in<br/>H/M/C/C</b> | <b>Overnight<br/>Attendee<br/>Staying with<br/>friend/relative</b> | <b>Total</b>  |
|------------------------|--------------------------------------|---------------------------------|--|--|---------------|
| Projected Pier Visitor | 1,376,000                            | 1,376,000                       | 1,376,000  | 1,376,000  |               |
| Split Rate             | 30%                                  | 20%                             | 30%  | 20%  | 100%          |
| Attendee Split         | 412,800                              | 275,200                         | 412,800  | 275,200  |               |
| Capture Rate           | 2.0%                                 | 2.0%                            | 2.5%   | 2.5%   |               |
| <b>Total</b>           | <b>8,256</b>                         | <b>5,504</b>                    | <b>10,320</b>  | <b>6,880</b>   | <b>30,960</b> |

Source: SPMOH

Notes:

Estimated Pier attendance per Pier District Economic Impact report dated 5/17/2017 will be 1.7 million, with 58% Locals and 42% out of town. 340K of the 1.7M are going to special, gated events. Leaving 1,376,000 general Pier visitors. SPMOH has observed a 50/50 split in recent years.

Projected Exhibition Attendees

The Museum’s expansion will allow it to accommodate blockbuster exhibits and larger traveling and rotating exhibits than can currently be presented. Blockbuster exhibits can be a tremendous tourist draw. The Treasures of the Czars exhibition at the for Florida International Museum drew 600,000 visitors in 1995 while *Titanic: The Exhibition* drew well over 830,000. These exhibits are considered by many as a significant contributor to the renaissance of downtown St. Pete. Blockbuster exhibits will significantly boost attendance for SPMOH. For the purposes of this analysis, a very conservative estimate of average annual “Blockbuster” attendance was used; however, upside attendance potential is significant if SPMOH hosts the right exhibit.

**Projected Exhibition Admissions Attendees  
Average Annual 2021-2030**

|                                    | <b>Local (Pinellas)<br/>Attendee</b> | <b>Day Tripper<br/>Attendee</b> | <b>Overnight<br/>Attendee<br/>Staying in<br/>H/M/C/C</b> | <b>Overnight<br/>Attendee<br/>Staying with<br/>friend/relative</b> | <b>Total</b> |
|------------------------------------|--------------------------------------|---------------------------------|--|--|--------------|
| "Blockbuster" & Traveling Exhibits | 8,750                                | 5,250                           | 14,000   | 7,000  | 35,000       |

Notes:

Expansion of SPMOH will accommodate internationally renowned traveling "blockbuster" exhibits like the former Florida International Museum in downtown St. Pete as well as larger and more interesting exhibitions/displays. 35,000 is an annual average. Variability is expected year to year. Visitor splits are anticipated to be 40% Local/Day Tripper and 60% Overnight.

## Special Events and Rentals

The expanded SPMOH will be a highly sought-after venue for corporate and community meetings, wedding receptions and other events. Corporate and community groups are always seeking new and unique venues for meetings and the renovated Museum will provide one of the most unique spots in the County. The downtown waterfront is a spectacular location for destination weddings and the expanded Museum will offer venues for weddings and receptions.

### Special Events/Rentals Attendees

#### Average Annual 2021-2030

|                 | Local (Pinellas)<br>Attendee | Day Tripper<br>Attendee | Overnight<br>Attendee<br>Staying in<br>H/M/C/C | Overnight<br>Attendee<br>Staying with<br>friend/relative | Total         |
|-----------------|------------------------------|-------------------------|--|--|---------------|
| Full Run        | 1,900                        | 1,425                   | 950  | 475  | 4,750         |
| Flight Gallery  | 1,700                        | 1,275                   | 850  | 425  | 4,250         |
| Auditorium      | 600                          | 360                     | 120  | 120  | 1,200         |
| Lunch/Breakfast | 600                          | 360                     | 120  | 120  | 1,200         |
| <b>Total</b>    | <b>4,800</b>                 | <b>3,420</b>            | <b>2,040</b>                                   | <b>1,140</b>   | <b>11,400</b> |

## Projected Education Attendees

Florida History is part of the curriculum Florida public school students. SPMOH currently hosts dozens of students each year. It is estimated that approximately 8,500 students will visit the Museum annually after expansion/modernization. Students attendees do not provide additional spending, but the educational opportunities provided are noteworthy.

### Projected Education (Student) Attendees

#### Average Annual 2021-2030

|          | Local (Pinellas)<br>Attendee | Day Tripper<br>Attendee | Overnight<br>Attendee<br>Staying in<br>H/M/C/C | Overnight<br>Attendee<br>Staying with<br>friend/relative | Total |
|----------|------------------------------|-------------------------|--|--|-------|
| Students | 8,500                        | -                       | -  | -  | 8,500 |

## Summary of Incremental Attendance

The following table aggregates the various attendance categories:

| <b>St. Petersburg Museum of History<br/>Projected Post Expansion Attendance</b> |               |                           |                                 |  |  |              |
|---|---------------|---------------------------|---------------------------------|--|--|--------------|
|   | <b>Total</b>  | <b>Local<br/>Attendee</b> | <b>Day Tripper<br/>Attendee</b> | <b>Overnight<br/>Attendee<br/>Staying in<br/>H/M/C/C</b> | <b>Overnight<br/>Attendee<br/>Staying with<br/>friend/relative</b> | <b>Other</b> |
| General Admissions  | 30,960        | 8,256                     | 5,504                           | 10,320   | 6,880  |              |
| Exhibitions   | 35,052        | 8,750                     | 5,250                           | 14,000   | 7,000  | 52           |
| Special Events  | 11,600        | 4,800                     | 3,420                           | 2,040  | 1,140  | 200          |
| Education/Students  | 8,500         | 8,500                     |                                 |  |  |              |
| Less Existing Attendance  | (9,342)       | (3,737)                   | (934)                           | (3,737)  | (934)  |              |
| <b>Total Incremental Attendance</b>   | <b>76,770</b> | <b>26,569</b>             | <b>13,240</b>                   | <b>22,623</b>  | <b>14,086</b>  | <b>252</b>   |

Detailed attendance data for museums is difficult to collect. As part of its economic impact study conducted for the Museum of the American Arts and Crafts Movement (MAACM) in 2016, Lambert Advisory estimated annual attendance for other area museums utilizing IRS data and observations. Their findings are summarized in general ranges: Dali Museum (380,000 to 420,000); Museum of Fine Arts (50,000 to 70,000); Morean/Chihuly Museum (70,000 to 90,000); and Holocaust Museum (25,000 to 35,000). The report projects 150,000 annual visitors to the MAACM. The SPMOH estimated post expansion average attendance of 76,770 is well within these ranges.



## Economic Impacts

To understand the significance of the proposed expansion plans impact, we have reviewed the economic benefits of the Museum's past (2013-2017) five years and the three interim years (2018 -2020). The closing of the Pier created challenges for the Museum. However; with the addition of traveling exhibits, more aggressive marketing, and increased pedestrian traffic from Beach Drive patrons parking next to the Museum, attendance rose during 2015 and 2016. Due to the erratic nature of the attendance data, we have modeled the five-year average (9,342) for past and interim (existing) impacts.

| <b>St. Petersburg Museum of History</b> |              |              |               |                |                 |              |
|---|--------------|--------------|---------------|----------------|-----------------|--------------|
| <b>2013 - 2017 Attendance</b>           |              |              |               |                |                 |              |
| <b>Attendance</b>                       | <b>Adult</b> | <b>Child</b> | <b>Senior</b> | <b>Student</b> | <b>Military</b> | <b>TOTAL</b> |
| 2013                                    | 1,649        | 327          | 2,047         | 1,157          | -               | 5,180        |
| 2014                                    | 3,016        | 308          | 2,592         | 2,299          | 1,207           | 9,422        |
| 2015                                    | 3,441        | 295          | 2,520         | 2,420          | 860             | 9,536        |
| 2016                                    | 4,797        | 505          | 2,950         | 2,338          | 1,256           | 11,846       |
| 2017                                    | 5,103        | 389          | 2,383         | 1,973          | 879             | 10,727       |
| Average                                 | 3,601        | 365          | 2,498         | 2,037          | 840             | 9,342        |
|   |              |              |               | Local          | 40%             | 3,737        |
|   |              |              |               | Day Tripper    | 10%             | 934          |
|   |              |              |               | H/M/C/C        | 40%             | 3,737        |
|   |              |              |               | VFR            | 10%             | 934          |
|   |              |              |               |                | 100%            | 9,342        |

Source: SPMOH

Note: Prior and Interim attendance visitor mix is different from anticipated post-expansion mix; especially for special exhibits.

### Economic Benefits of Past and Interim (existing) Museum Operations

Utilizing the average attendance with typical local and visitor spending profiles yields the following impacts:

| <b>St. Petersburg Museum of History</b>                    |                   |                     |                    |               |
|--|-------------------|---------------------|--------------------|---------------|
| <b>Prior and Interim (Existing) Annual Economic Impact</b> |                   |                     |                    |               |
| <b>Impact Type</b>   | <b>Employment</b> | <b>Labor Income</b> | <b>Value Added</b> | <b>Output</b> |
| Direct Effect  | 9.9               | \$248,988           | \$315,380          | \$570,387     |
| Indirect Effect  | 1.5               | \$71,771            | \$136,518          | \$233,784     |
| Induced Effect   | 2.1               | \$90,377            | \$167,319          | \$286,044     |
| Total Effect   | 13.6              | \$411,136           | \$619,217          | \$1,090,215   |

### Construction Impacts

The 8,000 square foot expansion and modernization are estimated to cost \$6 million dollars. Hard construction costs will be \$4.2 million; soft costs for engineering and architectural will be \$300 thousand; and fixtures, furnishings and the like will be \$1.5 million. This analysis assumes local contractors and professional services. Furnishings, etc. will be sourced in a 50/50 local/outside split. Total full-time equivalent employment is 61 jobs, \$2.9 million in income and \$4.6 million in value-added. Total output generated by the Construction spending was modeled using IMPLAN software and the results are as follows:

| <b>St. Petersburg Museum of History Expansion</b> |                   |                     |                    |                    |
|---|-------------------|---------------------|--------------------|--------------------|
| <b>Construction Impact Summary</b>                |                   |                     |                    |                    |
| <b>Impact Type</b>                                | <b>Employment</b> | <b>Labor Income</b> | <b>Value Added</b> | <b>Output</b>      |
| Direct Effect                                     | 37.4              | \$1,793,596         | \$2,694,042        | \$5,100,000        |
| Indirect Effect                                   | 9.2               | \$467,109           | \$770,606          | \$1,351,047        |
| Induced Effect                                    | 15.0              | \$635,539           | \$1,176,737        | \$2,011,314        |
| <b>Total Effect</b>                               | <b>61.5</b>       | <b>\$2,896,245</b>  | <b>\$4,641,386</b> | <b>\$8,462,362</b> |

### Economic Impacts of Expanded/Modernized Museum

Operations of the expanded and modernized SPMOH and the related visitor spending is estimated to create more than 108 full-time equivalent (FTE) jobs. Income, Value Added, and Output are expressed in annual terms and accrue every year. The jobs created remain constant. For example, one job paying \$40,000 would earn \$400,000 over ten years but still only be one job.

| <b>St. Petersburg Museum of History</b>      |                   |                     |                    |                    |
|--|-------------------|---------------------|--------------------|--------------------|
| <b>Post Expansion Annual Economic Impact</b> |                   |                     |                    |                    |
| <b>Impact Type</b>                           | <b>Employment</b> | <b>Labor Income</b> | <b>Value Added</b> | <b>Output</b>      |
| Direct Effect                                | 77.2              | \$2,015,197         | \$2,784,360        | \$5,033,230        |
| Indirect Effect                              | 13.6              | \$639,308           | \$1,181,558        | \$2,031,226        |
| Induced Effect                               | 17.6              | \$748,050           | \$1,384,884        | \$2,367,587        |
| <b>Total Effect</b>                          | <b>108.4</b>      | <b>\$3,402,554</b>  | <b>\$5,350,803</b> | <b>\$9,432,044</b> |

## Fiscal Impacts

The primary purpose of this analysis is to project estimated incremental room nights, bed tax receipts, and sales tax collections generated by the expanded and modernized St. Petersburg Museum of History.

### Prior and Interim Attendance, Room Nights and Tax Generation

The existing Museum operations are reasonable for a “local museum” that can capitalize on its location to attract a good mix of out-of-town guests. Attendance data reported here shows there is room for the museum to grow, especially with the addressable market generated by the new Pier and related redevelopment. As no material changes will occur to the Museum during the interim period, interim years (2018 – 2020) are assumed to resemble the prior five years for which full year data is available.

| <b>St. Petersburg Museum of History<br/>Impacts of Existing Operations</b> |         |
|--|---------|
| Average Attendance   | 9,342   |
| Room Nights  | 1,450   |
| Annual Bed Tax Collections   | \$6,349 |
| Sales Tax Collections  | \$8,689 |

### Incremental Room Nights and Tax Generation Generated by SPMOH Expansion

In projecting incremental increases, only one overnight stay and one day of visitor spending was attributed per attendee. Day trippers’ spending was reduced to account for less than three meals and reduced time in market. No spending is attributed to local visitors. Spending detail is provided in the Appendix. The following table summarizes the incremental increase in room nights, bed taxes, and sales taxes generated by expansion and modernization of the St. Petersburg Museum of History.

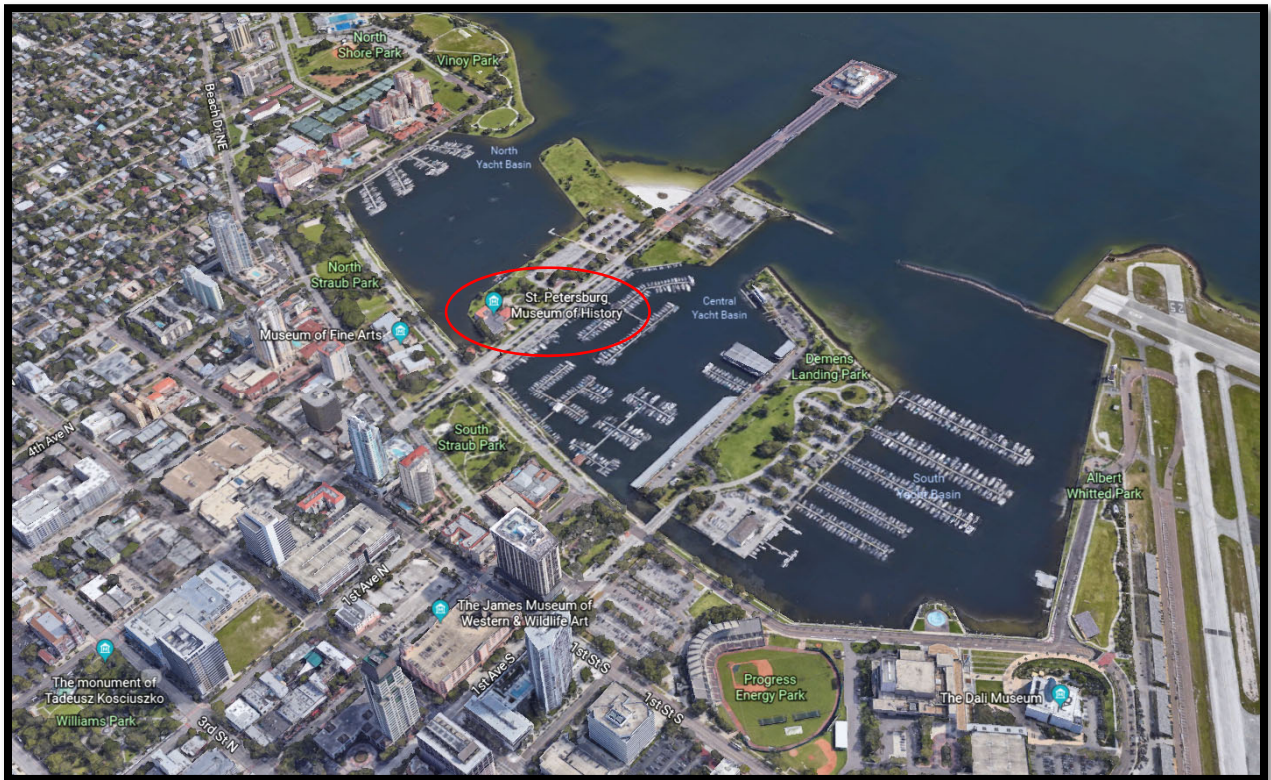
|                       | <b>St. Petersburg Museum of History Expansion<br/>Incremental Room Nights, Hotel Tax, and Sales Tax Generation</b> |             |             |             |             |
|-----------------------|--|-------------|-------------|-------------|-------------|
|                       | Year 1   | 10 Years    | Cumulative  |             |             |
|                       | Year 1   | 10 Years    | 20 Years    | 30 Years    | 40 Years    |
| Museum Attendees      | 76,770   | 767,700     | 1,535,400   | 2,301,000   | 3,068,000   |
| Room Nights           | 11,612   | 116,120     | 232,240     | 348,360     | 464,480     |
| Bed Tax Collections   | \$100,324  | \$1,088,340 | \$2,353,149 | \$3,821,012 | \$5,524,526 |
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Room Nights are expressed as an annual average so no growth rate is applied. e.g., some years will be higher than others.

Assumes 1.5% growth rate for bed and sales tax collections.

## Appendices

- A. Existing Operations Impact Table
- B. Post Expansion Impacts Spreadsheet
- C. Cumulative Impacts Table
- D. About IMPLAN and Glossary of Econometric Terms
- E. Web Pages referencing St. Petersburg Museum of History
- F. Bibliography
- G. About Wynne & Associates, LLC



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## Appendix A: Impacts from Existing Operations Spreadsheet

| <b>St. Petersburg Museum of History</b>             |                  |                           |                                 |  |  |
|---|------------------|---------------------------|---------------------------------|--|--|
| <b>Average Annual Prior and Interim 2013 -2018</b>  |                  |                           |                                 |  |  |
|   | <b>Total</b>     | <b>Local<br/>Attendee</b> | <b>Day Tripper<br/>Attendee</b> | <b>Overnight<br/>Attendee Staying<br/>in H/M/C/C</b> | <b>Overnight<br/>Attendee<br/>Staying with<br/>friend/relative</b> |
| <b>Existing Attendance</b>                          | 9,342            | 3,737                     | 934                             | 3,737  | 934  |
| Avg. Length of Stay                                 |                  | 1                         | 1                               | 5  | 5  |
| Avg. Attendees per Party                            |                  | 2                         | 2.9                             | 2.9  | 2.9  |
| Persons Per Hotel Room                              |                  |                           |                                 | 2  | 2  |
| Percent Utilizing Accommodations                    |                  | 0%                        | 0%                              | 20%  | 10%  |
| <b>Room Nights</b>                                  | 1,450            | 0                         | 0                               | 1,289  | 161  |
| <b>Spending per Attendee per Day</b>                |                  |                           |                                 |  |  |
| Lodging   |                  |                           | \$0.00                          | \$73.00  | \$73.00  |
| Food and Beverage                                   |                  |                           | \$28.00                         | \$44.00  | \$30.29  |
| Retail  |                  |                           | \$19.60                         | \$22.00  | \$13.16  |
| Ent and Sightseeing                                 |                  |                           | \$11.40                         | \$15.00  | \$5.22   |
| Local Transportation                                |                  |                           | \$4.71                          | \$4.50   | \$2.65   |
| Car rental  |                  |                           | \$1.54                          | \$3.00   | \$2.24   |
| Other   |                  |                           | \$2.75                          | \$3.85   | \$6.42   |
| (Total daily spending per person)                   |                  |                           | \$68.00                         | \$165.35   | \$132.98   |
| <b>Annual Direct Spending</b>                       |                  |                           |                                 |  |  |
| Lodging   | \$105,825        |                           | \$0                             | \$94,066   | \$11,758   |
| Food and Beverage                                   | \$218,878        |                           | \$26,158                        | \$164,423  | \$28,298   |
| Retail  | \$112,816        |                           | \$18,311                        | \$82,211   | \$12,294   |
| Ent and Sightseeing                                 | \$71,580         |                           | \$10,650                        | \$56,053   | \$4,877  |
| Local Transportation                                | \$23,692         |                           | \$4,400                         | \$16,816   | \$2,476  |
| Car rental  | \$14,742         |                           | \$1,439                         | \$11,211   | \$2,093  |
| Other   | \$22,954         |                           | \$2,569                         | \$14,387   | \$5,998  |
| <b>Total Annual Direct Spending</b>                 | <b>\$570,487</b> |                           |                                 |  |  |
| Annual Indirect and Induced Spending                | <u>\$298,365</u> |                           |                                 |  |  |
| <b>Total Spending</b>                               | <b>\$868,852</b> |                           |                                 |  |  |
| <b>Bed Tax Collections (6% of Lodging Spending)</b> | <b>\$6,349</b>   |                           |                                 |  |  |
| <b>Sales Tax (1% of Total Spending)</b>             | <b>\$8,689</b>   |                           |                                 |  |  |

All \$2018 Dollars

Sources:

Visit SPC 2016 Research Data Services Annual Visitor Report

Destination Analysts Quarterly Visitor Profile Studies

\$144/night room rate

Indirect/Induced Spending Multiplier derived from IMPLAN

0.523

## Appendix B: Post Expansion Impacts Spreadsheet

| St. Petersburg Museum of History  |             |                                 |                         |  |  |   |   |   |   |
|---|-------------|---------------------------------|-------------------------|--|--|---|---|---|---|
| Post Expansion Operation - Annual Economic Incremental Impacts and Tax Generation |             |                                 |                         |  |  |   |   |   |   |
|   | Total       | Local<br>(Pinellas)<br>Attendee | Day Tripper<br>Attendee | Overnight<br>Attendee<br>Staying in<br>H/M/C/C | Overnight<br>Attendee<br>Staying with<br>friend/relative | Overnight<br>Performer/Act<br>staying in<br>H/M/C/C | Overnight<br>Performer<br>Staying with<br>friend/relative | Overnight<br>Exhibitor<br>staying in<br>H/M/C/C | Overnight<br>Exhibitor<br>Staying with<br>friend/relative |
| <b>Total Incremental Attendance</b>   | 76,770      | 26,569                          | 13,240                  | 22,623   | 14,086   | 120   | 120   | 6   | 6   |
| General Admissions  | 30,960      | 8,256                           | 5,504                   | 10,320   | 6,880  | -   | -   | -   | -   |
| Exhibitions   | 35,052      | 8,750                           | 5,250                   | 14,000   | 7,000  | 20  | 20  | 6   | 6   |
| Special Events (Receptions, Meetings, etc.)                                       | 11,600      | 4,800                           | 3,420                   | 2,040  | 1,140  | 100   | 100   | -   | -   |
| Education/Students  | 8,500       | 8,500                           | -                       | -  | -  | -   | -   | -   | -   |
| Existing Attendance   | (9,342)     | (3,737)                         | (934)                   | (3,737)  | (934)  | -   | -   | -   | -   |
| Avg. Length of Stay (museum related)  |             | 1                               | 1                       | 1  | 1  | 2   | 2   | 30  | 20  |
| Average Party Size  |             | 2.9                             | 2.9                     | 2.9  | 2.9  | 2   | 2   | 1   | 1   |
| Persons per Hotel Room  |             |                                 |                         | 2  | 2  | 2   | 2   | 1   | 1   |
| Percent Utilizing Accommodations  |             | 0%                              | 0%                      | 100%   | 20% <sup>NC</sup>  | 100%  | 20% <sup>NC</sup>   | 100%  | 20% <sup>NC</sup>   |
| <b>Incremental Room Nights</b>  | 11,612      | -                               | -                       | 11,312   | -  | 120   | -   | 180   | -   |
| <b>Spending per Attendee per Day</b>  |             |                                 |                         |  |  |   |   |   |   |
| Lodging   |             |                                 |                         | \$49.66  |  | \$72.00   |   | \$144.00  |   |
| Food and Beverage   |             |                                 | \$28.00                 | \$44.00  | \$30.29  | \$44.00   | \$30.29   | \$44.00   | \$30.29   |
| Retail  |             |                                 | \$19.60                 | \$22.00  | \$13.16  | \$22.00   | \$13.16   | \$22.00   | \$13.16   |
| Ent and Sightseeing   |             |                                 | \$11.40                 | \$15.00  | \$5.22   | \$15.00   | \$5.22  | \$15.00   | \$5.22  |
| Local Transportation  |             |                                 | \$4.71                  | \$4.50   | \$2.65   | \$4.50  | \$2.65  | \$4.50  | \$2.65  |
| Car rental  |             |                                 | \$1.54                  | \$3.00   | \$2.24   | \$3.00  | \$2.24  | \$3.00  | \$2.24  |
| Other   |             |                                 | \$2.75                  | \$3.85   | \$6.42   | \$3.85  | \$6.42  | \$3.85  | \$6.42  |
| (Total daily spending per person)   |             |                                 | \$68.00                 | \$142.01                                       | \$59.98  | \$164.35  | \$59.98   | \$236.35  | \$59.98   |
| <b>Annual Direct Spending</b>   |             |                                 |                         |  |  |   |   |   |   |
| Lodging   | \$1,672,065 |                                 |                         | \$1,628,865                                    |  | \$17,280  |   | \$25,920  |   |
| Food and Beverage   | \$1,802,150 |                                 | \$370,714               | \$995,417                                      | \$426,658  | \$5,280   | \$3,635   | \$264   | \$182   |
| Retail  | \$947,007   |                                 | \$259,500               | \$497,709                                      | \$185,369  | \$2,640   | \$1,579   | \$132   | \$79  |
| Ent and Sightseeing   | \$566,356   |                                 | \$150,933               | \$339,347                                      | \$73,528   | \$1,800   | \$626   | \$90  | \$31  |
| Local Transportation  | \$202,392   |                                 | \$62,359                | \$101,804                                      | \$37,327   | \$540   | \$318   | \$27  | \$16  |
| Car rental  | \$120,471   |                                 | \$20,389                | \$67,869                                       | \$31,552   | \$360   | \$269   | \$18  | \$13  |
| Other   | \$215,233   |                                 | \$36,409                | \$87,099                                       | \$90,431   | \$462   | \$770   | \$23  | \$39  |
| <b>TOTAL Annual Direct Spending</b>   | \$5,525,673 |                                 |                         |  |  |   |   |   |   |
| Annual Indirect and Induced Spending  | \$2,912,030 |                                 |                         |  |  |   |   |   |   |
| Total Spending  | \$8,437,703 |                                 |                         |  |  |   |   |   |   |
| Annual Bed Tax Collections (6%)   | \$100,324   |                                 |                         |  |  |   |   |   |   |
| Annual Sales tax (1%)   | \$84,377    |                                 |                         |  |  |   |   |   |   |

**Notes:**

Visitor spending, average hotel rates, and party size info derived from 2016 Annual Visitor Profile and 2017/18 Interim Destination Analysts' Qtrly Reports \$144/night room rate per CVB Visitor Profiles

Indirect/Induced Spending Multiplier derived from IMPLAN 0.527

<sup>NC</sup> Lodging expenses of 20% of Staying with F/R travel party estimated to utilize lodging accommodations is **not counted** in analysis.

## Appendix C: Room Nights and Tax Collections Over Forty Years

### St. Petersburg Museum of History Expansion

#### Incremental Attendance, Room Nights, Hotel Tax, and Sales Tax Generation

| Year | Attendees | Σ         | Room Nights | Σ       | Bed Tax     | Σ           | Sales tax   | Σ           |
|------|-----------|-----------|-------------|---------|-------------|-------------|-------------|-------------|
| 1    | 76,770    |           | 11,612      |         | \$100,324   |             | \$84,377    |             |
| 2    | 76,770    |           | 11,612      |         | \$103,356   |             | \$86,927    |             |
| 3    | 76,770    |           | 11,612      |         | \$104,907   |             | \$88,231    |             |
| 4    | 76,770    |           | 11,612      |         | \$106,480   |             | \$89,555    |             |
| 5    | 76,770    |           | 11,612      |         | \$108,077   |             | \$90,898    |             |
| 6    | 76,770    |           | 11,612      |         | \$109,698   |             | \$92,261    |             |
| 7    | 76,770    |           | 11,612      |         | \$111,344   |             | \$93,645    |             |
| 8    | 76,770    |           | 11,612      |         | \$113,014   |             | \$95,050    |             |
| 9    | 76,770    |           | 11,612      |         | \$114,709   |             | \$96,476    |             |
| 10   | 76,770    | 767,700   | 11,612      | 116,120 | \$116,430   | \$1,088,340 | \$97,923    | \$915,344   |
| 11   | 76,770    |           | 11,612      |         | \$118,176   |             | \$99,392    |             |
| 12   | 76,770    |           | 11,612      |         | \$119,949   |             | \$100,883   |             |
| 13   | 76,770    |           | 11,612      |         | \$121,748   |             | \$102,396   |             |
| 14   | 76,770    |           | 11,612      |         | \$123,575   |             | \$103,932   |             |
| 15   | 76,770    |           | 11,612      |         | \$125,428   |             | \$105,491   |             |
| 16   | 76,770    |           | 11,612      |         | \$127,310   |             | \$107,073   |             |
| 17   | 76,770    |           | 11,612      |         | \$129,219   |             | \$108,679   |             |
| 18   | 76,770    |           | 11,612      |         | \$131,157   |             | \$110,310   |             |
| 19   | 76,770    |           | 11,612      |         | \$133,125   |             | \$111,964   |             |
| 20   | 76,770    | 1,535,400 | 11,612      | 232,240 | \$135,122   | \$2,353,149 | \$113,644   | \$1,979,107 |
| 21   | 76,770    |           | 11,612      |         | \$137,149   |             | \$115,348   |             |
| 22   | 76,770    |           | 11,612      |         | \$139,206   |             | \$117,079   |             |
| 23   | 76,770    |           | 11,612      |         | \$141,294   |             | \$118,835   |             |
| 24   | 76,770    |           | 11,612      |         | \$143,413   |             | \$120,617   |             |
| 25   | 76,770    |           | 11,612      |         | \$145,564   |             | \$122,426   |             |
| 26   | 76,770    |           | 11,612      |         | \$147,748   |             | \$124,263   |             |
| 27   | 76,770    |           | 11,612      |         | \$149,964   |             | \$126,127   |             |
| 28   | 76,770    |           | 11,612      |         | \$152,214   |             | \$128,019   |             |
| 29   | 76,770    |           | 11,612      |         | \$154,497   |             | \$129,939   |             |
| 30   | 76,770    | 2,301,000 | 11,612      | 348,360 | \$156,814   | \$3,821,012 | \$131,888   | \$3,213,648 |
| 31   | 76,770    |           | 11,612      |         | \$159,166   |             | \$133,866   |             |
| 32   | 76,770    |           | 11,612      |         | \$161,554   |             | \$135,874   |             |
| 33   | 76,770    |           | 11,612      |         | \$163,977   |             | \$137,913   |             |
| 34   | 76,770    |           | 11,612      |         | \$166,437   |             | \$139,981   |             |
| 35   | 76,770    |           | 11,612      |         | \$168,934   |             | \$142,081   |             |
| 36   | 76,770    |           | 11,612      |         | \$171,468   |             | \$144,212   |             |
| 37   | 76,770    |           | 11,612      |         | \$174,040   |             | \$146,375   |             |
| 38   | 76,770    |           | 11,612      |         | \$176,650   |             | \$148,571   |             |
| 39   | 76,770    |           | 11,612      |         | \$179,300   |             | \$150,800   |             |
| 40   | 76,770    | 3,068,000 | 11,612      | 464,480 | \$181,989   | \$5,524,526 | \$153,061   | \$4,646,383 |
|      |           |           | 464,462     |         | \$5,524,526 |             | \$4,646,383 |             |

**Note:**

Room Nights are expressed as an annual average so no growth rate is applied. e.g., some years will be higher than others.

Assumes 1.5% growth rate for bed and sales tax collections.

## Appendix D: About IMPLAN and Glossary of Econometric Terms

### IMPLAN

IMPLAN (Impact Modeling for PLANning) is an input-output econometric model. Input-output analysis (“I/O”) is a form of economic analysis based on the interdependencies between economic sectors.

I/O is commonly used to estimate the impacts of “shocks” to an economy and to analyze their resulting ripple effects. The I/O model relies on regional economic base data and an analyst’s collected information on a specific economic change (the “shock”). Input-output accounting tracks commodity flows from producers to intermediate and final consumers. The total industry purchases of commodities, services, employment compensation, value added, and imports are equal to the value of the commodities produced. Industries producing goods and services for final use and purchases for final use (final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services continues until leakages from the region stop the cycle. The resulting sets of multipliers describe the change of output for every regional (Pinellas County) industry caused by a \$1.00 USD change in final demand for any given industry.

### Econometric Terms

Direct Effects - The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes. In this analysis, the visitor spending was input into the following categories to yield the direct effects.

Indirect Effects - The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.

Induced Effects = The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.

Jobs - A job in IMPLAN = the annual average of monthly jobs in that industry (this is the same definition used by QCEW, BLS, and BEA nationally). Thus, 1 job lasting 12 months = 2 jobs lasting 6 months each = 3 jobs lasting 4 months each. A job can be either full-time or part-time.



Labor Income - All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income.

Value Added - The difference between an industry's or an establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). Value added consists of compensation of employees, taxes on production and imports less subsidies (formerly indirect business taxes and nontax payments), and gross operating surplus (formerly other value added). (BEA) Gross value added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account. (SNA)

Output - Output represents the value of industry production. In IMPLAN these are annual production estimates for the year of the data set and are in producer prices. For manufacturers this would be sales plus/minus change in inventory. For service sectors production = sales. For Retail and wholesale trade, output = gross margin and not gross sales.

Bed Tax Collections – Calculated as 6% of Lodging Spending

Sales Tax Collections – Calculated as 1% of Visitor Spending. This represents the 1% Penny for Pinellas community sales tax and does not include Pinellas' share of intergovernmental transfers of the 6% Florida sales tax.

## Appendix E: Web Pages referencing St. Petersburg Museum of History

Lonely Planet ... "As city history museums go, St Pete's is intriguingly oddball: a real 3000-year-old mummy, a two-headed calf and a life-size replica of a Benoist plane, plus exhibits on the bay's ecology and the Tampa Bay Rays, and the world's largest collection of autographed baseballs."  
<https://www.lonelyplanet.com/usa/st-petersburg/attractions/st-petersburg-museum-of-history/a/point-of-interest/488646/361926> (LonelyPlanet is a large travel guide book publisher operating for more than 45 years with more than 10 million social media followers)

Historic bra featured on Travel Channel show "Mysteries at the Museum"  
<https://www.travelchannel.com/shows/mysteries-at-the-museum/episodes/brassiere-brigade-flight-for-life-connecticut-haunting>  
Also in the news. <https://www.tampabay.com/features/media/historic-bra-at-st-petersburg-museum-to-be-featured-on-travel-channel-show/2196857>

Roadside America noted its collection of autographed baseballs  
"The museum features other items of interest -- we appreciated the Egyptian mummy, the [Criminal Brassiere](#), and a [freak two-headed calf](#). It's the autograph collection, though, that slyly lures in baseball fans, then throws a curveball to deliver 140 years of world history and culture."  
<https://www.roadsideamerica.com/story/4177>

That site also has an entry on the museum's two-headed calf  
<https://www.roadsideamerica.com/story/46731>  
And an entry on the famous case of the Criminal Brassiere  
<https://www.roadsideamerica.com/story/45467>

"Lending credence that often, good things come in small packages, the St. Petersburg Museum of History is a veritable time capsule of local lore tucked into a scenic downtown venue."  
<https://www.10best.com/destinations/florida/st.-petersburg/attractions/museums/>

"This museum has such an odd assortment of exhibits that it's sure to earn a place on your favorites list. They've got a two-headed calf, a full-size replica of a Benoist plane, a 3000-year-old mummy, information on bay ecology, and of course, a Tampa Bay Rays baseball exhibit. Conveniently located next to The Pier, they've got an awesome view of the marina and downtown St. Petersburg." <https://www.thecrazytourist.com/15-best-things-st-petersburg-fl>

"If you're a big fan of baseball, Schrader's Little Cooperstown exhibit in the St. Petersburg Museum of History is a must see." <https://www.movoto.com/blog/opinions/crazy-things-in-florida/>

"This turns out to be a jewel – quite literally since the special exhibit on view is Shipwreck, a fascinating insight into shipwrecks and the modern technology used to discover them and their treasure." <https://theislandnow.com/opinions-100/36-hours-in-st-pete-florida/>

"One of the oldest historical museums in the state, with family-friendly displays and exhibits depicting St. Petersburg's past. It was remodeled and enlarged in 2005, with a local history exhibit that contains a Native American dugout canoe, an exact replica of the world's first scheduled commercial airliner (it flew out of St. Petersburg), and lots of other interesting exhibits." <https://moon.com/2018/01/things-to-see-in-st-petersburg-florida/>

## Appendix F: Bibliography

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## Appendix G: About Wynne & Associates, LLC

Wynne & Associates conducted the economic benefits analysis for the St. Petersburg Museum of History as required by the TDC Capital Funding Application. Wynne & Associates is the consultancy practice of Wm. Avera Wynne providing planning and economic analysis services. Below are some experience highlights related to this analysis. A more detailed professional vitae may be viewed at [www.wynne-llc.com](http://www.wynne-llc.com)

### Related Education

Master of Regional Planning, University of North Carolina, Chapel Hill, NC, 1986

Master's concentration was economic development. Received training in conducting economic and fiscal analyses.

Bachelor of Science in Planning, East Carolina University, Greenville, NC, 1984

### Related Experience

- Twenty years' experience in conducting economic impact studies. Experienced user of Regional Economic Model Inc.'s Policy Insight, IMPLAN, and RIMS II econometric modeling systems.
- Member of Governor Bush's True Cost Accounting Task Force that explored fiscal impacts of growth management in Florida
- Led statewide rollout of Fiscal Impact Analysis Model (FIAM) that was developed by Fishkind and Associates following Bush's Task Force
- Project Manager for the evolution of FIAM to a model designed more specifically to analyze comprehensive plans rather than specific developments. This model was called Comprehensive Fiscal Analysis Planning Tool (CFAPT). Model was used to a community's capital improvements programs relationship to the comprehensive plan.
- Project Manager on the following selected related studies with tourism components. Some are available on [wynne-llc.com](http://wynne-llc.com):

Florida Strawberry Festival (2015)

Economic Valuation of Tampa Bay (2014)

Retirees vs. Workers in Tourism, Florida TaxWatch (2014)

Energy Resiliency Strategy (2013)

Spring Training impact study (1999)

Treasure Island Redevelopment Scenarios (participant) (2015)