Economic Assessment of New Hampshire's First State House

FINAL REPORT

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Section I

INTRODUCTION AND ASSUMPTIONS

The New Hampshire Division of Historical Resources (NHDHR) retained ConsultEcon to perform a an assessment of the economic viability and community benefits of various interpretation/reuse options for New Hampshire's First State House. According to the original RFP:

> "The study is one of several studies being conducted as part of an Economic Development Initiative (EDI) grant from the Department of Housing and Urban Development (HUD) received by the NHDHR for the New Hampshire Old State House (OSH).
>
> "When this grant was received in 2007 the project included, though was not limited to, studying the possibility of reconstructing the Old State House for use as a visitors' center for the Seacoast region, the area in which it was originally built in 1758. Since that time, however, the Discover Portsmouth Center was established and generally fulfills that purpose. The project's economic impact study, therefore, was broadened regionally to support a much broader evaluation of potential uses for the structure. Providing a clear economic context for various options, the economic impact assessment will be used in conjunction with assessments prepared by an architectural conservator, historical architect, and interpretive planner as the NHDHR explores various possibilities for reuse of the OSH structural elements. Its results will help determine the viability of interpretive and reuse models recommended for the resource."

With this study, the New Hampshire Division of Historical Resources seeks to achieve two different but related goals. The first goal is to provide a realistic evaluation of the economic viability of alternative Interpretation Scenarios that are currently being considered, as documented in the Cherry Valley Group's (CVG) *Interpretation Assessment of New Hampshire's First State House*. This economic assessment report, therefore, is a companion to that report and it assumes that the reader is familiar with it, the project's overall background and other consultant reports from the conservator and from the architect.

The second goal is to provide a qualitative assessment of how the state as a whole can increase positive economic impacts of historic preservation and heritage tourism-related activities, using the Interpretation Assessment of the First State House as a case study example. The various Interpretation Scenarios proposed will have different economic impacts and community benefits, all related to the unique historical resource that is the First State House architectural fragments. Evaluations of economic impacts and community benefits are often used to support policy making

at Federal, State and Local levels, including in New Hampshire. The Advisory Council on Historic Preservation, an independent Federal agency, lists over 20 states that have completed economic impact and community benefit studies of historic preservation over the past few decades. To date, however, there has been no comprehensive study of historic preservation and heritage tourism in New Hampshire. Because of the study focus on evaluating alternative reuse scenarios for the First State House architectural fragments, it is not comprehensive in nature. Yet, various economic impact studies have been completed and are currently underway in tourism and the arts, among others, that offer context for understanding the potential economic impacts and community benefits of alternative Interpretation Scenarios.

This report is structured as follows:

- Interpretation Scenarios Overview
- Market Context
- Regional Attractions and Comparable Projects
- Evaluation of Economic Viability and Recommendations

ASSUMPTIONS

In preparing this report, the following assumptions were made. This study is qualified in its entirety by these assumptions.

1. Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. This study is based on estimates, assumptions and other information developed by ConsultEcon, Inc. from its independent research efforts, general knowledge of the industry, and consultations with the client. No responsibility is assumed for inaccuracies in reporting by the client, its agents and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this study will actually be achieved. There will usually be differences between forecasted or projected results and actual results because events and circumstances usually do not occur as expected. Other factors not considered in the study may influence actual results.
2. Outputs of computer models used in this report may be rounded. These outputs may therefore slightly affect totals and summaries.
3. This report was prepared during the period November 2011 through the date of this report. It represents data available at that time.

Section II
INTERPRETATION SCENARIOS OVERVIEW

This section provides a description of the five Interpretation Scenarios that have been proposed for New Hampshire's First State House and that are the foundation for the economic assessment. These descriptions isolate key factors that are central to the project's economic viability as a summary baseline for evaluation.

INTERPRETATION SCENARIOS

There are five Alternative Interpretation Scenarios proposed for the First State House in the Cherry Valley Group (CVG) report. They include:

1. New Hampshire First State House **Historic Site Museum**
2. New Hampshire First State House **Partial Reconstruction**
3. New Hampshire First State House **Exhibit**
4. **Virtual** First State House **Museum**
5. First State House History Center for Civic Engagement

Following are brief descriptions of each of the scenarios. More detailed descriptions of each alternative are presented in the CVG report, which is a companion to this report.

Scenario #1: New Hampshire First State House Historic Site Museum

In this scenario, the architectural fragments of the First State House are incorporated into a full reconstruction of the First State House, as it may have appeared in 1769. This reconstructed First State House would then be operated as a history museum. It would contain all public and non-public spaces required to operate the museum and feature public attraction elements, such as historical exhibits and period room settings, which include the legislative chamber, a key draw for visitors and a signature element. The total space within the three-story reconstructed building is estimated at 7,200 square feet.

Scenario #2: New Hampshire First State House Partial Reconstruction

This scenario employs the same interpretation method as Scenario #1, but is only a partial reconstruction based on the portion of the State House, for which there are fragmentary remains. As in the first scenario, the partially reconstructed building would be operated as a history museum, though on a smaller scale, and feature historical exhibits and period room settings. The total space within the three-story partially reconstructed building is estimated between 2,400 and 2,700 square feet, depending on how the architectural fragments are reconstructed.

Scenario #3: New Hampshire First State House Exhibit

The architectural fragments of the First State House would be reassembled as an exposed frame, with appropriate structural reinforcement, within an existing exhibition space as the basis of an interpretive exhibit. Visitors would be able to "enter" the framed building, as a part of an overall exhibit about the "life story" of the First State House static that would incorporate interpretive paneling and multi-media experiences. Exterior and interior spaces would be virtually recreated, as a part of the interpretive storyline, which would encompass colonial and revolutionary period, boarding house period, and architectural and historic preservation history. The footprint of the exhibit is assumed to be 1,300 square feet, and reach a height of up to 2 or 2.5 stories, which would be subject to size of available exhibition spaces.

Scenario #4: New Hampshire Virtual First State House Museum

In this scenario, a virtual museum would be created to present the interpretive themes and storylines the First State House represents. Unlike the first three scenarios, the architectural fragments are not employed as objects within a physical building or exhibit, but used as the basis for an online exhibit. However, the fragments would be preserved as a part of a resource collection for use by university level studies in history, American Studies, architectural history, and historic preservation, among other possible disciplines. Therefore, a limited array of scholars and researchers would actually have access to the physical object. The primary public outreach would be through the Internet.

Scenario #5: First State House History Center for Civic Engagement

As in Scenario #4, the First State House interpretive themes and storylines would be presented in the context of a First State House History Center for Civic Engagement. In addition to online

outreach that would include online exhibitions and collections related to the First State House, the Center would maintain a library and archive to include a physical and digital collection of historical and contemporary materials, which would be used to create and disseminate two traveling exhibits, based on the first State House. The large traveling exhibit would be based on industry standards, of at least 3,000 square feet, and exhibited in major museums and other public-oriented exhibition spaces throughout the state. A second, smaller traveling exhibit would be comprised of several panels and easily reproducible would be made for smaller locations, such as a public library, a town hall or in schools. Curricular materials based on statewide educations standards would be created to disseminate online and in conjunction with the traveling exhibits.

Summary of Selected Characteristics

Key characteristics of each of the Interpretation Scenarios inform the evaluation of their economic viability. Data in **Table II-1** reproduce selected characteristics from the CVG report, as a basis for this analysis. Data in **Table II-2** reproduce the capital development costs and start-up interpretation costs estimated for each scenario.

Table II-1
Selected Characteristics of Interpretation Scenarios

	Scenario #1	Scenario #2	Scenario #3	Scenario #4	Scenario #5
Name	New Hampshire First State House Historic Site Museum	New Hampshire First State House Partial Reconstruction	New Hampshire First State House Exhibit	Virtual First State House Museum	First State House History Center for Civic Engagement
Interpretation Method	Historic Site Museum with period and non-period interpretation settings	Historic Site Museum with period and non-period interpretation settings	Museum Exhibit	Virtual Museum Training laboratory	Education Outreach Advocacy Organization Library and Archive
Venue Location	Portsmouth	Portsmouth area	Southeastern New Hampshire	Greater Portsmouth region (Portsmouth / Durham / Exeter) Plymouth	Concord Manchester
Target Audiences	State-wide Resident Audience K-12 Educational Audience Travel Audience	State-wide Resident Audience K-12 Educational Audience Travel Audience	State-wide Resident Audience K-12 Educational Audience Travel Audience	State-wide Resident Audience Post-secondary students of architecture, architectural history, and American History Educational Community (teachers/professors) Life-long learners	State-wide Resident Audience The legal community (law students, professors, lawyers, elected officials) Middle School/High School Students Life-long learners
Capital Development and Start-Up Interpretation Costs	$2.59 million	$1.54 million	$680,000	$380,000	$510,000
Staffing	8.0 FTE	3.5 FTE	0.5 FTE	4.0 FTE	4.0 FTE

Source: Cherry Valley Group.

Capital and Start-Up Costs

Data in **Table II-2** present detailed costs estimates produced by CVG. The range of costs identified in this analysis is $380,000 to $2.5 million in current dollars. These cost estimates are within industry standard range for the types of interpretation and programs considered. However, due to the conceptual nature of the interpretation scenarios and the fact that a project sponsor or operator has yet to be identified, the capital cost estimates are preliminary in nature and subject to significant variation as project planning advances, community and financial support are established, and project sponsors and operators are identified. In addition, future inflation rates will impact estimated project costs, depending on how long the project takes to be established. In order to account for the early stage estimates for project development, a low-range and high-range capital and start-up costs are included in the data in Table II-2.

Table II-2
Capital Development and Start-Up Interpretation Costs of Interpretation Scenarios

	Scenario #1	Scenario #2	Scenario #3	Scenario #4	Scenario #5
Capital Development Cost Estimates					
Basic construction	$1,433,000	$722,000	$0	$0	$0
Architectural & Profession Services	373,000	230,800	64,800	0	0
Conservation & reassembly of historic fabric	432,000	432,000	432,000	0	0
Specialty historic interior trim and finishes	86,700	28,900	0	0	0
Modern loose furnishings & equipment	10,300	6,900	2,100	0	0
Hardware, software, network set-up, database design	0	0	0	18,000	18,000
Modern loose furnishings & equipment	0	0	0	2,100	42,000
Storage space and lab set-up	0	0	0	30,000	0
Subtotal Capital Development Cost Estimate	**$2,335,000**	**$1,420,600**	**$498,900**	**$50,100**	**$60,000**
Interpretation Start-Up Cost Estimates					
Reproduction 18th c. furnishings	$49,000	$16,300	$0	$0	$0
Exhibit design and construction	151,500	63,100	149,500	0	0
Interpretation program planning and training	50,000	42,000	31,000	44,500	55,000
Consulting Architect (conjectural interior modeling)	0	0	0	25,000	25,000
Online exhibit design and construction	0	0	0	261,500	171,500
Travelling exhibits design and construction	0	0	0	0	238,000
Subtotal Interpretation Start-Up Cost Estimate	**$250,500**	**$121,400**	**$180,500**	**$331,000**	**$489,500**
Total Capital and Start-Up Costs	**$2,585,500**	**$1,542,000**	**$679,400**	**$381,100**	**$549,500**
Rounded	**$2,590,000**	**$1,540,000**	**$680,000**	**$380,000**	**$550,000**
Estimated Range of Costs					
Low-Range (rounded)	$2,070,000	$1,230,000	$540,000	$300,000	$440,000
High-Range (rounded)	$3,100,000	$1,850,000	$820,000	$460,000	$660,000

Source: Cherry Valley Group.

SUMMARY OF INTERPRETATION SCENARIOS

Five interpretation scenarios were established in the CVG report that is the basis for the economic assessment in this companion analysis. The interpretation scenarios fall on a spectrum: from a full reconstruction of the First State House that incorporates the architectural fragments as an historic site museum to a permanent exhibit that presents a reassembled First State House as “object theater” to a virtual museum and traveling exhibitions based on the First State House.

Section III
MARKET CONTEXT

The following section evaluates the market context for New Hampshire's First State House, including overviews of resident and tourist markets. First, an understanding of the location of the scenarios is established because locations can be an important determinant of market segments available to a public attraction. Subsequently, resident and tourist markets for potential locations in Portsmouth and Concord and statewide are evaluated.

LOCATION CONTEXT AND MARKET DEFINITION

All interpretation scenarios include a public outreach component. However, some are tied to a specific place and others accessible to the public on the Internet only. In general, the market context for a public attraction is largely based on its location. Online audiences for both physical locations and internet only locations are assumed to be primarily New Hampshire residents and secondarily a global audience and key low-cost marketing tool that the establishment of a website allows. Data in **Table III-1** show the location characteristics of each Interpretation Scenario.

Table III-1
Location Characteristics of Interpretation Scenarios

Scenario	Public Location	Public Physical Presence	Internet Presence
New Hampshire First State House Historic Site **Museum**	Portsmouth / Seacoast	Yes – open to general public as a new attraction	Yes – supportive of physical presence
New Hampshire First State House **Partial Reconstruction**	Portsmouth / Seacoast	Yes – open to general public as a new attraction or as part of existing attraction	Yes – supportive of physical presence
New Hampshire First State House **Exhibit**	Statewide, potentially in large space, like Manchester Airport	Yes – open to general public as part of existing attraction	Yes – supportive of physical presence
Virtual First State House **Museum**	None	No –only open to limited research audience	Yes – primary means of public outreach
First State House History Center for Civic Engagement**s**	Concord or Manchester / Merrimack Valley	Yes – traveling exhibit for public outreach	Yes– primary means of public outreach

Source: Cherry Valley Group and ConsultEcon, Inc.

Some of the interpretive scenarios require a physical location, either permanently or temporarily. Permanent locations would be either as a new attraction (Scenarios #1 and #2) or as part of an existing attraction (Scenarios #2 and #3). Temporary traveling locations, as proposed for Scenario #5, can include museums, schools, libraries or other public exhibition spaces, indoors or outdoors, throughout the state. Two of the interpretive scenarios, Scenarios #4 and #5, are primarily online in their public outreach method, where the public experience occurs on the Internet rather than in a specific location. Since the First State House is not currently associated with an institution that has a mission encompassing historic interpretation and heritage exhibitions, the ultimate location is somewhat speculative. However, the exercise is useful to evaluate potential implications of alternative sites from a market perspective to provide a framework for future planning and development.

Resident and Tourist Market Segmentation

Visitors to place-based heritage attractions are comprised of resident and tourist markets. The resident market for a heritage attraction is most often defined as the area whose residents would visit the attraction as part of a day-trip. Visiting the attraction would be a primary purpose or an important part of the day-trip. Resident markets for attractions are analyzed within a "gravity model" context; that is, the closer residents live to the attraction, the more likely they are to visit. On its periphery, the resident market changes over to the visitor (or tourist) market. In the tourism industry, a standard definition for a tourist is someone that stays overnight in a geographic area, or travels more than 50 miles one way on a day trip. However, the attendance patterns of many visitor attractions tend to defy this pattern, and are based on other factors as well. Depending on an individual attraction's market circumstances, resident markets can be as be as narrow as 25 miles or extend up to 100 miles. The definition can take into account such factors as physical barriers (bodies of water, mountains, etc.), traffic networks, local orientation, travel patterns, and regional competition, among others. Most people in resident market areas would expect to have relatively short travel times, extending up to one or two hours at most. These travel times are thought of as door-to-door travel times.

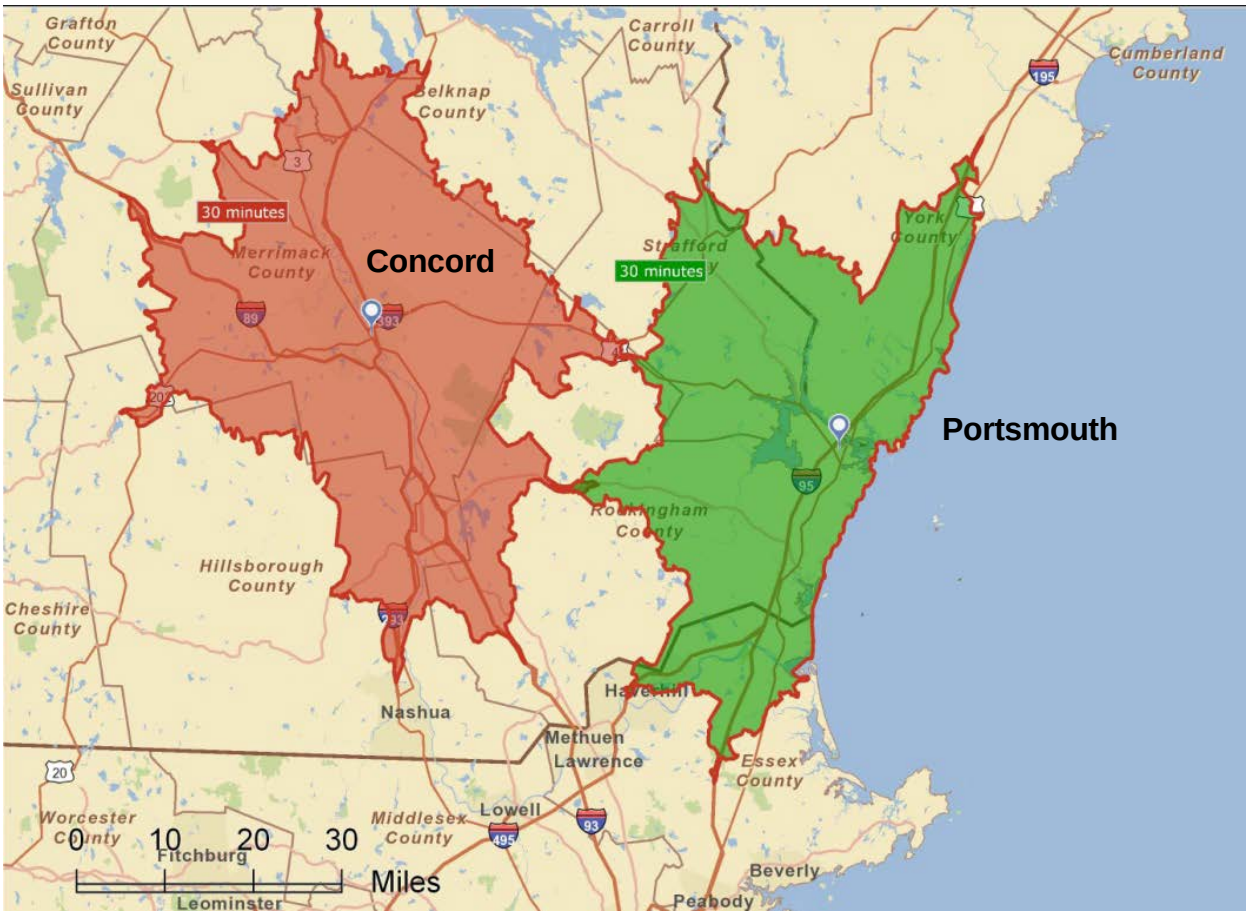
In addition to the market characteristics, the resident market reach for an attraction is dependent upon the scale of the attraction and the appeal of the type of attraction in the marketplace. Larger attractions tend to draw higher attendance. Across the entire spectrum of museums, zoos and

aquariums and science museum tend to draw higher attendance than art and history museums. There are always exceptions to any industry generalization. Regardless, there are associations between attraction size and scale and level of attendance and type of attraction and level of attendance. From an economic perspective, then, the visitation levels at each of the Interpretation Scenarios that is bounded, especially without a definitive location for evaluation, by an understanding of the market and operating experience of similar heritage attractions in New Hampshire.

RESIDENT MARKET OVERVIEW

The following section compares the resident market context of two potential locations for one of the interpretation scenarios for New Hampshire's First State House: Portsmouth and Concord. In addition, the statewide resident market is evaluated for comparative purposes for place-based scenarios and for scenarios that include online and traveling exhibits. For the purposes of this analysis, resident markets are defined as a 30-minute drive time from each city. **Figure III-1** shows the areas contained in 30-minute a drive time from Portsmouth and Concord.

Figure III-1
Map of 30-Minute Drive Time Areas for Portsmouth and Concord



Source: ESRI and ConsultEcon, Inc.

Population

Data in **Table III-2** show the estimated population levels and projected growth for the Portsmouth and Concord 30-minute drive-time areas over the period 2010 to 2016, as compared to the State of New Hampshire and the United States as a whole. The 2011 estimated population in the Portsmouth area was approximately 346,000 residents, and the Concord area population is approximately 356,000 residents. The populations in both areas are projected to increase very slightly, by an estimated 1.6 percent in the Portsmouth area and 1.4 percent in the Concord area. This growth rate is slightly slower than the population growth rates in the State of New Hampshire and the U.S. as a whole.

Table III-2
Population Estimates for Portsmouth and Concord Locations 2010-2016
Compared to State of New Hampshire and the U.S. as a Whole

	2010	2011	2016	% Change, 2010 to 2011	% Change, 2011 to 2016
Portsmouth Location					
30-minute Drive Time	346,072	346,133	351,499	0.0%	1.6%
Concord Location					
30-minute Drive Time	356,623	356,018	361,127	-0.2%	1.4%
State of New Hampshire	***1,316,470***	***1,318,905***	***1,343,844***	***0.2%***	***1.9%***
United States	***308,745,538***	***310,704,322***	***321,315,318***	***0.6%***	***3.4%***

Source: ESRI and ConsultEcon, Inc.

Age Profile

An important visitor segment to heritage attractions and historic sites is school-age children, especially as visits to educational attractions such as the State House could potentially be part of the curricula in area school districts. Residents over 50 including retirees are another important group for visitation and for volunteerism since they often have more time and disposable income available for such recreational pursuits, as well as interest in historical attractions.

Data in **Table III-3** provide a profile of the age characteristics of residents in the Portsmouth and Concord locations, as compared to the State of New Hampshire and the United States as a whole. The Portsmouth location has a median age of 41.8, compared to the Concord location median age of 39.4. The State of New Hampshire median age is comparable to the two locations, at 41.2 years. In general, the populations in both the Portsmouth and Concord areas and in the State of New Hampshire have older age profiles than in the U.S. as a whole.

Table III-3
2011 Age Profile of Portsmouth and Concord Locations
Compared to State of New Hampshire and United States

		Age Group				
	Median	**0 to 17**	**18 to 24**	**25 to 34**	**35 to 54**	**55+**
Portsmouth Location	41.8	21.1%	9.4%	10.8%	30.3%	28.4%
Concord Location	39.4	22.3%	9.2%	12.8%	30.5%	25.3%
State of New Hampshire	***41.2***	***21.8%***	***9.3%***	***11.0%***	***30.5%***	***27.4%***
United States	***37.2***	***24.0%***	***9.9%***	***13.4%***	***27.7%***	***25.2%***

Source: ESRI and ConsultEcon, Inc.

School Age Children

Students of all ages can be an important component of a heritage attraction's market for several reasons. First, families with children are frequent visitors to this type of facility as parents seek educational as well as entertaining family outings. Second, school groups are an important source of visitation, particularly during off-peak periods and on weekdays when general visitation numbers are lower. Visits and participation by children in school groups also result in word-of-mouth advertising to friends and family. This, in turn, leads to repeat visitation and new visitation.

Data in **Table III-4** show the estimated numbers of school-age children in the Portsmouth and Concord areas in 2011 and in 2016. In the Portsmouth area there were an estimated 50,500 school-age children in 2011, and in the Concord area, 54,400. By 2016, the populations of school-age children in both areas are expected to remain fairly stable, possibly losing a small fraction of a percent (0.1%). In the State of New Hampshire, the population of school-age children is also expected to remain relatively flat, while the United States school-age population is projected to increase 1.8 percent.

Table III-4
Estimated School Age Children in Portsmouth and Concord Areas, 2011 and 2016
Compared to State of New Hampshire and United States

	2011	2016	% Change, 2011 to 2016
Portsmouth Location	50,545	50,502	-0.1%
Concord Location	54,355	54,326	-0.1%
State of New Hampshire	***199,428***	***199,894***	***0.2%***
United States	***49,985,068***	***50,868,273***	***1.8%***

Source: ESRI and ConsultEcon, Inc.

Households

Data in **Table III-5** profile household characteristics in the Portsmouth and Concord areas, compared to the State of New Hampshire and the United States as a whole in 2011. Households in the Portsmouth and Concord areas have averages sizes of 2.38 and 2.46, respectively. This is comparable to the State of New Hampshire (2.46) and slightly smaller than the average in the U.S. as a whole (2.58), reflecting the older age demographic of the areas. The percentages of households classified as "family" households in the Portsmouth and Concord areas is also slightly smaller than in the State and U.S. as a whole, once again likely due to the older age profile.

Table III-5
Profile of Portsmouth and Concord Area Households, 2011
Compared to State of New Hampshire and United States

	Estimated Households	Average Household Size	Estimated Family Households	Percentage Family Households
Portsmouth Location	140,156	2.38	89,105	63.6%
Concord Location	140,334	2.46	90,976	64.8%
State of New Hampshire	***519,973***	***2.46***	***345,135***	***66.4%***
United States	***117,457,661***	***2.58***	***78,084,849***	***66.5%***

Source: ESRI and ConsultEcon, Inc.

Income

Data in **Table III-6** show income characteristics of households within the Portsmouth and Concord areas and the State of New Hampshire and US as a whole in 2011. With median incomes of $60,558 in the Portsmouth area and $57,231 in the Concord area, these regions are comparable to the State of New Hampshire overall ($58,384), and somewhat higher than incomes in the U.S. as a whole ($50,227). Incomes above $50,000 in both Portsmouth and Concord areas are also higher than the U.S. as a whole – at 60.1 and 57.3 percent, respectively – compared to 50.3 percent in the United States. Again, this income group is comparable to that of the State (58.3%).

Table III-6
Portsmouth and Concord Area Household Income Profiles, 2011
Compared to State of New Hampshire and United States

		Household Income Group				
	Median Income	Less than $25,000	$25,000 to $49,999	$50,000 to $74,999	$75,000 to $99,999	$100,000 +
Portsmouth Location	$60,558	18.3%	21.6%	19.3%	14.1%	26.7%
Concord Location	$57,231	19.4%	23.3%	19.2%	14.8%	23.4%
State of New Hampshire	***$58,384***	***18.6%***	***23.1%***	***19.3%***	***14.2%***	***24.8%***
United States	***$50,227***	***24.7%***	***25.1%***	***18.4%***	***12.0%***	***19.9%***

Source: ESRI and ConsultEcon, Inc.

Resident Market Summary

The populations in Portsmouth and Concord in 2011 were estimated at 346,133 and 356,018, respectively, within a 30-minute drive time area of the center of each city. Therefore, the overall estimated population in 2011 was approximately 2.8 percent larger in Concord. The projected growth in both areas is fairly negligible, at about 1.6 percent in Portsmouth and 1.4 percent in Concord. The estimated number of school children in the Portsmouth region is approximately 50,545, compared to 54,355 in the Concord area, which is reflective of the overall population numbers. Once again, these numbers are expected to remain fairly static over the period up to 2016. Median ages in both the Portsmouth and Concord areas – and in the State of New Hampshire – are somewhat older than in the U.S. as a whole. Average household sizes in the Portsmouth and Concord areas are comparable to those in the State, and slightly smaller than in the U.S. as a whole – a likely reflection of the area's somewhat older population profile. Household incomes in both the

Portsmouth ($60,558) and Concord ($57,231) areas are in line with median income in the State, but somewhat higher than that of U.S. as a whole – with 57 to 60 percent of households in these areas having median incomes over $50,000 – compared to just 50.3 percent in that bracket in the United States overall.

TOURIST MARKET OVERVIEW

The travel and tourism industry is an important part of New Hampshire's statewide economy. According to a recent study of the economic impact of tourism, "Travel and tourism is the second most important export industry in terms of employment size for the state's economy, after manufacturing."[1] In FY 2010 visitor direct spending was estimated $3.94 billion, which represented approximately 6.6 percent of gross state product. Data in **Table III-7** show the breakdown of visitor spending by category in FY 2010.

Table III-7
Traveler Spending in New Hampshire by Category, FY 2010

Category	Spending (in millions)	Percent to Total
Eating & Drinking	$1,160	29.4%
Accommodations	$624	15.8%
Recreation	$649	16.5%
Food Stores	$345	8.7%
Retail Stores	$508	12.9%
Ground Transportation	$409	10.4%
Air Transportation & Services	$248	6.3%
Total	**$3,943**	**100.0%**

Source: Goss, Laurence E. (August 2010) *New Hampshire Fiscal Year 2010 Tourism Satellite Account*; and ConsultEcon, Inc.

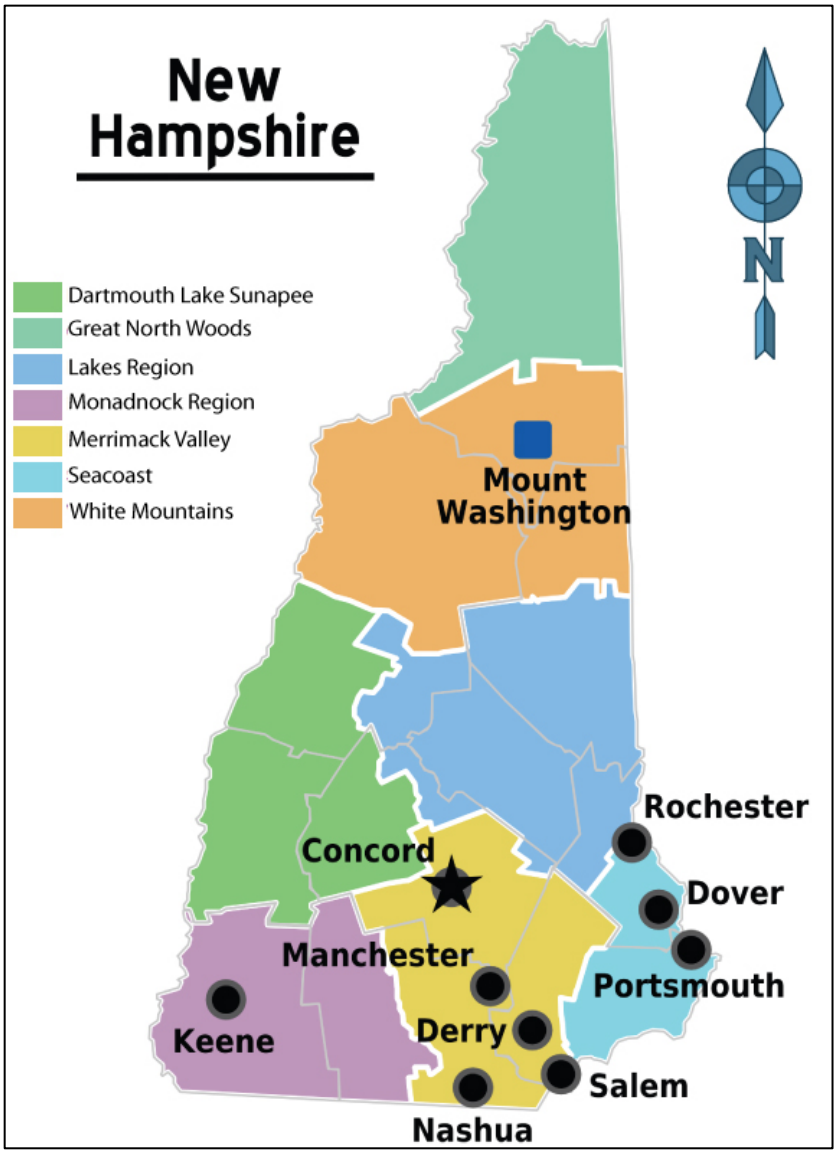
Visitor Spending by Region

The State of New Hampshire evaluates tourism spending and visitation at the state level and at the regional level. The seven tourism regions defined by the state are shown by data in **Figure III-2**. For the purposes of this analysis, tourists to the Merrimack Valley would be considered prospects

[1] Goss, Laurence E. (August 2010) *New Hampshire Fiscal Year 2010 Tourism Satellite Account*. Prepared for the New Hampshire Division of Travel and Tourism Development.

for visitation to a heritage attraction in Concord, while tourists to the Seacoast would be considered prospects for visitation to a heritage attraction in Portsmouth.

Figure III-2
Map of New Hampshire Tourism Regions



Source: http://wikitravel.org/upload/shared//f/fb/Map_of_New_Hampshire_Regions.png and ConsultEcon, Inc.

Data in **Table III-8** show visitor spending by tourism region. The Merrimack Valley and the Seacoast Regions account for the largest shares of tourism spending in the state.

Table III-8
Traveler Spending in New Hampshire by Tourism Region, FY 2010

Region	Spending (in millions)	Percent to Total
Great North Woods	$118	3.0%
White Mountains	$687	17.4%
Lakes Region	$630	16.0%
Dartmouth Lake Sunnapee	$212	5.4%
Monadnack Region	$232	5.9%
Merrimack Valley	$1,288	32.7%
Seacoast	$775	19.7%
Total	**$3,943**	**100.0%**

Source: Goss, Laurence E. (August 2010) *New Hampshire Fiscal Year 2010 Tourism Satellite Account*; and ConsultEcon, Inc.

Total Visitor Volume

Data in **Table III-9** show the estimated volume of visitors by season to the Merrimack Valley, the Seacoast and the State of New Hampshire as a whole. As the tourism regions with the largest amount of visitor spending statewide, the Merrimack Valley and the Seacoast also attract the most visitors of tourism regions throughout the state. In FY 2010, there were an estimated 13.6 million visitors to the Merrimack Valley and 8.4 million visitors to the Seacoast, which represented 40.5 percent and 25.0 percent of statewide visitors, respectively. Because of their location in the southern part of the state and due to their relatively large resident populations, the proportion of day trip visitors to these regions is greater than the proportion statewide. Overall, the New Hampshire tourist volume contains large proportion of day trips compared to other states, due to its proximity to large population centers.

As shown by data in Table III-9, tourist visitation to the Merrimack Valley, the Seacoast and New Hampshire is seasonal in nature, with most tourists arriving during the summer months.

Table III-9
Number of Visitors by Season in the Merrimack Valley, the Seacoast and the State of New Hampshire, FY 2010

	Merrimack Valley		Seacoast		New Hampshire	
Season	**Number**	**Percent to Total**	**Number**	**Percent to Total**	**Number**	**Percent to Total**
Total Visitors						
Summer	5.45	40.1%	3.38	40.2%	13.07	38.9%
Fall	2.93	21.5%	1.93	23.0%	7.52	22.4%
Winter	2.33	17.1%	1.33	15.8%	6.34	18.9%
Spring	2.89	21.3%	1.76	21.0%	6.67	19.9%
Total	**13.60**	**100.0%**	**8.40**	**100.0%**	**33.60**	**100.0%**
Region as a Percent of State	***40.5%***		***25.0%***			
Type of Visitor						
Overnight Visitors	2.09	15.4%	1.41	16.8%	9.06	27.0%
Day Visitors (derived)	11.51	84.6%	6.99	83.2%	24.54	73.0%
Total Visitors	**13.60**	**100.0%**	**8.40**	**100.0%**	**33.60**	**100.0%**

Source: Goss, Laurence E. (August 2010) *New Hampshire Fiscal Year 2010 Tourism Satellite Account*; and ConsultEcon, Inc.

Overnight Visitor Volume

Data in **Table III-10** show the volume of overnight visitors by season to the Merrimack Valley, the Seacoast and the State of New Hampshire as a whole. Overnight visitors are an important audience of attractions because they stay longer than day visitors and tend to spend more on recreational activities such as museum attendance. In FY 2010, there were an estimated 2.09 million overnight visitors to the Merrimack Valley and 1.41 million overnight visitors to the Seacoast, which represented 23.1 percent and 15.6 percent of statewide overnight visitors, respectively. On average these overnight visitors stayed 3.25 days in the Merrimack Valley and 3.35 days in the Seacoast region, slightly lower when compared to the 3.38 days stayed by overnight visitors statewide.

Table III-10
Number of Overnight Visitors and Visitor Days by Season in the Merrimack Valley, the Seacoast and the State of New Hampshire, FY 2010

	Merrimack Valley		Seacoast		New Hampshire	
Season	**Number**	**Percent to Total**	**Number**	**Percent to Total**	**Number**	**Percent to Total**
Overnight Visitors						
Summer	0.70	33.5%	0.53	40.0%	3.64	40.2%
Fall	0.53	25.4%	0.40	20.0%	2.41	26.6%
Winter	0.39	18.7%	0.20	14.2%	1.48	16.3%
Spring	0.47	22.5%	0.28	19.9%	1.53	16.9%
Total	**2.09**	**100.0%**	**1.41**	**100.0%**	**9.06**	**100.0%**
Region as a Percent of State	***23.1%***		***15.6%***			
Overnight Visitor Days						
Summer	2.33	34.3%	2.09	44.3%	12.81	41.9%
Fall	1.74	25.6%	1.15	24.4%	7.55	24.7%
Winter	1.20	17.6%	0.58	12.3%	5.03	16.4%
Spring	1.53	22.5%	0.90	19.1%	5.19	17.0%
Total	**6.80**	**100.0%**	**4.72**	**100.0%**	**30.58**	**100.0%**
Region as a Percent of State	***22.2%***		***15.4%***			
Average Length of Stay in Region	***3.25 days***		***3.35 days***		***3.38 days***	

Source: Goss, Laurence E. (August 2010) *New Hampshire Fiscal Year 2010 Tourism Satellite Account*; and ConsultEcon, Inc.

Overnight Visitor Profile

The New Hampshire Division of Travel and Tourism Development sponsored an online panel survey of New England and Mid-Atlantic overnight visitors to the state. These two geographic areas are key "feeder" markets that support the statewide tourism industry. The following section reviews selected data that offer insights into visitation patterns and visitor demographics. However, while these data are not representative to all overnight visitors to the state, they are indicative of travel patterns of visitors from key geographic origins where the state focuses its marketing and advertising efforts. It should also be noted that New Hampshire residents were also surveyed as a part of the New England group, but since they are spending the night away from home, they are considered tourists by definition.

Trip Purpose

Data in **Table III-11** show the trip purposes of overnight visitors to New Hampshire by travelers from New England and the Mid-Atlantic region. As illustrated below, pleasure trips and visiting friends and relatives are by far the most popular reasons for travel to New Hampshire – particularly among visitors from New England.

Table III-11
Trip Purpose of Overnight Visitors to New Hampshire, FY 2010

Purpose	New England Visitors	Mid-Atlantic Visitors
Pleasure (vacation)	46.4%	32.8%
Visit friends/relatives	26.9%	33.2%
Outdoor recreation	9.6%	5.1%
Business	5.7%	16.6%
Event	3.9%	3.0%
Personal	3.7%	7.0%
Other (primarily shopping)	3.8%	2.4%
Total	**100.0%**	**100.0%**

Source: State of New Hampshire, Division of Travel and Tourism Development and ConsultEcon, Inc.

Trip Activities

Data in **Table III-12** list some of the activities in which visitors to New Hampshire engage during the course of a trip. Shopping, sightseeing and outdoor-oriented activities are the most-cited reasons for travelers from both the New England and Mid-Atlantic regions. However, visiting historic sites/museums also ranks fairly high on the list – more so among visitors from the Mid-Atlantic region, who presumably have traveled somewhat farther to visit New Hampshire.

Table III-12
Trip Activities of Overnight Visitors to New Hampshire, FY 2010

Purpose	New England Visitors	Mid-Atlantic Visitors
Shopping	73.9%	65.0%
Sightseeing	53.8%	64.1%
Scenic Drives	47.0%	50.8%
State Park/National Forest	24.9%	35.2%
Beaches (lake, ocean)	18.8%	26.0%
Camping/Hiking	16.4%	21.6%
Historic Sites/Museums/Galleries	***12.6%***	***30.2%***
Skiing/Snowboarding	10.6%	11.0%
Wildlife Watching	10.4%	18.7%
Theme/Amusement Parks	10.2%	13.2%
Concerts/Fairs/Festivals	9.7%	16.3%
Other Outdoor Recreation	9.2%	10.5%
Other	8.1%	9.1%
Boating	6.9%	14.1%
Business/Convention/Seminar	5.6%	15.5%
Sporting Event	5.0%	8.5%
Golfing	4.9%	9.2%
Hunting/Fishing	4.3%	9.2%

Note: Total exceeds 100% due to multiple responses.

Source: State of New Hampshire, Division of Travel and Tourism Development and ConsultEcon, Inc.

Other Trip Characteristics

Data in **Table III-13** provide some additional details on the characteristics of overnight trips to New Hampshire from the New England and Mid-Atlantic regions. Travelers from the Mid-Atlantic are far more likely to be first-time visitors to the state than travelers from New England. Also, visitors from New England and from the Mid-Atlantic visit the state frequently, averaging 2.9 trips and 2.1 trips over the year, respectively. Travelers from the Mid-Atlantic tend to stay longer and spend somewhat more than their New England counterparts. For both market segments, the average party size is approximately three travelers, and largely comprised of adults.

Table III-13
Selected Trip Characteristics of Overnight Visitors to New Hampshire, FY 2010

Purpose	New England Visitors	Mid-Atlantic Visitors
Percent on First Visit	2.6%	24.9%
Average Number of Trips to New Hampshire	2.9	2.1
Party Size (Average Number)		
Number of Adults	2.2	2.3
Number of Children	0.6	0.6
Total Party Size	2.9	2.9
Average Length of Stay in New Hampshire	3.9	4.3
Average Per Person Per Day Spending	$56.13	$70.90

Source: State of New Hampshire, Division of Travel and Tourism Development and ConsultEcon, Inc.

Visitor Demographics

Data in **Table III-14** present age and income characteristics of travelers to New Hampshire from New England and the Mid-Atlantic region. Travelers from the Mid-Atlantic region are more likely to be in the younger age groups. Incomes of travelers are very similar, with both regions having over 86 percent of household incomes in the categories above $50,000.

Table III-14
Demographic Characteristics of Overnight Visitors to New Hampshire, FY 2010

Characteristic	New England Visitors	Mid-Atlantic Visitors
Age Group (Percent to Total)		
18 - 24	2.3%	3.6%
25 - 34	17.9%	27.1%
35 - 44	21.2%	22.0%
45 - 54	27.0%	20.4%
55 - 64	23.7%	19.1%
65 or older	7.9%	7.8%
Household Income (Percent to Total)		
Less than $35,000	4.5%	5.2%
$35,000 - $49,999	9.0%	8.4%
$50,000 - $74,999	20.3%	18.2%
$75,000 - $99,999	24.5%	20.5%
$100,000 - $149,999	26.1%	24.3%
$150,000 or more	15.5%	23.4%

Source: State of New Hampshire, Division of Travel and Tourism Development and ConsultEcon, Inc.

Tourist Market Summary

In FY 2010, the State of New Hampshire had an estimated 33.6 million tourists, of which 9.1 million were overnight tourists and 24.5 million were day visitors. These tourists account for $3.9 billion in direct visitor spending annually throughout the state. Most of these tourists and their associated spending occurred in the Merrimack Valley and the Seacoast, with had 32.7 percent and 19.7 percent of statewide spending annually, respectively.

Overnight visitors from New England and the Mid-Atlantic states comprise an important segment of visitation because of their size and proximity to New Hampshire. (They are however not representative of all visitors to the state from other origins.) New England overnight visitors are very familiar with what the state has to offer because they are less often first time visitors and have higher repeat visitation than Mid-Atlantic visitors. Perhaps indicative of these travel patterns, Mid-Atlantic visitors report participating in more activities than New England visitors. Specifically, 30.2 percent of Mid-Atlantic visitors attended an historic site, museum or gallery while 12.6 percent of New Englanders did so.

Section IV
REVIEW OF REGIONAL ATTRACTIONS AND COMPARABLE PROJECTS

An important part of the evaluation of the proposed Interpretation Scenarios is the market and economic characteristics of regional attractions and similar or comparable projects elsewhere. The experience of other projects provides a background for understanding the missions, programs, operations, and economic and community benefits offered by such projects. This review includes an evaluation of cultural and heritage attractions in Portsmouth and Concord, as well as in their respective tourism regions. Subsequently, a review of comparable projects, including colonial state houses, structures as exhibits, virtual museums and traveling exhibitions, is presented. Because of the unique nature of the historical resource and the highly conceptual nature of the Interpretation Scenarios, there are no "perfect" comparable projects for each of the scenarios. However, the comparable projects help to identify the potential market and operating characteristics that contribute to their economic and community benefits.

REVIEW OF REGIONAL ATTRACTIONS

This section describes the context of attractions in Concord and the Merrimack Valley and in Portsmouth and the Seacoast. These local and regional attractions form a base of recreational and leisure time activities available to resident and visitors alike.

Attractions in Portsmouth and the Seacoast Region

Data in **Table IV-1** show selected characteristics of the attractions in Portsmouth. As shown by data in the table, Portsmouth has a few larger attractions, and a number of smaller, largely history-oriented attractions. The Strawbery Banke Museum, which is open seasonally, has the highest estimated annual attendance, with approximately 66,000 visitors. It also has the highest adult ticket price, at $15.00. The only other attraction that receives over 10,000 visitors annually is Albacore Park Submarine Museum, with 25,000. Adult ticket prices are generally in the $5.00 to $7.00 range, with the exception of the Strawbery Banke Museum. Like Strawbery Banke Museum, other historic homes are also open seasonally.

Table IV-1
Visitor Attractions in Portsmouth, NH

Attraction/Location	Description	Annual Attendance [1/]	Admission Fee
Strawbery Banke Museum, Portsmouth	**Living History Museum & Historic Homes**. Using restored houses, featured exhibits, historic landscapes and gardens, and interpretive programs, Strawbery Banke tells the stories of the many generations who settled in the Portsmouth, New Hampshire community from the late l7th to the mid-20th century.	66,056 (e)	$15.00 adult $10.00 youth 5-17
Albacore Park Submarine Museum, Portsmouth	**Submarine Museum**. The third Navy vessel to bear the name, the Auxiliary General Submarine (AGSS) Albacore holds a place in history as the first Navy-designed vessel with a true underwater hull of cylindrical shape that has become the standard for today's submarines worldwide. Albacore provides a unique opportunity to see where a crew of 55 worked and lived, as well as the unusual features of this prototype submarine and the experiences of her crew.	25,000	$5.00 adult $4.00 military $3.00 child 7-17 Free under 7
Wentworth-Coolidge Mansion	**Historic Home.** The former home of New Hampshire's first royal governor, Benning Wentworth, who served in office from 1741 to 1767, this 40-room mansion overlooks Little Harbor, and is one of the most outstanding homes remaining of the colonial era.	7,763	$7.00 adult $3.00 child 6-11
Governor John Langdon Mansion, Portsmouth [2/]	**Historic Home.** C. 1784 Georgian mansion tells the story of the early colony of New Hampshire, the glory days of the city's mercantile boom, and the Colonial Revival movement that blossomed in Portsmouth during the early twentieth century.	6,479	$6.00 adult $5.00 senior $3.00 student
Portsmouth Museum of Art	**Art Museum**. The Portsmouth Museum of Art presents the work of 21st-century emerging artists, alongside the work of established contemporary artists.	5,500	Free Admission; suggested donation $3.00
John Paul Jones House Museum, Portsmouth	**Historic Home/ Museum.** Built in 1758 for Gregory Purcell, a sea captain and merchant, the house has been known as the John Paul Jones House for several generations. Jones (1747-92), the celebrated naval hero of the American Revolution, spent time in Portsmouth in 1777 and again in 1781-82. A wide range of objects document the life of past generations, especially everyday life and women's experience.	4,000 (e)	$6.00 General $5.00 Portsmouth resident
Moffatt-Ladd House & Garden, Portsmouth	**Historic Home & Gardens.** A National Historic Landmark, open to the public as a historic house museum since 1912. One of America's finest Georgian mansions, the house was built for merchant John Moffatt between 1760 and 1763. The house is furnished to showcase its original features and to reflect its use as a private home from 1763 through 1900.	2,100	(Seasonal-thru Mid-October) $6.00 adult $2.50 child 7-12 $2.00 Garden

Table IV-1 (cont.)
Visitor Attractions in Portsmouth, NH

Attraction/Location	Description	Annual Attendance 1/	Admission Fee
Warner House, Portsmouth	**Historic Home.** The Warner House is the earliest extant brick urban mansion in New England. Built in 1716-1718, its rooms are furnished with many of the original family pieces, documented by estate inventories and early photographs.	2,000 (e)	$5.00 adult $4.00 senior/student $2.50 child 7-12

1/ Annual attendance is estimated and self-reported by the facilities listed for the directory of the American Association of Museums. Different facilities may have different methods of estimating attendance, which might include paid and non-paid admissions and visitation due to facility rentals, events and other programming.
2/ Other sources of visitation indicate that admissions may be lower than estimated attendance shown.
Source: Facilities listed, Official Museum Directory, 2011; ConsultEcon, Inc.

In addition to the main "hub" of Portsmouth, there are a number of other museums and visitor attractions scattered throughout the Seacoast region. Data in **Tables IV-2** provide general pricing and attendance data for some of these other regional attractions. Many of the other attractions in the Seacoast region are smaller, history and education-oriented attractions. The most-visited attractions are the Children's Museum in Dover and the Seacoast Science Center in Rye, with 120,000 and 60,000 visitors annually. Prices for adult admission at paid attractions range from $5.00 to $9.00. A number of the smaller attractions offer free admission.

Table IV-2
Other Seacoast Region Attractions

Attraction/Location (in NH except where noted)	Type	Annual Attendance 1/	Admission Fee
Children's Museum of New Hampshire, Dover	Children's Museum	120,000 (e)	$9.00 adults & children over 1 $8.00 seniors age 65+
Seacoast Science Center, Rye (in Odiorne Point State Park)	Science Museum	60,000	Science Center Admission $5.00 Ages 13+ $2.00 Ages 3-12 Free Under 3 Members FREE Odiorne Point State Park (seasonal; does not include admission to SSC) $4.00 Ages 12+ $2.00 Ages 6-11 Free Under 6 NH Residents, 65+ FREE

Table IV-2 (cont.)
Other Seacoast Region Attractions

Attraction/Location	Type	Annual Attendance 1/	Admission Fee
Museums of Old York, ME	Collection of Historic buildings	30,000 (e)	One building $6.00 adults $5.00 seniors $3.00 children age 4-15 All buildings $12.00 adults $10.00 seniors $5.00 children age 4-15
University of New Hampshire Museum of Art, Durham	Art Museum	8,125	No charge
American Independence Museum, Exeter	Historic Home, History Museum	6,845	$6.00 adults $5.00 seniors 65+ $3.00 students age 6-18
Hamilton House, South Berwick, ME	Historic Home	4,919	$8.00 adults $7.00 seniors $5.00 students
Sarah Orne Jewett House, South Berwick, ME	Historic Home	2,324	$5.00 adults $4.00 seniors $2.50 students
Hampton Historical Society & Tuck Museum, Hampton	History Museum, Historic Homes	1,200 (e)	No charge; donations accepted
Gilman Garrison House, Exeter	Historic Home	433	$5.00 adults $4.00 seniors $2.50 students Free for Historic New England members and Exeter residents
Woodman Institute Museum, Dover	Collection of Historic buildings	NA	$8.00 adults $6.00 students and seniors $3.00 children age 6-15
Sayward-Wheeler House, York Harbor, ME	Historic Home	NA	$5.00 adults $4.00 seniors $2.50 students
Science and Nature Center at Seabrook Station, Seabrook	Nature and Live Marine Museum	NA	No charge

1/ Annual attendance is estimated and self-reported by the facilities listed for the directory of the American Association of Museums. Different facilities may have different methods of estimating attendance, which might include paid and non-paid admissions and visitation due to facility rentals, events and other programming.

Source: Facilities listed, visitnh.org, Official Museum Directory, 2011; ConsultEcon, Inc.

Attractions in Concord and the Merrimack Valley

Data in **Table IV-3** show characteristics of attractions in Concord. The most visited attraction is the New Hampshire Audubon McLane Center, with an estimated 100,000 visitors annually. Admission is offered without charge, though donations are accepted. The McAuliffe-Shepard Discovery Center receives approximately 70,000 visitors annually and the New Hampshire Historical Society Museum receives about 28,000 visitors. Adult ticket prices range from $5.50 to $9.00. As in Portsmouth, local attractions tend to have history and educational orientations.

Table IV-3
Visitor Attractions in Concord, NH

Attraction/Location	Description	Annual Attendance [1/]	Admission Fee
New Hampshire Audubon McLane Center, Concord	**State HQ, Live Animals, Educational Programs.** NH Audubon's McLane Center (formerly known as the Silk Farm Center) is Audubon's longest established center. In addition to being a program center, the building is home to NH Audubon's central operations. The McLane Center offers year-round environmental education for all ages. The Center has exhibits, live animals (including a bald eagle, red-tailed hawk, peregrine falcon, screech owl, and barred owls), picnic areas, several miles of hiking trails, function rooms, and a Nature Store.	100,000 (e)	No charge; donations accepted
McAuliffe-Shepard Discovery Center, Concord	**Air & Space Museum**. The Discovery Center features innovative, interactive exhibits on astronomy, aviation, Earth and space sciences. Programs at the Discovery Center for all ages include state-of-the-art planetarium theater, high-tech observatory, and workshops for Little Explorers and for educators.	69,636	$9.00 adult $8.00 senior/student $6.00 child 3-12 (planetarium extra)
New Hampshire Historical Society Museum, Concord	**State History Museum**. Located in Eagle Square in Concord, the Museum offers exhibitions on the state's heritage and traditions as well as a variety of programs for children and adults. The museum store features an extensive selection of New Hampshire's books, gifts, and custom products.	28,153	$5.50 adult $4.50 senior $3.00 child 6-18

Table IV-3 (cont.)
Visitor Attractions in Concord, NH

Attraction/Location	Description	Annual Attendance 1/	Admission Fee
Pierce Manse/New Hampshire Political Library, Concord	**Historical Presidential Home**. The Pierce Manse, located in Concord, New Hampshire, was the home of the 14th President of the United States, Franklin Pierce, who lived there from 1842-1848. Now a National Historic Site, the mansion has regular visiting hours from mid-June through mid-October, and is open by appointment at other times of the year.	1,100	$7.00 adult $6.00 senior $3.00 student & child
New Hampshire State House	**Current NH State House.** Offers docent led and self-guided tours of hallways and legislative and governor and council chambers. Collection of historic flags in lobby.	NA	No Charge

1/ Annual attendance is estimated and self-reported by the facilities listed for the directory of the American Association of Museums. Different facilities may have different methods of estimating attendance, which might include paid and non-paid admissions and visitation due to facility rentals, events and other programming.
Source: Facilities listed, visitnh.org, Official Museum Directory, 2011; ConsultEcon, Inc.

There are a number of museums and visitor attractions in the Merrimack Valley. Data in **Tables IV-4** provide general pricing and attendance data for some of these regional attractions. Many of the other attractions in the Merrimack Valley are either nature and recreation-related or history and education-oriented. Price ranges for adult admission vary widely. At the top of the range, the Frank Lloyd Wright-built Zimmerman House commands a $20.00 adult admission fee and the Canterbury Shaker Village $17.00. However, there are also a number of modestly priced, as well as free attractions in the area.

Table IV-4
Other Merrimack Valley Region Attractions

Attraction/Location	Description	Annual Attendance [1/]	Admission Fee
SEE Science Center, Manchester	Science Museum	75,000 (e)	$8.00 per person ages 3 and up
Currier Museum of Art, Manchester	Art Museum	50,407	$10.00 adult $9.00 senior $8.00 student Free under 18
Canterbury Shaker Village, Canterbury	Living History	30,000 (e)	$17.00 adults $8.00 youth: (ages 6-17) Free 5 and under $42.00 family (2 adults and 2 or more children, ages 6 to 17)
Bear Brook State Park, Allenstown, including historic site, Old Allenstown Meetinghouse	State Park, with historic site	21,232	$4.00 adult $2.00 youth 6-11 Free senior (NH resident only) and under 6
Manchester Historic Association & Millyard Museum, Manchester	Local History Museum	6,000 (e)	$8.00 adults $6.00 seniors (62 & over) and College Students $4.00 children 12-18 Free under 12
Lawrence L. Lee Scouting Museum, Manchester	Boy Scout Memorabilia & History	3,037	N/A
Little Nature Museum, Contoocook	Nature Center/ Hands-on Museum	2,600	$2.00 suggested donation
Fitts Museum, Candia	Historic Home	150 (e)	No charge; donations accepted
Zimmerman House, Manchester	Frank Lloyd Wright-Designed Home	N/A	$20.00 adults $19.00 seniors $16.00 students $8.00 children ages 7-17 (Children under age 7 are not permitted).
Peabody Mill Environmental Center, Amherst	Nature & Science Programs	N/A	No charge for Center or 12 miles of trails
PSNH Energy Park, Manchester	Scenic Overlook	N/A	N/A
Massabesic Audubon Center, Auburn	Nature Center w/ Live Animal Exhibits & Trails	N/A	No charge; donations accepted
Museum of Family Camping, Allenstown	Camping History & Memorabilia	N/A	No charge; donations accepted

Table IV-4 (cont.)
Other Merrimack Valley Region Attractions

Attraction/Location	Description	Annual Attendance 1/	Admission Fee
New Hampshire Aviation Museum, Londonderry	Aviation Museum	N/A	$5.00 adults $4.00 seniors (60+) $2.50 ages 12-16 Free under 12
New Hampshire Institute of Art, Manchester	Art Gallery/School	N/A	Most gallery exhibitions free
America's Stonehenge, North Salem	Historic Site	N/A	$10.00 adults $9.00 seniors(65+) $7.00 ages 6-12: Free under 6
Derry Museum of History, Derry	History Museum	N/A	No charge
Litchfield History Museum and the Tapping Reeve House & Law School, Litchfield	Historic Home/ Museum	N/A	$5.00 adults $3.00 seniors & students Free to members, children under 14
Old Meeting House, Sandown	Historic Landmark	N/A	No charge

1/ Annual attendance is estimated and self-reported by the facilities listed for the directory of the American Association of Museums. Different facilities may have different methods of estimating attendance, which might include paid and non-paid admissions and visitation due to facility rentals, events and other programming.

Source: Facilities listed, visitnh.org, Official Museum Directory, 2011; ConsultEcon, Inc.
N/A = Not Available

Summary of Regional Attractions

Overall, in Portsmouth, Concord and the Seacoast and Merrimack Valley regions of New Hampshire, science, history, and art museums are well represented. There are numerous historic homes, and other heritage oriented attractions, reflective of the state's long history. In general, these attractions have low attendance and charge modest fees for admission. A number of these attractions are open only seasonally, especially in the Seacoast region. The most-visited attractions tend to be year-round attractions with wide-reaching appeal, such as children's museums, science centers, and nature centers.

COLONIAL STATE HOUSE HISTORIC SITES

Colonial state house historic sites are a subset of history museums. Presumably, since there were thirteen original colonies at the establishment of the United States, there are upwards of thirteen

colonial state house buildings, fragments or documentation extant. Following is a review of selected first state houses to show the range of market and operating contexts.

- **Independence Hall, Philadelphia, PA** – This iconic building where the Declaration of Independence and U.S. Constitution were adopted was constructed between 1732 and 1756 as the State House of the Province of Pennsylvania. Currently, Independence Hall is part of Independence National Historical Park (INHP) and operated by the U.S. National Park Service (NPS). In 2010, there were 694,000 visitors to Independence Hall and 3.75 million visitors to INHP. Admission to Independence Hall is free, though access only through a timed and ticketed tour.
- **Old State House, Boston, MA** – Located in downtown Boston on the Freedom Trail, a pedestrian pathway that links Boston's historical sites, the Old State House is operated by the Bostonian Society, a non-profit organization. The original Massachusetts Old State House was built in 1713 and has gone through multiple restorations; the most recent restoration completed in 1992. The Old State House is owned by the City of Boston and is operated by the Bostonian Society, which was formed in 1881 to preserve it. The Society maintains the Old State House as a museum of Boston history. In addition to the legislative chambers, it includes exhibit rooms and interactive exhibits. There are an estimated 100,000 visitors annually and an adult ticket price of $7.50. The Society has 17 staff and had operating expenses of $1.3 million in 2010. Staff costs were over half of total operating expenses. Program service revenue totaled $517,000 in 2010. The Old State House is affiliated partner of the Boston National Historical Park, which markets and coordinates Boston's downtown historic sites, which are largely independently operated.
- **Connecticut's Old State House, Hartford, CT –** Located in downtown Hartford, Connecticut's Old State House was constructed subsequent to the American Revolution and so is not in fact a colonial state house. However, it's programming as an historical attraction focused on state government, history and civics is comparable to that proposed for New Hampshire's First State House. The Old State House was the seat of state government from 1797 through 1873. Programming includes facility rentals and events, educational programming and tours of the state house, for which an adult admission fee of $6.00 is charged. Estimated annual visitation is 32,000. The Old State House is operated by the Connecticut General Assembly and has 11 staff. The Old State House had a budget of $583,400 for FY 2011.
- **Colony House, Newport, RI** – Located in historic downtown Newport, the Colony House is owned by the State of Rhode Island and operated by the Newport Historical Society, which also operates a free history museum (with an annual attendance of 50,000) and four other historic buildings in Newport. It is a National Historic Landmark, designated in 1960. The state's legislature periodically meets in the Colony House for ceremonial reasons. The Colony House is open for paid docent led tours for $5.00 and has an estimated visitation of 5,000 annually from tours, events and facility rentals. An estimated 1,000 visitors are due to the annual July 4 celebration held at the Colony House. The Historical Society has 6 full-time equivalent staff plus seasonal staff, for museum and all historical sites including the Colony House. Its FY 2010 operating expenses were approximately $751,000. Program

service revenue totaled $61,000 that same year. The State of Rhode Island pays for heating and utilities in the building, which totals approximately $25,000 each year. The building also requires $25,000 in capital repairs and maintenance, also paid for by the state.

- **The Capitol at Williamsburg, VA** – A reconstruction of the third (1705-1747) colonial capitol on the original building site—the state house was burned multiple times—and refurnished according to the period. Part of Colonial Williamsburg, one of the premiere living history museum complexes in the country, which attracts an estimated 780,000 visitors annually. A day ticket to Colonial Williamsburg costs $22.95 and includes access to all buildings and museums in the 301 acre historic town, which includes 88 original buildings and 500 reconstructed buildings according to documentary evidence.
- **Maryland State House, Annapolis, MD -** The third state house built on the site, the Maryland State House is the oldest state capitol in continuous legislative use, dating to 1772. It houses the Maryland General Assembly and offices of the Governor and Lieutenant Governor. The capitol has the distinction of being topped by the largest wooden dome in the United States constructed without nails. The current building was designated a National Historic Landmark in 1960. The building is administered by the State House Trust, which was created in 1969. Construction began in 1772 and was not completed until 1779 due to the ongoing American Revolutionary War. The State House is open to the public daily with no admission fee, although donations are accepted.

All of the above profiled colonial state houses are open to the public as heritage attractions, either on a standalone basis or as a part of a larger heritage destination. They include period furnishings as well as historical exhibits, but the key attractors and features are the buildings themselves because of the historical events that occurred there. Visitation to colonial state houses ranges considerably, from 5,000 at the Colony House in Newport to almost 800,000 at Independence Hall. In general, those state houses that are in a large resident and tourist market area and part of a larger heritage destination, either directly or as a partner site, have the highest visitation levels. Colonial Williamsburg is the only one of those profiled to be a historic reconstruction, which is done within the context of one of the largest heritage destinations in the country. Its attendance, therefore, is a function of overall attendance to Colonial Williamsburg. Because there are so many colonial state houses still standing, New Hampshire's First State House cannot be expected to achieve the same level of market support. It would be merely a replica of the state house. In addition, many of these other colonial state houses are in heritage and tourist destinations that support a much higher level of visitation than can be expected for the First State House.

From a governance perspective, the colonial state houses are operated by both public and private non-profit entities, including those specifically formed to preserve the state houses or those that manage other historic buildings and attractions on the same site or nearby. The governance of historic sites is important because it tends to determine how a site is operated and how its revenues and expenses are structured. Because of the significance of these historical resources, several are affiliated with the National Park Service. Managing and maintaining historic sites is a substantial undertaking, which can require substantial financial resources for staff and other operating expenses. Like many historic sites and museums, the non-profit operators of historic state houses do not earn sufficient program service revenue to cover their operating expenses; they have to raise significant contributed revenues to support operations on an ongoing basis. In the instance of publicly owned and operated sites, general public funds are allocated on an ongoing basis to support site operations.

STRUCTURES AS EXHIBITS

Many history museums have incorporated historic architectural fragments or recreations of historic structures and interior spaces within the context of their exhibit offerings. Following reviews several examples of museums that incorporate structures into their exhibits.

- **Fire Tower Recreation at the Museum of New Hampshire State History, Concord, NH** – As a part of its permanent ongoing exhibits, the Museum of New Hampshire State History features a recreation of a fire tower that was typical of historic fire towers that topped the state's many mountains. Visitors can climb the fire tower and view a 360-degree panorama of Concord and the Merrimack Valley. The fire tower exhibits feature related historical artifacts and identifies landscape features. Visitation to the fire tower is a function of visitation to the museum overall and revenues and costs associated with it are within the overall museum budget. Total annual estimated visitors to the museum were approximately 30,000 in FY2010, including both general admission and school group visitors. Museum admission is $5.50 for an adult.
- **Slave Pen at the National Underground Railroad Freedom Center, Cincinnati, OH –** Originally built in the early 1800's, the Slave Pen at the National Underground Railroad Center was recovered from a farm in Mason County, KY. The structure was used as a holding pen by a Kentucky slave trader to temporarily keep enslaved people being moved further south for sale. As such, it is part of the broader story of the slave trade. The Freedom Center is 158,000 square feet and attracts roughly 100,000 visitors annually. There is no estimate of visitation to the Slave Pen or separate admission charge.
- **Damm Garrison at the Woodman Institute Museum, Dover, NH –** The Woodman Institute Museum, indicated in Table IV-2, has a collection of four historic buildings,

including a colonial garrison that was moved to the site. The garrison is housed under a solid structured canopy to preserve the building, though it is open to the air it is somewhat protected from the elements. The Garrison contains period artifacts, furniture and furnishings. The Museum is seasonal and has an adult ticket price of $8.00, which gives visitors access to the garrison and other buildings that house the museum's galleries.

- **Yin Yu Tang House at the Peabody Essex Museum, Salem, MA** – The Yin Yu Tang House is a 16-bedroom house from China's southeastern Huizhou region that was constructed in the late Qing Dynasty (1644-1911) by a wealthy merchant and was continually inhabited by his descendants for over 200 years. Considered an exemplary example of architecture from the period, the house was deconstructed at its location in China, moved and reassembled in the Peabody Essex Museum courtyard, where it is part of the permanent collection and on display for self-guided, audio and docent led tours. The Peabody Essex Museum receives approximately 250,000 visitors annually, with an adult admission charge of $15.00. Admission to the Yin Yu Tang House is for an additional charge of $5.00 per person. Though specific attendance figures were not available, the Yin Yu Tang House is reportedly popular among is visitors, due to the exotic nature of its architecture. Visitors feel transported to a different time and place because of the immersive nature of the experience.

Based on a review of profiled structures as exhibits, several qualities of structures as exhibits can be identified. In these instances, structures as exhibits are employed to answer the question, "What was it like?" In other words, structures are incorporated into permanent exhibitions to provide an immersive experience that helps visitors understand, indeed to feel, what is was like for the people that used the structure originally. The most unique and compelling structures are those that are most different and unique from the typical visitors day-to-day experience, such as the Yin Yu Tang House.

From a market and operating perspective, the structures as exhibits tend to be part of an overall museum experience, linked to overarching interpretive storylines and museum collections. As such, their economic attributes are largely imbedded in the institutions in which they are located. An exception is the Yin Yu Tang House, which has an additional charge for admission, due in part for the need to control access to the house and also due to its popularity within the museum. However, it is also a standalone and complete building. The other structures as exhibits are incorporated into the museum's exhibit areas. Therefore, the associated ongoing revenues and costs, for staffing and maintenance, are a part of the museum's overall revenue and exhibit expense profile.

VIRTUAL MUSEUMS AND EXHIBITIONS

As the Internet continues to expand and mature, maintaining a website has become an essential part of what museums and historic sites do. Most physical museums maintain websites as a marketing tool and as a vehicle for dispensing information about its exhibits, educational programs and curricula, and its collections. Purely virtual museums that do not have a physical presence do exist. However, many online and standalone exhibitions are produced by museums because exhibiting online is a natural extension of their missions and collections. The Internet enables them to reach current and other audiences they wouldn't have otherwise reached in a low cost and cost effective manner; and to reinforce visitation patterns to physical museums. A 2008 study sponsored by the Institute for Museum and Library Services found that Internet use is positively related to in-person visits to museums and that the public benefits significantly from museums on the Internet.[2]

An article in 2004 in ICOM News, a publication of the International Council of Museums, established a hierarchy or "ladder" of four types of museums on the Internet, including: the **brochure museum**, the **content museum**, the **learning museum** and the **virtual museum** or "museum without walls."[3] The **brochure museum** is simply a listing of museum information, such as open hours and admission fees, so that visitors can learn how to access the museum. The **content museum** is object-oriented, reflecting a museum's collection, essentially giving users a window into a museum's database of its collected materials. A content museum is most useful to research and professional audiences, though these collections online might appeal to niche audiences and enthusiasts. A **learning museum** engages Internet visitors through multiple points of access, based on a user's interests, age and background. The goal is to teach visitors more about the museum collection and important themes and narratives it represents. The highest-level museum, the **virtual museum**, is much like the learning museum but links its digital collections to other digital collections, and no longer has a matched real-world counterpart. In this way a virtual museum challenges the traditional notion of a museum and digitizes collections and visitor experiences is a manner that is wholly new and different than in a "brick and mortar" museum.

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[2] Griffiths, J.M. and King, D.W. *Interconnections: The IMLS National Study on the Use of Libraries, Museums and the Internet.* Institute of Museum and Library Services, February 2008.
[3] Schweibenz, W. "The Development of Virtual Museums," in ICOM News, No. 3, 2004.

Following is a review of selected examples of virtual museums and exhibitions.

- **Laura Jernegan: Girl on a Whale Ship** (www.girlonawhaleship.org) - Produced by the Martha's Vineyard Museum in Edgartown, MA, the website presents a interactive narrative about what it was like to be a whaling ship in the 19th century through the eyes of a girl who voyaged on a whaling ship and kept a diary of the experience. The website enables viewers to page through the diary and view other artifacts in the context of the overarching narrative and framework. It also provides resources for teachers and links to further study. In less than a year after launching the site, the site received 32,000 unique visits, as well as awards and other recognition from the American Library Association and the American Association of State and Local History, among others. The Martha's Vineyard Museum attracted grant funds for the project from the National Endowment for the Humanities, the Massachusetts Foundation for the Humanities, the Massachusetts Cultural Council, and the Permanent Endowment Fund of Martha's Vineyard.

- **Raid on Deerfield: The Many Stories of 1704** (www.1704.deerfield.history.museum) - the Memorial Hall Museum/Pocumtuck Valley Memorial Association in Deerfield, MA produced this standalone online exhibition. It tells the story of the 1704 French and Indian raid on Deerfield, a key event in the community's history, from the perspective of five different European and Native American cultural groups. The online exhibition is unique because it presented multiple perspectives that offer different interpretations, meanings and contexts for a single historical event. In addition, the website creators sought to evaluate the impact of the site on the level of knowledge of the event and on the various perspectives on the event. Through a mix of quantitative and qualitative methods, researchers found that the website had a positive impact of visitors, increasing their awareness about multiple perspectives, and even changing some viewers' opinions, altering perceptions and challenging stereotypes. Grant funds for the project came from a mix of public and private sources, including the National Endowment for the Humanities, the Institute of Museum and Library Services, and the John H. and H. Naomi Tomfohrde Foundation.

- **International Museum of Women** (www.imow.org) – According to its website, the International Museum of Women (IMOW) "is an innovative online museum that showcases art, stories and ideas to celebrate, inspire and advance the lives of women around the world." One goal of the organization is to organize and inspire social change for women globally. Multimedia exhibitions online are designed to inspire viewers to take action through signing pledges, making donations, and interacting with the online community hosted by the museum; as well as through partner organizations that focus on related issues. The organization also sponsors a limited number of events, such as a lecture series and travelling exhibitions.

  The IMOW website draws 600,000 unique visitors from over 200 countries; its email newsletter has 40,000 subscribers and it has thousands of Facebook friends and Twitter followers. IMOW reports that "Up to 70% of Museum visitors surveyed report personal changes in attitudes, opinions about global women's issues and up to 60% take action towards gender equity as a result of their visit."

  In FY 2010, IMOW had revenues that totaled $918,000, mostly from contributed sources, such as fundraising events and private contributions from individuals, corporations and other

organizations. Program services revenue totaled $21,000, due to lecture series. That same year, its operating expenses totaled $857,000. Staff costs were approximately 48 percent of total expenses. Program Context, a key expense category supporting ongoing development of exhibitions online and other programs, totaled $14,000 for the year.

If placed in the hierarchy of online museums, the profiled examples above encompass two learning museums and one virtual museum. IMOW is a complex and dynamic organization, with ever changing exhibitions and encouraging both online and real world interactions with its audience and its partners. **Laura Jeregan** and the **Raid on Deerfield** are standalone exhibitions that were one-time projects of existing museums. The challenge then for any online museum is to establish and sustain engagement with online audiences on an ongoing basis that will attract sufficient revenue for operations. It is important to note that online museums are largely supported by grant funds, either on a one-time or ongoing basis. They have limited opportunities for earned revenue unless tied to real world programs. Yet, this new and evolving segment of the museum industry offers established and new museums avenues to reach new audiences globally, which is important in a world that is increasingly digitized.

TRAVELING EXHIBITIONS

The use of changing or traveling exhibitions has become an important factor for history museums to attract a repeat audience base and sustain attendance, bring in new visitation, raise revenue with general admissions and/or exhibit upcharges, and appeal to a broad, multi-generational audience.[4] Museums offering a changing exhibit experience may produce their own shows, collaborate with other museums to develop and mount an exhibition, or host exhibitions through rental or other arrangements. There are countless venues in the U.S. and internationally that host a large variety of traveling exhibits. These include art, science and history museums, as well as zoos and aquariums, and State, municipal and cultural centers. Casinos, convention centers and dedicated traveling exhibit venues also host major temporary exhibitions, as do shopping centers and other private commercial spaces.

[4] For the purposes of this analysis, the terms “changing,” “traveling,” and “temporary” exhibits are used interchangeably.

In general, there are three categories of traveling exhibits: smaller to moderate scale exhibits that have become standard operating procedure for most museums; larger exhibits that require more dedicated gallery space, higher booking fees, and more complex logistical factors; and, major or blockbuster shows. The purpose, business model, and attendance impacts for hosting these major or blockbuster exhibitions is different from standard traveling exhibit operations that have become a routine component of museum operations. A "blockbuster" will attract large numbers of visitors, will typically include an admission upcharge, and will attract audiences beyond the typical museumgoer profile. Both types of traveling exhibitions proposed for New Hampshire's First State House are assumed to be in the first category of smaller to moderate scale exhibits, though depending on the size and complexity of the ultimate exhibit, it might require larger exhibit space. However, the larger the exhibition planned, the fewer suitable locations may be available throughout the state.

Following are examples of organizations that produce traveling exhibitions.

- **Gilder Lehrman Institute of American History** – Founded in 1994, the Gilder Lehrman Institute supports the study of American history through a wide range of programs and resources for students, teachers, scholars, and history enthusiasts throughout the nation. One of its programs is the production of panel exhibits that travel to sites throughout the country, including schools, libraries, museums and historic sites. Ideas for exhibitions are generated in-house and rely on in-house collections, as well as outside resources. The Institute offers two types of panel exhibitions, small and large, offered for $200 and $1,000, respectively, to host sites. This cost covers only the cost of shipping to and from the host sites. Funds for the creation of the exhibition are through grants from the National Endowment for the Humanities and other project sponsors, which typically vary from exhibition to exhibition. One recent example of an exhibition is focused on the Freedom Riders that traveled to the south to challenge segregationist practices during the Civil Rights movement. This exhibition was created in conjunction with WGBH Boston/The American Experience to coincide with a documentary that originally aired in 2011. It is very popular, especially during Black History Month.

  In order to understand the impact of the exhibitions, which is typically required by funders, the Institute distributes a questionnaire to host sites. In general, response and experience varies from site to site. Visitation is largely a function of the sites level of effort at promotion and overall visitation patterns and market context. The biggest impact is reportedly at library sites in rural locations and small towns, because the exhibition is more unique and out of the ordinary in the local marketplace.

- **Museum of New Hampshire State History** – The New Hampshire Historical Society has both produced and hosted traveling exhibitions. Traveling exhibitions cover a wide range of topics, most related to the organization's mission to interpret important statewide themes.

Over the years, the Society has produced a number of shows for single sites and multiple sites throughout the state. Typically, these sites include schools, libraries, and local historical societies, and exhibitions last from a weekend to three or four months. The cost to produce these exhibitions has ranged considerably, from roughly $10,000 to $60,000 and more, depending on the size and complexity of the exhibition. This cost estimate is for design and production only and does not include staffing and transportation. Spaces available throughout the state tend to be small between 100 and 500 square feet because the sites often not to have a sufficient space for larger exhibitions. There are reportedly only a handful of spaces that can accommodate traveling exhibitions in larger spaces, such as the Historical Society of Cheshire County, with about 1,500 square feet and Discover Portsmouth gallery of 2,000 square feet. (The Society's museum has two changing exhibition spaces, rotated annually, of 3,000 and 1,800 square feet.) The Society does not charge host sites for traveling exhibitions because they view it as part of their statewide mandate and mission. Business and corporate sponsors typically underwrite travelling exhibitions, as the organization itself does not receive any public funding from the state. The Society indicates that the benefits of the traveling exhibitions include supporting local institutions that wouldn't otherwise have the resources or know-how to produce their own high quality exhibits and also reaching a broader audience than they can through their flagship museum in Concord.

In 2010, total operating expenses for the New Hampshire Historical Society were $2.0 million in FY 2010. Expenses associated with the Museum operations, including associated staff, were $192,000. Related expenses for Exhibitions, Education, and Museum Store and Visitor Services were $124,000, $140,000, and $125,000, respectively. The Society employs 13 full-time and 25 part-time staff.

The profiled organizations that produce traveling exhibitions indicate that they are an important component of reaching audiences that wouldn't otherwise be exposed to historical exhibitions. They also support local educationally oriented institutions, such as schools, libraries and historical societies, to show such exhibits. Traveling exhibitions tend to be "one off" kinds of projects from a design and development standpoint, though once created they can travel indefinitely, depending on the level of demand for the exhibition.

Section V
ECONOMIC VIABILITY OF INTERPRETATION SCENARIOS AND RECOMMENDATIONS

The following section provides an assessment of the economic viability of each Interpretation Scenario, a summary of the economic viability, and contextual economic impact information and recommendations. The section is informed by: the Cherry Valley Group's Interpretation Assessment report; research into resident and tourist markets, Portsmouth and Concord regional attractions, and comparable or similar projects; a review of economic impact studies in the State of New Hampshire (see Appendix A for an annotated bibliography of the reports reviewed); and the consultants general industry knowledge of projects and programs of the type considered here. First, a framework of analysis is established for the Interpretation Scenarios, and each scenario is reviewed in turn. After a summary of the factors for the Interpretation Scenarios, heritage and educational attraction success factors are reviewed and applied to the First State House Interpretation Scenarios to inform the recommendation of Interpretation Scenarios most economically viable, based on the research and analyses in this report. Finally, contextual economic impact information from other New Hampshire statewide economic impact studies is used as a basis for recommendations on how the State of New Hampshire can increase the positive economic impacts of historic preservation and heritage tourism activities.

Framework of Analysis

The economic viability of the Interpretation Scenarios is based on a variety of factors, which form a composite picture of the market and economic potential of each scenario. These factors include:

- **Location** – the proposed location for each Interpretation scenario is evaluated for its operational implications
- **Market support** – an assessment of the Interpretation Scenario's ability to attract and sustain visitation from resident and tourist audiences
- **Staffing requirements** – potential employment and wages supported by the Interpretation Scenario
- **Operating costs** – potential range of operating costs, based on staffing and space requirements

- **Revenue opportunities** – identification of potential earned revenues and generalized level of contributed revenues required in order to support operating costs
- **Organizational requirements** – how the Interpretation Scenario would be structured, including governance and management structure
- **Support for historic preservation and heritage tourism** – how the Interpretation Scenario supports historic preservation and heritage tourism
- **Potential for economic, fiscal and community benefits** – discussion of associated economic, fiscal and community impacts of Interpretation Scenarios

Data in **Table V-1** through **Table V-5** present evaluations of each Interpretation Scenario.

Table V-1
Evaluation of Scenario #1: New Hampshire First State House Historic Site Museum

Location	Portsmouth – the proposed location in Portsmouth is appropriate due to the fact that the First State House was originally located there in both the State House period and the Boarding House period. The mix of attractions in Portsmouth and the Seacoast would be supportive of and complementary to the museum.
Market support	The museum would attract visitors from resident and tourist markets. There are substantial tourist volumes to and through the Seacoast on an annual basis. Portsmouth has a strong identity as a heritage tourism destination; with in place tourist flows that are interested in the subject matter that the museum would present. Visitation would be highly seasonal, as indicated by seasonal attractions in Portsmouth. Based on the small scale of the attraction and review of existing and comparable attractions, visitation potential may range from 2,000 to 8,000 visitors annually. Due to the conceptual nature of the museum, the visitation potential will vary considerably depending on ultimate design and configuration of the museum, level of programming and marketing, and how the site is operated.
Staffing requirements	6 full-time equivalent (FTE) employees, in the following categories: administration and support, visitor services, program and support, and operations and maintenance.
Operating costs	Operating expenses are estimated to range from $310,000 to $460,000 in current dollars.
Revenue opportunities	Revenue would largely be derived from contributed revenues. Like most museums, these contributed revenues would be comprised of public and private gifts, grants, proceeds from endowments, and other sources. The museum also has the potential, albeit modest, to earn revenue, through admission fees, retail and program revenue. A reasonable range in the percentage of earned revenue to operating costs is 5% to 10%. Based on scale of museum and pricing at local attractions, an adult ticket price of $6.00 is reasonable to assume. Revenue from a gift shop would depend on the size and scale of retail space. Program fee revenue would be dependent on programs offered and schedule of programming.
Organizational requirements	A new 501(c)(3) not-for-profit organization would need to be established, with a volunteer board of directors and managed by an executive director.

Table V-1 (cont.)
Evaluation of Scenario #1: New Hampshire First State House Historic Site Museum

Support for historic preservation and heritage tourism	This interpretation scenario would employ the historic resource as a basis for a new museum, increasing awareness of the resource and history in general. However, the reconstruction of the state house is among the least favored methods of historic preservation, according to the Secretary of the Interior's Standards for Historic Preservation. (For more discussion of the standards, see Cherry Valley Group *Interpretation Assessment for New Hampshire's First State House*.) A new museum, however, would establish a new heritage and educational attraction in Portsmouth, thereby contributing to the mix of attractions in the destination. As a new destination within the community, it has the potential to bring new visitors to the community that wouldn't have otherwise visited. This effect however is not great because of the size and scale of the new museum. Because of the overlapping colonial themes, the new museum as proposed may cannibalize attendance from other historic homes and heritage attractions in the region.
Potential for economic, fiscal and community benefits	Potential economic, fiscal and community benefits include: ♦ Development and construction of the museum would result in construction and other related expenditures in the community on a one time basis ♦ As a new "business," the museum would create jobs and new expenditures in the local economy on an annual basis ♦ Diversification and expansion of the tourism economy, leading to increased spending by museum visitors in the community ♦ Visitor spending offsite at the destination would result in sales, hotel and other taxes to state and local government ♦ Expansion of educational opportunities for school groups and enhanced teaching opportunities for schools ♦ Increased awareness of history, historical resources and historic preservation among the general public ♦ Enhanced quality of life and community pride for residents

Table V-2
Evaluation of Scenario #2: New Hampshire First State House Partial Reconstruction

Location	Portsmouth area – the proposed location in Portsmouth area is appropriate due to the fact that the First State House was originally located in Portsmouth in both the State House period and the Boarding House period. The mix of attractions in Portsmouth and the Seacoast would be supportive of and complementary to the museum.
Market support	As in Scenario #1, the museum would attract visitors from resident and tourist markets in the Seacoast. However, because of the size and scale of the museum, which is smaller than in Scenario #1, it would not have as much attraction content and therefore would not attract as many visitors. Based on the small scale of the attraction and review of existing and comparable attractions, visitation potential may range from 1,000 to 5,000 visitors annually. Due to the conceptual nature of museum, the visitation potential will vary considerably depending on ultimate design and configuration of the museum, level of programming and marketing, and how the site is operated.
Staffing requirements	3.5 full-time equivalent (FTE) employees, in the following categories: administration and support, program and support, and operations and maintenance.
Operating costs	Operating expenses are estimated to range from $180,000 to $270,000 in current dollars.
Revenue opportunities	Revenue would largely be derived from contributed revenues. Like most museums, these contributed revenues would be comprised of public and private gifts, grants, proceeds from endowments, and other sources. The museum also has the potential to earn revenue, through admission fees and program revenue. A reasonable range in the percentage of earned revenue to operating costs is 1% to 5%. Retail revenue would not be possible at this scale of operation. Based on scale of museum and pricing at local attractions, an adult ticket price of $5.00 is reasonable to assume. Program fee revenue would be dependent on programs offered and schedule of programming.
Organizational requirements	A new 501(c)(3) not-for-profit organization would need to be established, with a volunteer board of directors and managed by an executive director.
Support for historic preservation and heritage tourism	This interpretation scenario would employ the historic resource as a basis for a new museum, increasing awareness of the resource and history in general. However, the reconstruction of the state house is among the least favored methods of historic preservation, according to the Secretary of the Interior's Standards for Historic Preservation. (For more discussion of the standards, see Cherry Valley Group *Interpretation Assessment for New Hampshire's First State House*.) A new museum, however, would establish a new heritage and educational attraction in Portsmouth, thereby contributing to the mix of attractions in the destination. As a new destination within the community, it has the potential to bring new visitors to the community that wouldn't have otherwise visited. This effect however is not great because of the size and scale of the new museum. Because of the overlapping colonial themes, the new museum as proposed may cannibalize attendance from other historic homes and heritage attractions in the region.

Table V-2 (cont.)
Evaluation of Scenario #2: New Hampshire First State House Partial Reconstruction

Potential for economic, fiscal and community benefits	Potential economic, fiscal and community benefits are the same as in Scenario #1, though they would not be as large because of the smaller scale of the museum and the overall operation. These benefits include: ♦ Development and construction of the museum would result in construction and other related expenditures in the community on a one time basis ♦ As a new "business," the museum would create jobs and new expenditures in the local economy on an annual basis ♦ Expansion of the tourism economy, leading to increased spending by museum visitors in the community ♦ Visitor spending offsite at the destination would result in sales, hotel and other taxes to state and local government ♦ Expansion of educational opportunities for school groups and enhanced teaching opportunities for schools ♦ Increased awareness of history, historical resources and historic preservation among the general public ♦ Enhanced quality of life and community pride for residents

Table V-3
Evaluation of Scenario #3: New Hampshire First State House Exhibit

Location	Southeastern New Hampshire. A host museum has not been identified and therefore the locational attributes cannot be evaluated.
Market support	As exemplified by the comparable structures as exhibits, the market support for a single exhibit is largely a function of the host site's overall market support and visitation. In some cases, a structure can be separately ticketed and be an attraction in its own right, but it must be of sufficient character and uniqueness to warrant this separate ticket. Complete buildings have a greater potential than partial buildings to offer a wholly immersive experience that can transport a visitor to a different place and a different time. Because of the significant array of 18th century architecture in the region and its fragmentary nature, the First State House does not rise to this level of attraction. However, incorporating the First State House exhibit into the current offerings of an existing institution has the potential to impact overall visitation to the host institution positively. It is not unreasonable for the First State House exhibit to contribute to sustaining an institution's visitation and potentially contributing an additional 5% to 10% to the museum's overall visitation in the first year or two after installation, if appropriately designed, programmed and promoted.
Staffing requirements	0.25 full-time equivalent (FTE) employees in exhibit maintenance.
Operating costs	Operating expenses are estimated to range from $10,000 to $20,000 in current dollars.
Revenue opportunities	Like visitation, revenue would be dependent upon the profile of the host institution and may increase slightly in the early years after exhibit installation. In addition, there may be enhanced opportunities for contributed revenues for the host institution because of the increase in visitation.
Organizational requirements	The governance and management structure would depend on the characteristics of the host organization. The installation of the First State House exhibit would not alter this existing organization's structure.
Support for historic preservation and heritage tourism	This interpretation scenario would employ the historic resource as a basis for a new exhibit, increasing awareness of the resource and historic preservation in general. This scenario is more authentic historic preservation if the state house were to be reassembled completely or partially. A state house exhibit would contribute to the ongoing sustainability of the host institution through enhanced visitation and revenue opportunities. It may also expose the host institution to new audiences that wouldn't have otherwise visited it without the First State House exhibit.
Potential for economic, fiscal and community benefits	Potential economic, fiscal and community benefits include: ♦ Development and construction of the exhibit would result in construction and other related expenditures in the community on a one time basis ♦ The exhibit would support museum jobs and expenditures in the local economy on an annual basis through an existing institution ♦ Expansion of the tourism economy, leading to increased spending by museum visitors in the community – this effect would not be as great as in Scenarios #1 and #2, and only apply to increment in museum visitation in early years after exhibit installation ♦ Visitor offsite spending at the destination would result in sales, hotel and other taxes to state and local government – this effect would not be as great as in Scenarios #1 and #2, and only apply to increment in museum visitation in early years after exhibit installation ♦ Expansion of educational opportunities for school groups and enhanced teaching opportunities for schools ♦ Increased awareness of history, historical resources and historic preservation among the general public ♦ Enhanced quality of life and community pride for residents

Table V-4
Evaluation of Scenario #4: New Hampshire Virtual First State House Museum

Location	As a virtual museum, the location is on the Internet and accessible to visitors from throughout New Hampshire and the world. The physical location for staffing the virtual museum and the associated archeology research lab is assumed to be located at an academic or historical / cultural institution. The physical location is not assumed to affect operations, perhaps only marginally based on the cost of occupied space, which would from vary locality to locality.
Market support	The virtual museum is an emerging form. In some cases, a virtual exhibition is the product of an existing museum that uses its collection and existing staff resources as the basis. In others, it is a largely online museum, with exhibitions and social media integrated to develop a community of visitors that has the potential to span the globe. The audience for online exhibitions and museums is not limited by geography and is therefore a function of the visitor's ability to find the exhibition or museum, through search engines, other websites, and the like. Based on the experience of comparable projects, a reasonable range of visitation for a First State House online exhibition might range from 50,000 to 100,000 unique visitors, in its first year, given an appropriate level of marketing online and depending on the content and design.
Staffing requirements	4.0 full-time equivalent (FTE) employees including a Director / Curator, research associates and a digital resources technician. Research associates are assumed to be graduate internships, with an assumed lower payroll cost per FTE.
Operating costs	Operating expenses are estimated to range from $150,000 to $230,000 in current dollars. The amount of office space required to house staff offices, collections and other storage, classrooms and archeology laboratory is assumed to be about 2,400 square feet.
Revenue opportunities	Online exhibitions and virtual museums are supported largely through contributed revenues. However, there are opportunities for program revenues, if real world events and activities are planned. An important source of grant funds for online exhibitions is the National Endowment for the Humanities, a federal organization, as well as state and local government programs in the arts and humanities, and private foundations and businesses.
Organizational requirements	It is assumed that the virtual museum and associated digital collection would be a unit within an existing academic and/or historical / cultural institution.
Support for historic preservation and heritage tourism	This interpretation scenario would employ the historic resource as a basis for a new exhibition online, increasing awareness of the resource and historic preservation in general. This awareness has the potential to be more broad-based than the place-based Interpretation Scenarios #1-3 because of the online presence. However, the physical lab associated with it would have a direct impact on students of history, historic preservation, and other related fields. It would contribute to the ongoing sustainability of the host institution through new program-related revenue opportunities, as well as potentially support its mission in historic preservation. It may also expose the host institution to new audiences that wouldn't have otherwise been exposed to it without the First State House exhibition or museum. Because heritage tourism is a place-based activity, an online exhibition or museum would have limited impact on the ground; however, it is assumed that such a virtual museum would be linked to heritage tourism activities, perhaps recommending real world itineraries to "see and do."

Table V-4 (cont.)
Evaluation of Scenario #4: New Hampshire Virtual First State House Museum

Potential for economic, fiscal and community benefits	Potential economic, fiscal and community benefits include: ♦ Initial development of the online presence and acquisition of digital software and hardware would result expenditures in the community on a one time basis ♦ The ongoing development and maintenance of the virtual museum would result in new jobs and expenditures in the local economy on an annual basis through the existing host institution ♦ Expansion of educational opportunities for school children through the online experience and the provision of teacher curricula and materials ♦ Increased awareness of history, historical resources and historic preservation among the general public ♦ Enhanced quality of life and community pride for residents

Table V-5
Evaluation of Scenario #5: First State House History Center for Civic Engagement

Location	As in Scenario #4, this Interpretation Scenario also functions largely as a virtual museum: the location is on the Internet and accessible to visitors from throughout New Hampshire and the world. Therefore, the physical location for staffing the virtual museum and the associated education center is assumed to be located at a non-profit library / archive. The physical location is not assumed to affect operations, perhaps only marginally based on the cost of occupied space, which would vary from locality to locality. Unlike in Scenario #4, however, Scenario #5 incorporates small and large traveling exhibition, based on the First State House.
Market support	Scenario #5 would have both online and real world visitation, which would be dispersed throughout the state and dependent upon the visitation patterns at the to be determined host sites. As in Scenario #4, a reasonable range of online visitation for a First State House online exhibition might range from 50,000 to 100,000 unique visitors, in its first year, given an appropriate level of marketing online and depending on the content and design. The two different traveling would have different visitation patterns. In general, the larger traveling exhibition has the potential to reach a larger audience because the host sites will be bigger, with an assumed bigger visitation profile than host sites of the smaller traveling exhibition. It is reasonable to assume the visitation to each host site of the smaller exhibition would be in the few hundreds of people to a few thousand people for the smaller exhibit and potentially several tens of thousands for the larger exhibit. Both the online and the traveling exhibitions would be mutually reinforcing, leading online visitors to visit the traveling exhibition and vise-versa.
Staffing requirements	4.0 full-time equivalent (FTE) employees including a Director / Administrator, education coordinator, research associate and a digital resources technician.
Operating costs	Operating expenses are estimated to range from $220,000 to $330,000 in current dollars. Hosting institutions are assumed to pay for the cost of transportation for the traveling exhibitions and therefore this is not included in operating expense estimates.
Revenue opportunities	Online exhibitions and virtual museums are supported largely through contributed revenues. As are traveling exhibitions. However, there are opportunities for program revenues, if real world events and activities are planned. An important source of grant funds for online exhibitions is the National Endowment for the Humanities, a federal organization, as well as state and local government programs in the arts and humanities, and private foundations and businesses.

Table V-5 (cont.)
Evaluation of Scenario #5: First State House History Center for Civic Engagement

Organizational requirements	It is assumed that the virtual museum and associated digital collection would be a unit within an existing library / archive or education center.
Support for historic preservation and heritage tourism	This interpretation scenario would employ the historic resource as a basis for a new exhibition online and traveling exhibition, increasing awareness of the resource and historic preservation in general. Among all of the scenarios, this awareness has the potential to be the most broad-based because of the combination of the online presence and the traveling exhibitions that would visit a number of communities, rather than just reside in one place as in Scenarios #1-3. Scenario #5 would contribute to the ongoing sustainability of the host institution through new program-related revenue opportunities, as well as potentially support its mission related to historic preservation. It may also expose the host institution to new audiences that wouldn't have otherwise been exposed to it without the proposed Center. Because heritage tourism is a place-based activity, an online exhibition or museum would have limited impact on the ground; however, it is assumed that such a virtual museum would be linked to heritage tourism activities, perhaps recommending real world itineraries to "see and do."
Potential for economic, fiscal and community benefits	Potential economic, fiscal and community benefits include: ♦ Initial development of the online presence and acquisition of digital software and hardware would result expenditures in the community on a one time basis ♦ Initial development and production of the traveling exhibitions would result in expenditures in the community on a one time basis ♦ The ongoing Center activities and programs would result in new jobs and expenditures in the local economy on an annual basis through the existing host institution ♦ Expansion of educational opportunities for school children through the online experience and the provision of teacher curricula and materials ♦ Increased awareness of history, historical resources and historic preservation among the general public ♦ Enhanced quality of life and community pride for community residents

Summary Evaluation of Economic Viability

The proposed Interpretation Scenarios for the First State House represent a range of futures for the First State House, from full reconstruction as an historic site museum to a virtual museum that exists solely on the Internet. As such each Interpretation Scenarios represents different levels of initial and ongoing investment in new or existing organizational infrastructure and programming, rooted in opportunities for interpretation, to support the preservation of the First State House architectural fragments. Despite these differences there are also many similarities between the Scenarios, in terms of levels of ongoing operating costs, required support from sources of contributed revenue, support for historic preservation and heritage tourism, and economic and community benefits.

Following is a comparative discussion of important characteristics related to the economic viability of the Interpretation Scenarios.

- **Location** – While all scenarios require some sort of physical location, their locational requirements are different. Scenarios #1 and #2 will require land on which to build a new museum—capital costs identified in this report do not include land acquisition, which has the potential to be quite high. Scenario #3 is established in an existing museum or historic site location. All three of these scenarios must be easily accessible and visible to the general public and educational groups. Because their primary programming occurs online, Scenarios #4 and #5 require only office space for staff workspaces and to house the hardware required to support and online infrastructure. In Scenario #4, an archeological laboratory and classroom space is assumed to double the amount of office space required. The exact size and configuration of the archeology laboratory has the potential to vary widely. In Scenario #5, a traveling exhibition would be presented throughout the state, in locations that will have different visitation patterns dependent upon the local market context.

- **Market Support** – Since a specific location has not been identified for any of the scenarios, it is difficult to establish market support for the First State House in a specific location. Concord and Portsmouth resident market areas, within a 30-minute drive time area, are of similar size in terms of population. All of the Concord area resident population resides in New Hampshire whereas the 30-minute drive time around Portsmouth includes residents of the adjacent states Maine and Massachusetts—roughly 37 percent of the total estimated population. Regardless of the location, all Interpretation Scenarios are targeted towards statewide resident markets. A Concord location would therefore be easier for access to more of New Hampshire residents.

  The First State House was originally located in Portsmouth, and this historical association underpins the Interpretation Scenario construct. Portsmouth and the Seacoast also contain more cultural heritage museums and historic homes, a critical mass of attractions. A new museum in Portsmouth would have the potential to enhance the local tourist market by enhancing the critical mass of heritage attractions, but only if it is of significant size and scale to be a destination in its own right and is not another small scale attraction presenting similar themes and topics as other attractions in the region. As proposed in Scenario #1 and Scenario #2, a First State House museum would be too small and too similar to existing attraction to enhance the mix of attractions in the region and may in fact draw attendance away from existing attraction.

  Based on the above discussion, the use of the architectural fragments would be more appropriate, and lower cost, and just as effective from an interpretive standpoint at getting across key messages of a First State House exhibit, if housed in an exhibit gallery or in an archeology and architectural laboratory that offers limited access to post-secondary students, academics, professionals and researchers.

  It is unclear whether an existing institution, however, is willing to take on the First State House, especially since one has yet to emerge over the course of the preservation project's history that has spanned multiple decades. There is market support for an online exhibition and virtual museum, thought level of ongoing programming beyond the creation of the initial First State House exhibitions, would be dependent upon the creation of an entirely new organization or an existing institution willing to establish the Virtual Museum or the Center for Civics and Political Engagement. A new organization could be created; but

existing organizations would have more knowledge, expertise and programmatic and administrative infrastructure to manage and implement project. A plausible scenario is for the First State House to become the basis of a grant proposal for National Endowment for the Humanities, other state and local government sources and private support from individuals, foundations and businesses and corporations. Existing institutions have track records at attracting contributed revenues, whereas a new non-profit organization's potential success raising funds is considerably more speculative.

- **Staffing Requirements** – The staffing requirements are evaluated as if each Interpretation Scenarios were a new organization in Scenarios #1 and #2, or a new unit within an existing organization, for Scenarios #3, #4 and #5. The number of staff required ranges from 0.25 FTE in Scenario #3 to 6.0 FTE in Scenario #1. Scenarios #2, #4 and #5 require roughly 4.0 FTE, though the skill sets of the staffing required would vary. Staff in Scenarios #1, #2 and #3 is mostly public customer service and educational staff; while staffing for Scenarios #4 and #5 would be focused on building and maintaining digital resources, online exhibitions, and expanding digital collections. For the purposes of this analysis, the average salary levels are the same across all the Interpretation Scenarios, except for Scenario #4 that has half of its employees assumed to be graduate internships, which would have a lower cost than permanent employees.

- **Operating Costs** – In this analysis operating costs include employee salaries and wages, employee fringe, benefits and taxes, and other operating costs; and in Scenarios #4 and #5, a separate occupancy cost for office space. (In Scenarios #1, #2 and #3, it is assumed that new and existing museums are located on owned land and buildings.) Scenario # 1 requires the highest operating cost on an annual basis, at between $410,000 and $610,000, while the lowest operating cost option is Scenario #3, at between $30,000 and $40,000 annually.

- **Revenue Opportunities** – Only Scenario #1 and to a lesser extent Scenario #2 offer good opportunities for earned revenue, through admissions, retail and program revenues. Permanent, online and traveling exhibitions tend to be one-time expenses and do not earn revenue per se, except through any admission fees charges by the host institution. There are opportunities for program related revenue planned in conjunction with the permanent exhibit in Scenario #3 and virtual organizations in Scenarios #4 and #5 and traveling exhibitions in Scenario #5. All scenarios will rely on contributed revenues to cover a large majority of operating expenses. Available grant funds to support the programs of the type described in the Interpretation Scenarios tend to be available for one-time programs and projects rather than as an ongoing support mechanism.

- **Organizational Requirements** – Ultimately, support for a new organization will need to be built by a group of individuals and organizations, that have yet to be identified and exist only now as a theoretical construction. A much more realistic path forward for the First State House is for the fragments to be employed by an existing institution to develop new programming. An existing organization would have the skills and resources, such as grant writing and collections, required to implement a First State House project. For the initial project to live on as a program would require ongoing support from an organization and its sponsors and funders, after one-time start up and implementation. Permanent, online and traveling exhibitions tend to only have one life and tend to be deployed for a period of time,

ranging from a weekend to years or more. Sustaining organizations on an annual basis requires broad-based human and financial support from public and private sectors, and larger organizations require more resources.

- **Support for Historic Preservation and Heritage Tourism** – Interpretation Scenarios #3, #4 and #5 are the most appropriate scenarios for historic preservation based on the Secretary of the Interior's standards for historic preservation. (See Cherry Valley Report for more discussion of the standards in relationship to the scenarios.) All scenarios build awareness of historical resources, like the First State House, among the general resident and tourist public, schoolteachers and students, in both online and physical spaces. They provide access, whether online or physically to historical resources and collections, that appeal to professionals and researchers in the fields of museums, history, American studies, architecture, and archeology among others. A key story related to the First State House, in many ways more interesting and important, is the First State House's preservation story that has spanned over half a century or more. Telling this story along with Colonial period, transition from Royal to Constitutional government, as well as the Boarding House period and 20th Century movement to preserve the First State House helps to challenge audience notions of the meaning of architectural preservation and the importance of shrines that preserve New Hampshire and American history that have a truly global appeal.

  All Scenarios support heritage tourism activities, but in different ways. Physical developments in Scenarios #1 and #2 become new heritage tourism destinations, though would likely achieve similar levels of market support as existing historic house museums. Scenarios, #3 and #5 will support heritage tourism activities at existing heritage tourism destinations. Online exhibitions in #4 and #5 will also support heritage tourism activities to the extent the website directs online visitors to go to real places to experience history in cities and regions of New Hampshire.

- **Potential for Economic, Fiscal and Community Benefits** – All Interpretation Scenarios create new economic, fiscal and community benefits, in similar and different ways. All Scenarios function as new "businesses" within the New Hampshire economy that have direct expenditures, wages and salaries and employment. Like all businesses, they have varying degrees of indirect and induced impacts, based on the profile of direct expenditures. The physical museums, permanent and traveling exhibitions also have direct impacts from associated off-site visitor spending on the same day as the visitor's trip to the museum, permanent or traveling exhibition. Online exhibitions will have limited impact on visitor spending because their online visit does not also include stops and expenditures in lodgings, restaurants, shops and other recreation entertainment and transportation categories, like tourist spending patterns in real world.

  Fiscal benefits would be derived through sales taxes on employee spending for goods and services in local economy, as well as taxes on off-site visitor spending, including sales and lodging taxes. Again, like overall economic impact, physical scenarios are likely to have more fiscal impacts due to associated off-site visitor spending.

  While incalculable, community benefits are perhaps the most lasting impacts of all. All Interpretation Scenarios expand educational opportunities for school children through the online and in person experiences and the provision of teacher curricula and materials;

increase awareness of history, historical resources and historic preservation among the general public; and enhanced quality of life and community pride for community residents. Overall, these community benefits make New Hampshire a better place to live, work and visit; and support the overall historical charm and character of the state.

The five Interpretation Scenarios offer different opportunities for interpretive exhibits, in reality or in cyberspace, in conjunction with new programming. They all have varying levels of market support, staffing requirements, operating costs, revenue opportunities, organizational requirements, support for historic preservation and heritage tourism activities, and economic, fiscal and community benefits.

Heritage and Educational Attraction Success Factors

Audiences today are exposed to high-tech, high-quality media and experiences at work, school and at visitor attractions on an ongoing basis. Due to high audience standards, those in the heritage and educational attraction industries have adopted those same high-quality techniques and standards to attract visitors and maintain visitation levels. Potential visitors have probably visited theme parks, aquariums, major museums, themed retailers and restaurants, National Parks and other such major attractions, or at least seen them on television. Additionally, these audiences are willing to travel; more people travel nationally and internationally than ever before. As the expectations by audiences of leisure time products are very high, a successful educational attraction must meet audience expectations of value provided in terms of both money <u>and</u> time spent. To achieve its goals for interpretive and economic success, the Interpretation Scenarios should fulfill the following criteria:

- **Authenticity and Quality -** The interpretive elements should have a high degree of interest and/or relevance to the audience. Audience expectations of content and presentation have risen dramatically.

  The First State House Interpretation Scenarios as proposed will provide unique, high quality educational and entertainment experiences, both online and in the real world. The permanent exhibit in Scenario #3 provides the most architectural authenticity among all scenarios.

- **Location -** The accessibility and visibility of the location is critical to its market success. Facilities in outstanding locations, from an accessibility and visibility perspective, have the greatest market opportunity. Many museums are site-specific. They interpret a site, region or geographic feature. A site that has good proximity and views reinforces the quality of the visitor experience. This can be a major factor in the museum's success.

Due to the size of resident and tourist markets, and extent of local heritage attractions that are complementary and supportive, locations in downtown Portsmouth and Concord that are highly visible and accessible to resident and tourist markets in place are the most logical for a new heritage museum or permanent exhibition. A location at an existing heritage attraction, such as New Hampshire State History Museum, current State House, or Strawbery Banke Museum, offers the First State House the most visitation potential, based on existing patterns of visitation. A location not in an heritage destination, but in a heavily traveled public place like the Manchester Airport are good places to reach audiences who wouldn't otherwise visit a museum.

- **Critical Mass and Quality of Attraction Elements** - The attraction must have sufficient quality and quantity of content to warrant a special trip. Typically, this implies that more than one hour or more will be spent experiencing the attraction. There must be sufficient attraction content to appeal to a diverse audience with varying ages and degrees of subject interest and education. There must be a variety and quantity of experiences for the visitor to feel they have visited a special place. When combined with some shopping for souvenirs, engaging in other associated programming offerings, and perhaps relaxing while observing all that is going on, the experience must be the focal point of a half-day or even a full-day recreational experience. Most importantly, it must be an entertaining experience.

  As the scenario with the largest real world visitation potential, Scenario #1 would also offer the longest physical visitor experience, at roughly 1 to 1.5 hours, Scenario #2 with a 30 minute to 1 hour experience, and Scenario #3 and #5 permanent and travelling exhibitions up to 30 minute visitor experience. The better the location for the Interpretation Scenario in the real world, the more visible and accessible the Scenario will be to in place resident and tourist markets; and the better able it will be to be couched in a critical mass of attraction elements offsite within its host destination. Online experiences have the potential to be a wide range of lengths of stay depending on interpretive goals and design of online experience; and the associated networks and linkages will also play a factor in how visitors will navigate to the online experiences from other related heritage and educational experiences online.

- **Serves Resident and Tourist Markets** - Most successful projects serve both resident and tourist markets. Planning for and marketing to both groups ensures both maximum and year-round visitation.

  Scenarios #1, #2, #3 and #5 will draw market support from geographic resident and tourist markets, but will be varied depending on final site and location for project, whether a new museum, in an existing museum or historic site, or traveling to host sites throughout the State of New Hampshire. Online audiences for all Interpretation Scenarios will be drawn from New Hampshire, nationally and internationally. An integrated physical museum or exhibition with an online exhibition would create more audience exposure and synergy that will enhance overall visitation and public awareness of the First State House.

- **Repeatability** - For most attractions, the resident market is a principal source of market support. In order to bring this audience back repeatedly, the attraction must have exhibit, program and site qualities that justify repeatable experiences. Changing and interactive

exhibitry, consistently new and innovative programming and special/annual events are successful ways for projects of this type to encourage repeat visitation.

All Interpretation Scenarios are exhibit-oriented and do not change substantially after construction and installation, though the traveling exhibition is collapsible and reusable in different locations. In all Interpretation Scenarios, therefore, the level of repeatability will be largely dependent upon ultimate level of ongoing programming, rather than exhibit experience.

- **Sound Financial Basis** - Appropriate project scale for the potential audience is important so that revenues can support both operations and the physical infrastructure of the facility. Entrance fees must be set to maximize revenues while maintaining optimum visitation levels. Operations and marketing must sustain the audience size and the physical and Internet infrastructure and provide a quality physical and online visitor experience. Operations must be scaled to the particular attributes of the facility, including staffing, seasonality and other factors. Revenues must be derived from contributed as well as earned sources. Over-reliance on either of these two categories generates operational risk for the facility. Meeting these requirements will create a sound financial basis.

  All Interpretation Scenarios require a significant majority of contributed revenues to sustain staffing and operations, which creates risk for ongoing sustainability. Whereas there may be capital and grant funds available to support development and implementation of each Interpretation Scenarios, each scenario's business model is based on raising sufficient revenue funds from public and private sources on an annual basis. Given the current economic climate, and the recent volatility in the levels of contributed funds to existing museums, historic sites and other non-profit and visitor attractions, a new organization may have a difficult time establishing appropriate level of revenues to sustain operations that achieves full level of market support identified in this evaluation.

Summary Recommendation on New Hampshire's First State House

Based on the summary evaluation of economic viability and the attraction success factors, Interpretation Scenarios #3, #4 and #5, or some combination of the three that involves a permanent state house exhibit (for a period of several years), an online exhibition (indefinitely available), and a set of traveling exhibitions, are the most economically viable scenarios. Scenarios #1 and #2 are not recommended because of their high capital and operating expenses that require greater levels of public and private support that may not be adequately sustained in the future.

An important distinction must be made about the nature of capital and operating expenditures in an interpretive framework. Because it is a capital project, with minimal maintenance and programming requirements, Scenario #3 has limited ongoing operating needs after one time

development. Online and traveling exhibitions as proposed in Scenarios #4 and #5 are also capital projects; one-time expenditures for development. Their operational requirements are driven by organizational infrastructure and program concepts that build on these core initial exhibitions to establish and advance digital collections. The organizations established by the Interpretation Scenarios are conceptual in nature and do not exist. However, they would not have to in order for an online or traveling exhibition to be created by an existing organization.

Contextual Economic Impact Information and Recommendations

A review of statewide economic impact studies in New Hampshire and throughout the United States indicates that historic preservation and heritage tourism have a large economic impact. In the instance of the First State House, for any of the Interpretation Scenarios, the economic impact is evaluated at the level of the establishment or business, in terms of total expenditures for capital and operations, salaries and wages and jobs for local residents and households, and jobs for local residents. Organizational spending and spending by employees in the local economy, in turn, supports additional spending and jobs in the local economy, the so-called multiplier effect.

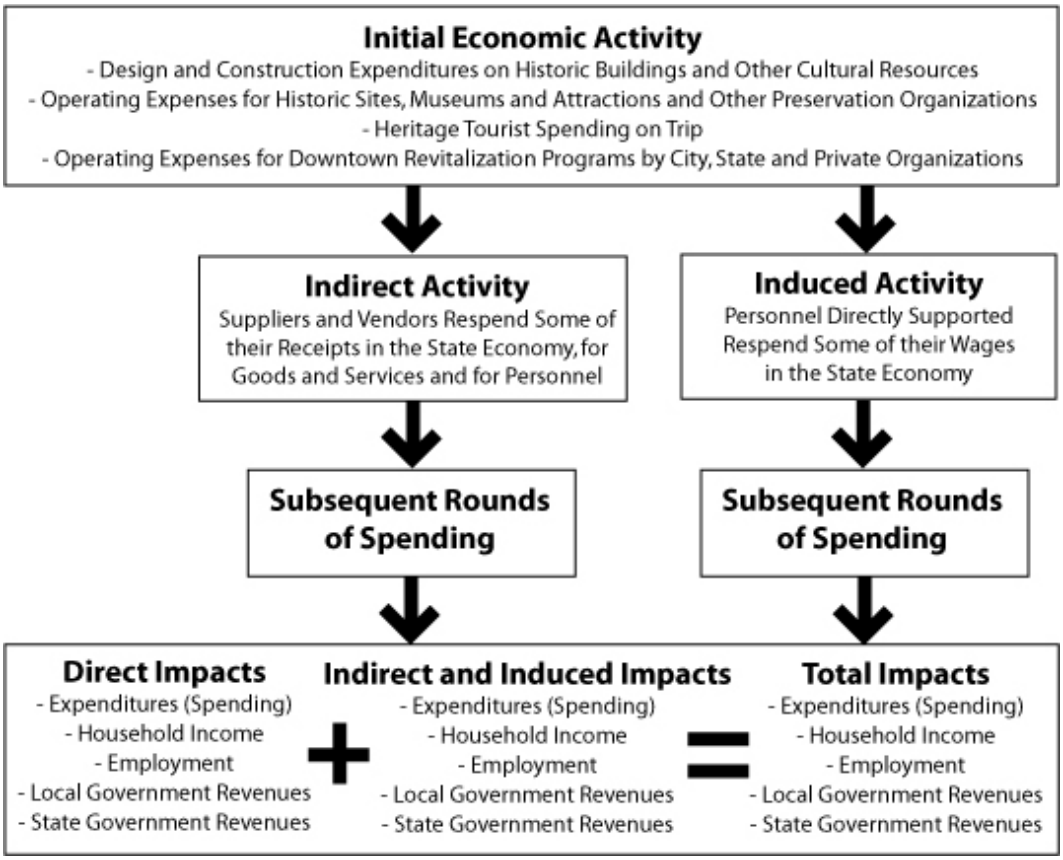
Figure V-1 shows a conceptual model of the economic impacts of historic preservation, based on a review of state level studies. While these studies vary according to their methods, several categories of economic activity are typically evaluated including:

- **Design and construction expenditures on historic buildings and other cultural resources for** preservation and conservation, most often through federal historic tax credit programs and state-level programs such as New Hampshire Land and Community Heritage Investment Program (LCHIP). LCHIP projects support various industries throughout the state, creating economic impacts in recreation and tourism, working forests, working farms, and historic preservation. From its inception through 2010, LCHIP has funded 202 projects in 136 communities, conserving 290,000 acres of land and revitalizing 118 historic structures. This grant program leverages additional monies for projects from federal, municipal or private sources. Over the course of the program, every dollar in grant funds leveraged $6.26 in other funds.
- **Operating expenses for historic sites, museums and attractions and other preservation organizations**, such as local historical societies. The Americans for the Arts surveys that have been done in New Hampshire's Portsmouth/Seacoast and Monadnock region and the one that is currently being undertaken throughout the State of New Hampshire have the potential to provide a comprehensive industry composite. An estimated 750 surveys were distributed. However, this survey represents only non-profit arts organizations. There are many individual artists, as well as for-profit businesses that rely upon and contribute to

historic preservation and heritage-orientation of state's historic urban, small town and rural and natural landscapes.

- **Heritage tourist spending on trip**. The aforementioned statewide American for the Arts survey will create some audience spending profiles for arts and museum participants, but it will not capture all cultural heritage tourists that are participating in outdoor recreation, auto touring on state scenic byways, and visiting its historic small towns. If eight of ten tourists nationally are on cultural heritage trips, defined as participation in an artistic, cultural, historic or outdoor recreational activity. Given the state's tourism assets in history, that is reflected in its institutions and its architecture, open spaces, wildernesses and picturesque rural landscapes that offer abundant opportunities for outdoor recreation, New Hampshire no doubt gets its fair share of cultural heritage tourists and the benefit of their associated spending.
- **Operating expenses for historic downtown revitalization programs, as well as counts of new business creation and building area redeveloped.** Many states, such as Maine, Iowa and New Mexico, have statewide programs that support downtown revitalization based on the Main Street model and collect information on economic impacts of program activities, new businesses and jobs and community investment in rehabilitations of historic buildings. New Hampshire's statewide Main Street program has been downscaled and is housed currently in the New Hampshire Community Development Finance Authority. It no longer designates Main Street communities, but provides critical downtown revitalization support through historic tax credit program and through Community Development Block Grant programs, both of which are federal programs.

Figure V-1
Conceptual Model of the Direct, Indirect and Induced Economic Impacts of Historic Preservation



Source: ConsultEcon, Inc.

Economic impacts of historic preservation and heritage tourism can also be evaluated at the industry level, as a composite of establishments engaged in economic activity related to historic preservation and heritage tourism. However, standardized industrial classifications are too broad and do not isolate historic preservation oriented firms well. For example, would the architecture firms engaged in both new construction and redevelopment of historic structures count as a part of the historic preservation industry? As such construction projects that attracted historic tax credits are a more concrete way of assigning construction expenditures to historic preservation. However, it is arguable that renovation and rehabilitation of any old structure is an historic preservation expenditure. Therefore, using historic tax credit projects alone is likely a conservative estimate of historic preservation construction projects, especially in a state where 22 percent of the housing units were built before 1940, compared to 14 percent for the United States as a whole.

Heritage tourism is even more elusive because since it is defined based on the spending patterns of visitors, but does not make a distinction about whether the heritage activity was the primary purpose of the trip. National studies of cultural heritage tourism (US Travel Association, 2003; Longwoods, 2007; Mandela Research, 2009) indicate that roughly 8 out of 10 domestic overnight trips include an arts, culture or heritage related activity. Cultural heritage tourists also tend to be more high value tourists than the average because they are older, more educated and with higher incomes, who stay longer and spend more when they are traveling. However, this is a very liberal definition based on activities that does not delineate about intent or trip purpose that is attributable solely to heritage tourism and not just tourism in general.

Recommendations to Increase Positive Economic Impacts of Historic Preservation and Heritage Tourism Activities

The following are state-level policy and program recommendations that have the potential for to increase the positive economic impacts of historic preservation and heritage tourism activities.

- Expand public funding for historic preservation and heritage tourism activities, through existing programs, such as LCHIP, State Parks, DHR, and DTTD.
- Establish statewide tax credits for historical rehabilitations designed to expand utilization of federal historic tax credits.
- Establish new state-level program for technical assistance and financing for Main Street communities, including small business financing, local governments and Main Street organizations with downtown revitalization focused on historic downtowns and villages.
- Establish new state level program for technical assistance and financing for state-designated cultural districts in communities throughout the state, partnering with local artists, businesses, and non-profit organization, such as museums, historic sites and arts councils.
- Establish photographic oriented geographic database and digital collection of statewide historical and cultural resources that is user-friendly, promotes heritage tourism and history education for the general public, and provides valuable professional resource.
- Survey how important cultural heritage tourists are to the state's overall tourism economy, including surveying visitors, attractions and lodgings.
- Establish new digital collection of archeology, architecture, and architectural fragments, based on existing collections of resources and materials, clearinghouse of information on material and built heritage that serves as a resource for archeologists, architects, historians and other professional audiences.

Appendix A

REVIEW OF ECONOMIC IMPACT STUDIES IN NEW HAMPSHIRE

Annotated Bibliography Of Selected Statewide Economic Impact Studies and Reports Related To Historic Preservation and Heritage Tourism – Listed by Most Recent Date

- ***Arts and Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences.*** **Companion to prior Arts and Economic Prosperity III studies and forthcoming in June 2012. Americans for the Arts. Prepared for the New Hampshire State Council on the Arts.**

  Currently being prepared under contract with New Hampshire State Council on the Arts, City of Concord, City of Rochester, City of Portsmouth, Town of Newmarket, and the Arts Alliance of Northern NH. First survey component is an "Economic Activity Survey of Non-profit Organizations" sent to over 750 organizations in NH. The second component included "Audience Expenditure Survey" gathers information on audience spending patterns in conjunction with a visit to a non- profit organization that presents events, performances, and productions. These two surveys are currently underway and responses are being collected and tabulated with a scheduled June 2012 release date.

- **Trust for Public Land. (April 2011)** ***The Economic Benefits of LCHIP.***

  A two-page document plus endnotes that highlights LCHIP – Land and Community Heritage Investment Program – investments and cites other economic impact studies to illustrate how the LCHIP contributes to economic impact in other areas. The LCHIP is an independent state authority that awards matching grants for projects that preserve New Hampshire's natural and historic resources. Through the date of the brief, the LCHIP funded 202 projects in 136 communities, conserving 290,000 acres of land and revitalizing 118 historic structures. This grant program leverages additional monies for projects from federal, municipal or private sources. Over the course of the program, every dollar in grant funds leveraged $6.26 in other funds.

  LCHIP projects support various industries throughout the state, creating economic impacts in recreation and tourism, working forests, working farms, and historic preservation.

- ***Investing in New Hampshire: Fiscal Year 2010 Annual Report.*** **Land and Community Heritage Investment Program.**

  In this most recent annual report of the LCHIP for FY 2010, the LCHIP funded 33 projects statewide out of 50 that applied. Total committed LCHIP funding was $2.8 million for total projects with value of $35.6 million. Ten LCHIP funded projects were completed, leveraging approximately $3 of matching funds for every LCHIP dollar invested. These projects supported more than 50 New Hampshire workers and direct employee income of $850,000. The 10-year average lavage ratio of program funds to matching funds is 1:5.79.

  LCHIP administrative costs in FY2010 were $381,000, including 209,000 in salaries, not including benefits.

- **Goss, Laurence E. (August 2010)** ***New Hampshire Fiscal Year 2010 Tourism Satellite Account*****. Prepared for the New Hampshire Division of Travel and Tourism Development.**

  In FY 2010 visitor direct spending was estimated $3.94 billion, which represented a 12.4 percent decrease from FY 2008. The decrease was largely due to the "Great Recession" that began in 2007. Direct, indirect and induced visitor spending was estimated at 6.1 billion in FY 2010. Total direct spending was approximately 6.6 percent of gross state product, down from 7.7 percent in FY 2008.

  Direct employment was an estimated 60,126 full and part time jobs, with earnings of 1.4 billion. Including indirect employment and earnings, tourism supported 9.2 percent of total employment in New Hampshire. "Travel and tourism is the second most important export industry in terms of employment size for the state's economy, after manufacturing."

  New Hampshire tourist volume contains a large proportion of day trips compared to other states, due to its proximity to large population centers.

  Most spending occurs during the summer season, which accounted for 38.4 percent of total annual traveler spending, the fall season 23.5 percent, the winter season 19.4 percent and spring season 18.7 percent.

  Average annual spending per visitor was $76.71, 9.6 percent lower than FY 2008 visitors spending of $84.82. Spending at restaurants and for recreation, groceries and ground transportation showed increasing trend over the period, and retail declined significantly by 20.7 percent.

- ***Second Annual Report on the Economic Impact of the Federal Historic Tax Credit*** **(May 2010) Center for Urban Policy Research, Bloustein School of Planning and Public Policy, Rutgers, the State University of New Jersey and National Trust Community Investment Corporation. Prepared for The Historic Tax Credit Coalition.**

  Between FY 1978 and FY 2010, there were an estimated $90.4 billion in cumulative historic rehabilitation expenditures that resulted in national total (direct and multiplier impacts) of 2 million person-year jobs, $76.3 billion in income, $210.2 billion in output and $103.8 billion in gross domestic product (GDP). For FY 2009 and FY 2010, there were an estimated $8.8 billion historic rehabilitation expenditures that resulted in 145,100 person-year jobs, $6.2 billion in income, $16.6 billion in output and $8.4 billion in GDP. Taxes for the two year period totaled $1.5 billion in federal taxes, $0.4 billion in state and $0.4 billion in local taxes.

  In FY 2009 and FY 2010 in New Hampshire, there were estimated total historic rehabilitation expenditures of $20.7 million, resulting in national impacts of 318 jobs, $14.4 million in income, $38.3 million in output, and $20.1 million in GDP. Taxes for the two year period totaled $3.3 million in federal taxes, $287,600 in state and $808,900 in local taxes.

- ***Arts and Economic Prosperity III: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in New Hampshire's Monadnock Region (2008)* Americans for the Arts. Prepared under contract for Arts Alive!**

  The Monadnock Region was one of over 150 study areas, including cities and counties, multi-county regions, and statewide studies in the third series of economic impact studies developed by the Americans for the Arts in prior series in 1994 and 2002. The study found $16.6 million in total expenditures in FY 2008 due to non-profit arts and culture organizations and spending by non-profit arts and culture organizations' audiences. An estimated 79 percent of total expenditures were due to organizational spending and 21 percent were due to audience spending, not including the cost of admission and other onsite spending, which is reflected in organizational spending. Total expenditures supported an estimated 477 full-time equivalent jobs, $10.6 million in household income paid to residents, $666,000 in local government revenue, and $643,000 in state government revenue. Resident and non-resident attendance was 71 percent and 29 percent of total attendance, respectively. Residents spent an average of $14.28 on event-related expenditures and non-residents spent an average of $28.65 on event related expenditures.

- ***Arts and Economic Prosperity III: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the Portsmouth Seacoast* (2006) Americans for the Arts. Prepared under contract for Artspeak.**

  The Portsmouth Seacoast Region was one of over 150 study areas, including cities and counties, multi-county regions, and statewide studies in the third series of economic impact studies developed by the Americans for the Arts in prior series in 1994 and 2002. The study found $38.2 million in total expenditures in FY 2005 due to non-profit arts and culture organizations and spending by non-profit arts and culture organizations' audiences. An estimated 33 percent of total expenditures were due to organizational spending and 66 percent were due to audience spending, not including the cost of admission and other onsite spending, which is reflected in organizational spending. This spending supported an estimated 1,161 full-time equivalent jobs, $22.9 million in household income paid to residents, $2.5 million in local government revenues, and $1.9 million in state government revenues. Resident and non-resident attendance was 34 percent and 66 percent of total attendance, respectively. Residents spent an average of $20.53 on event-related expenditures and non-residents spent an average of $31.43 on event-related expenditures.

- **Gottlob, Brian J. *The Impact of LCHIP Historic Preservation Grants on the New Hampshire Economy*. (July 2004) Prepared by PolEcon Research.**

  The Land and Community Heritage Investment Program is state sponsored grant program, which has an independent board of directors and program staff. According to the annual report, the program is funded from the Conservation License Plate Program that generates roughly $200,000 annually, from interest on the trust and operational fund accounts and from administrative fees assessed on the project grants. The trust fund therefore supports both project grants and transfers to operating budget.

  A detailed economic impact study found:

  - "LCHIP grant funds of $5.8 million leveraged another $19.3 million in historic

preservation funds, or $4 for every dollar of state funds invested.

- "Every dollar of the state's $5.8 million in LCHIP preservation grants produced a total of $7 in economic impacts on the New Hampshire economy.
- "When the "net" tax cost of LCHIP grants (state funds minus the portion of revenue from non-residents and businesses and minus the revenue returned to the State of New Hampshire as a result of LCHIP economic impacts) are considered, each dollar of state LCHIP preservation investment produces $13 of economic impacts.
- LCHIP historic preservation grants generated a total of 606 jobs in the NH economy
- LCHIP historic preservation grants have a strong positive impact on the NH economy even when the tax impacts (the cost to residents and business of funding the program) are considered and subtracted from grant impacts.
- LCHIP preservation grants have a greater positive impact on the NH economy than do alternative uses of state and private funds because LCHIP preservation grants leverage approximately $4 dollars of additional funds for each dollar of state money invested and grant expenditures are spent on goods and services with strong multiplier impacts on the New Hampshire economy.