



Business Plan Pioneer Village Relocated to Camp Naumkeag

**Prepared by:
ConsultEcon, Inc.**

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ConsultEcon, Inc.

- ◆ ConsultEcon, Inc. was founded in 1991 as The Office of Thomas J. Martin and renamed ConsultEcon, Inc. in January 2001. The firm provides services to clients in the areas of project and plan concept development, evaluation, and implementation with a particular focus in visitor attractions.
- ◆ The staff of ConsultEcon has conducted over 1,000 studies including business plans; research reports; market and visitation analysis; financial feasibility studies; operations analyses; and economic impact studies for existing and proposed visitor attractions. The firm is headquartered in Cambridge, MA but works on projects nationally and internationally.
- ◆ The senior staff at ConsultEcon has many years of experience serving a wide range of clients. Our substantial knowledge of market, financial and operational issues of visitor venue projects nationally and internationally is the basis for our work.
- ◆ Our ongoing work and project reference files provide a large body of information from which to draw comparable experiences, operating factors, and to identify the approaches that are most effective. More information about the firm can be found on our web site, *www.consultecon.com*.

Report Outline

- ◆ Introduction and Assumptions
- ◆ Purpose For Relocation of Pioneer Village (The Village) to Camp Naumkeag
- ◆ Evaluation of Current and Relocation Sites
- ◆ Vision for the Future The Village
- ◆ Resident Market Evaluation
- ◆ City of Salem Tourism Market
- ◆ The Village Current Operating Profile
- ◆ Baseline Operations
- ◆ The Village Business Plan
- ◆ Relocated The Village Economic Sustainability
- ◆ Appendix
 - Current Operations of the Witch House and Charter Street Cemetery

Introduction and Assumptions

The City of Salem retained ConsultEcon, Inc. to support the development of a business plan for future operations of the relocated Pioneer Village (The Village) at Camp Naumkeag. In preparing this report, the following assumptions were made. This study is qualified in its entirety by these assumptions.

1. The size and design of the relocated Village at Camp Naumkeag will serve to create a high quality, stimulating attraction with broad-based audience appeal and a distinctive image. The Village will be a unique attraction in the region. This distinction will give it further visibility as a “must-see” attraction. The entrances to the site will be highly visible and well signed. Additional land on the site will be used in a manner advantageous to the success of the project.
2. The facility will be competently and effectively managed. An active promotional campaign will be developed and implemented. This program will be targeted to prime visitor markets. The admission price for the elements of the facility will be consistent with the entertainment and educational value offered, and with current attraction admissions prices for other comparable visitor attractions.
3. There will be no physical constraints to impede visitors to The Village, such as major construction activity. Changes in economic conditions such as a major recession or major environmental problems that would negatively affect operations and visitation will not occur in the near future.
4. 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.
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6. This report was prepared during August 2022 through December 2022. It represents data available at that time.

Purpose For Relocation of The Village to Camp Naumkeag

One of the main reasons for the proposed relocation is that the current site of The Village is very close to sea level and subject to flooding. Climate change is accelerating this threat. In addition, a new location provides the opportunity to expand the area and topics of historical interpretation while also providing an opportunity to upgrade the site for accessibility and other modern codes. The Village can become a historic resource for future generations.

The goals for this project are:

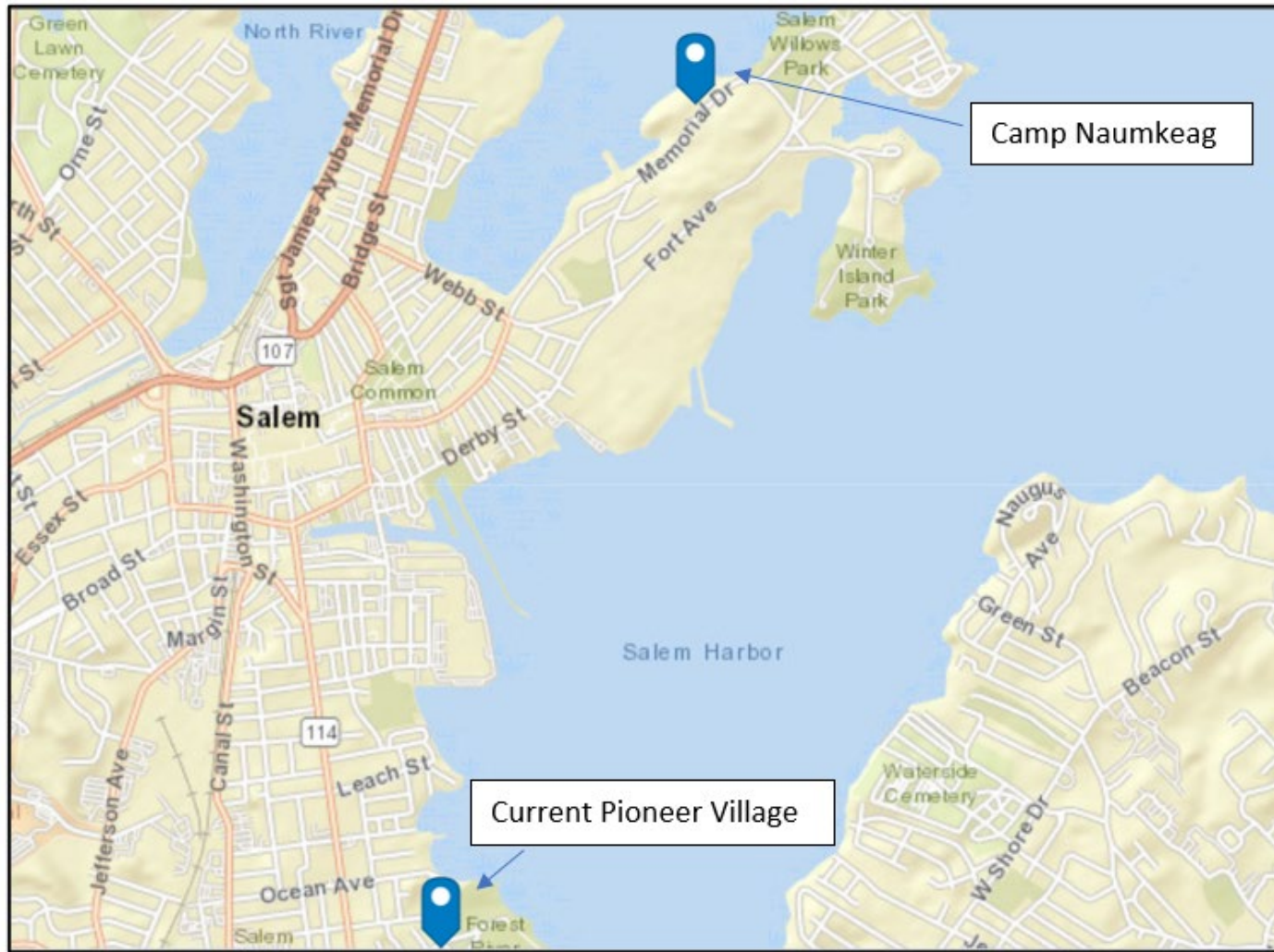
- ◆ The protection of The Village from predicted climate change in the region.
- ◆ The introduction of the voice of the Massachusetts Tribe in dialogue with The Village.
- ◆ Increased access and visibility to the breadth of Salem's history as represented by the breadth of the site's history, including Salem Sound's natural history, the original inhabitants, Fort Lee and the Revolutionary War, the Willows, Camp Naumkeag, and The Village.
- ◆ Recognition and preservation of the Camp Naumkeag's important place in the history of the City of Salem and public health.
- ◆ Interpretation of and an introduction to Fort Lee, a critical adjacent historic resource.

Source: City of Salem

Evaluation of Current and Relocation Sites

- ◆ **The Village** was erected as a stage for the reenactment of the arrival of John Winthrop and the families of Thomas Dudley and Simon Bradstreet to celebrate the three-hundredth anniversary of the Massachusetts Bay Colony. The reconstructed replicas of seventeenth century buildings were embraced by the community, which led to the opening of a living history museum on the property.
- ◆ In 1988, The Village had its peak visitation and restoration efforts. By 2008, it was managed by Gordon College. However, it was no longer fiscally viable for Gordon College to manage the property. Director of the Witch House, Elizabeth Peterson, volunteered to manage The Village, and she is currently the Director of the Witch House and The Village.
- ◆ The site has experienced flooding over time, which has at times made it inaccessible to visitors. It is also damaging to the replica buildings, which are the hallmark of The Village. With climate change, this situation may well be exacerbated.
- ◆ Environment outside of The Village, including the Forest River Park baseball diamond, substantially detracts from the visitor experience.
- ◆ The **Camp Naumkeag** site has been chosen as the relocation site. Camp Naumkeag was a tuberculosis camp from 1910 to 1916. It was an outdoor refuge for the sick. It transitioned to a camp site for Salem's youth from 1934 through the 2010s when it became available only for day camps. Since then, camp programs have moved to off-site locations.
- ◆ The Camp Naumkeag site is ideal because of its highly favorable site size that can accommodate The Village's historical buildings, a future visitor center, and event space. It has a varied landscape with forest land and compelling harbor views. It is adjacent to other destination public spaces including Dead Horse Beach, Fort Lee and Salem Willows Park. Further, The Village will help to continue the revitalization of this area as a destination for residents and visitors.

Current and Relocation Sites



Source: ESRI

Figure 1: Camp Naumkeag and Current Pioneer Village Locations

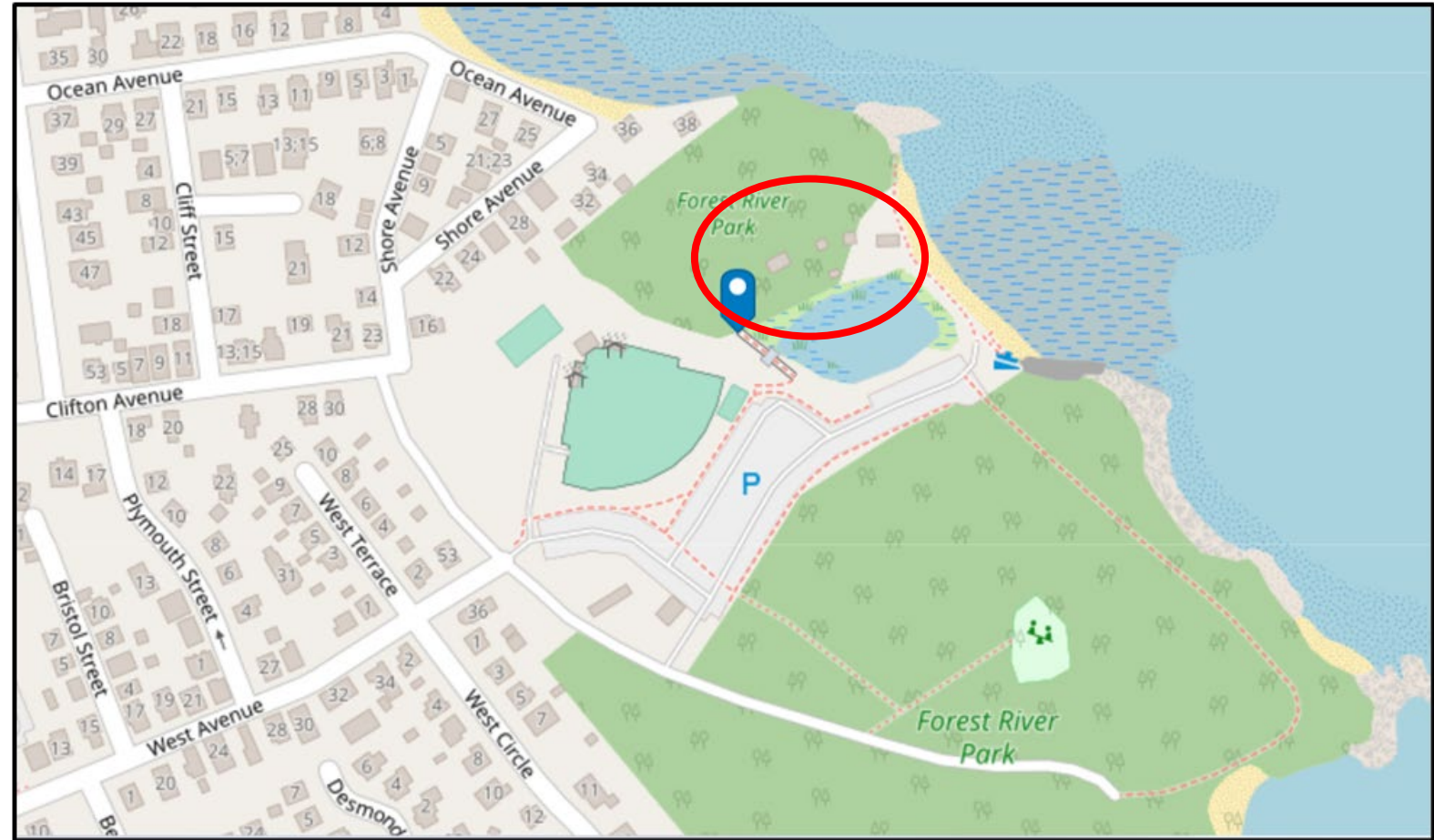
◆ **Figure 1** depicts the current Village site at Forest River Park and the relocation site at Camp Naumkeag.

- Both sites are about equidistant from downtown Salem.
- Both have harbor views.
- The current Village site is located in Forest River Park, while the Camp Naumkeag site is near the Salem Willows Park and Fort Lee.

Current Site

- ◆ **Figure 2** shows the current 3-acre Village site within Forest River Park.
- ◆ The Village is surrounded by a baseball diamond, a playground, and a spacious parking lot. The approach is through residential neighborhoods.
- ◆ The Village does not have a strong “sense of place” as it is set within the recreational spaces. The baseball diamond in particular detracts from The Village experience.
- ◆ There is competition for parking spaces during sports events and other recreational activities.

Figure 2: Current Pioneer Village Location

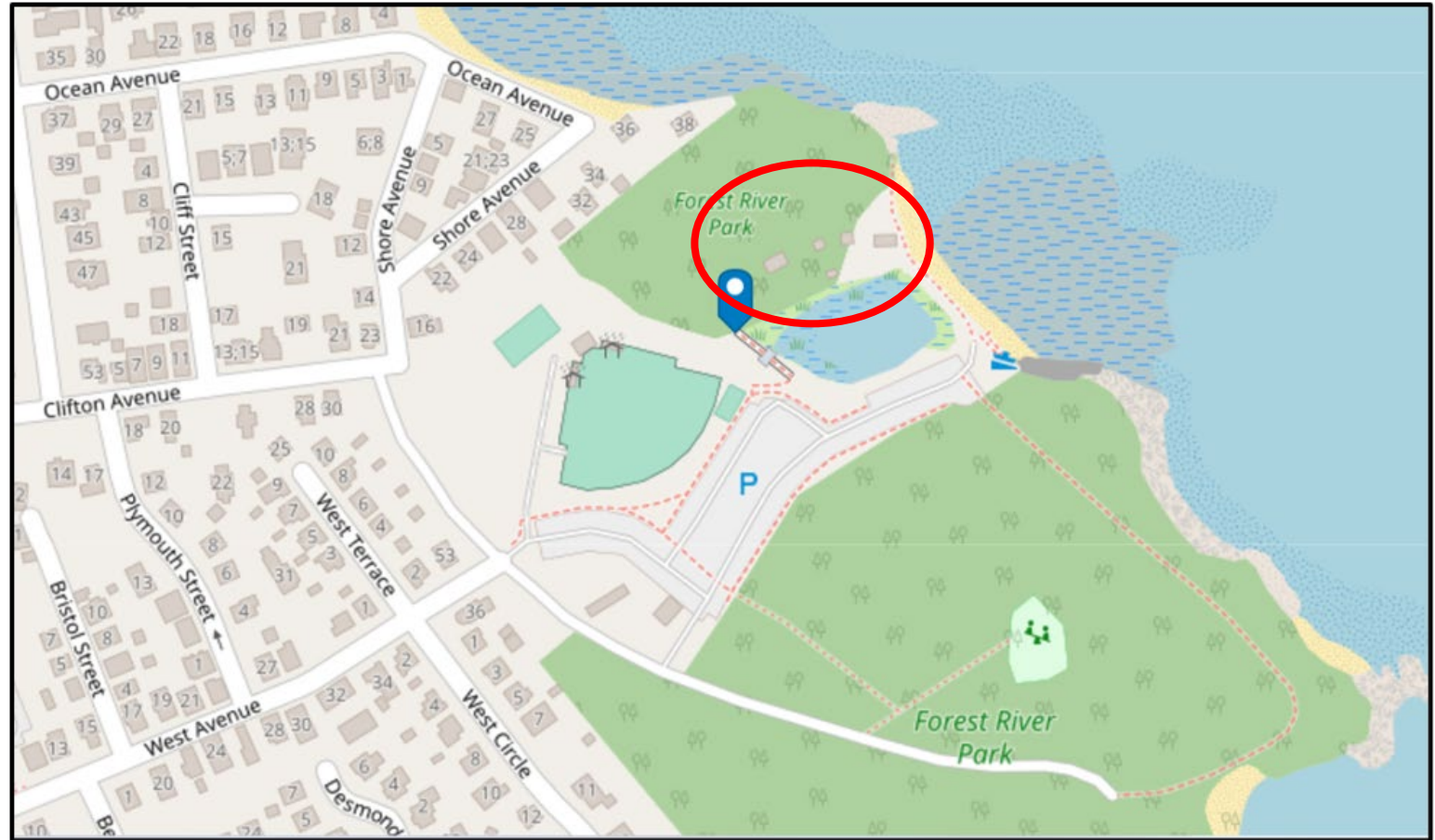


Source: ESRI

Current Site (Continued)

- ◆ The Village's current facility includes an exterior gate, four historic and three non-historic buildings, a dugout, a wigwam, and a natural landscape true to the seventeenth century period.
- ◆ The site has experienced flooding over time, which has at times made it inaccessible to visitors. It is also damaging to the replica buildings, which are the hallmark of The Village. This situation may well be exacerbated due to climate change.

Figure 2: Current Pioneer Village Location

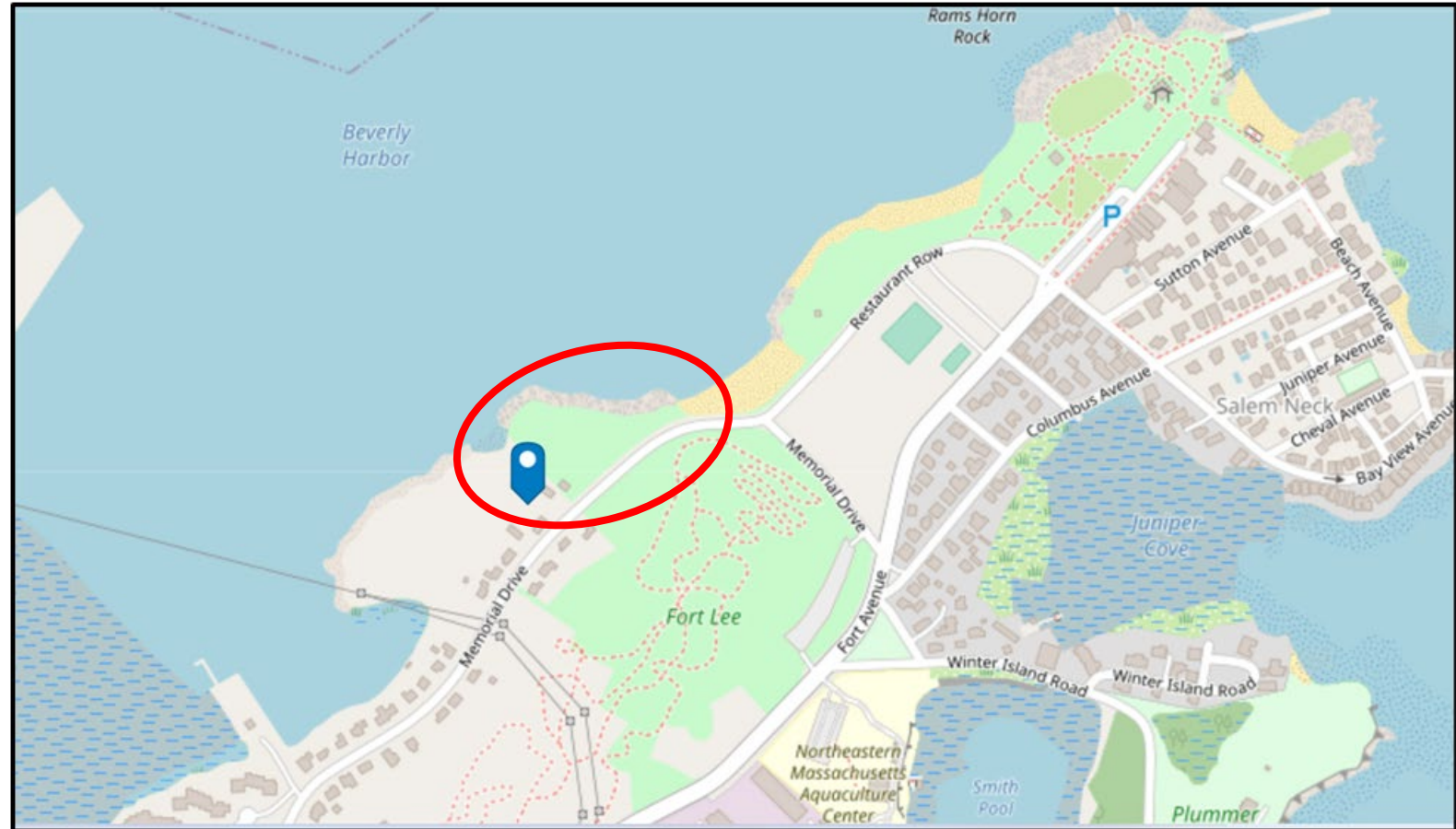


Source: ESRI

Camp Naumkeag Site

- ◆ Camp Naumkeag site as shown in **Figure 3** has ample space and natural features such as the forest, meadowland, and the harbor views, which will enhance The Village experience.
- ◆ However, the original buildings on the site are in poor condition due to years of use and then vacancy.
- ◆ Camp Naumkeag site is adjacent to Historic Fort Lee and in the future additional connections and interpretation is proposed.
- ◆ Also, Dead Horse Beach is adjacent, which will provide waterfront access and an additional experience for The Village visitors.

Figure 3: Camp Naumkeag Relocation Site

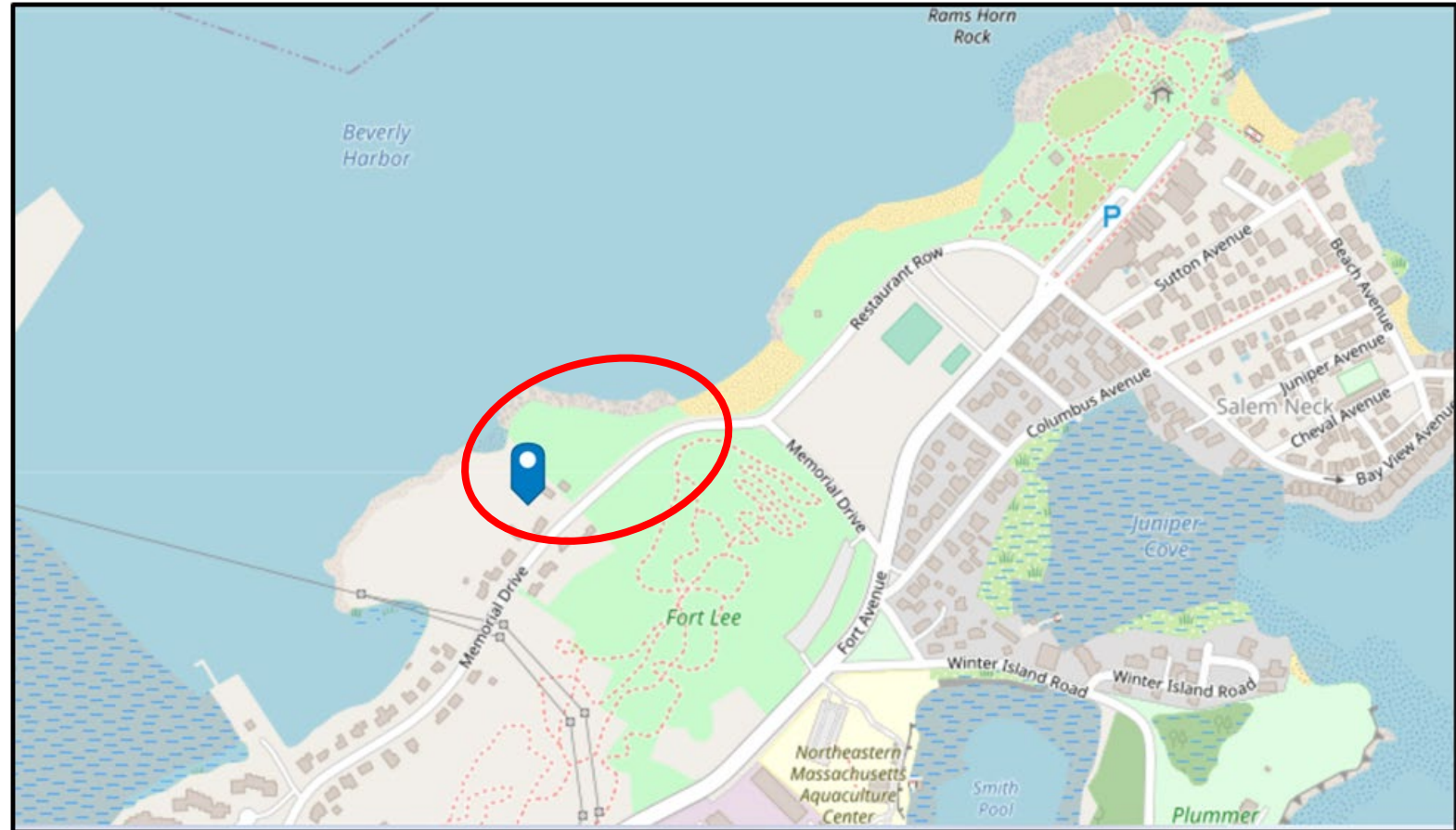


Source: ESRI

Camp Naumkeag Site (Continued)

- ◆ Camp Naumkeag benefits from its location in a landscape with natural features and its adjacency to both residential and commercial areas. This location is ideal for creating a visitor destination.
- ◆ Salem Willows Park is nearby with its family-friendly attractions such as the Salem Willows Arcade and Kiddieland at Salem Willows. Along Fort Ave, families can enjoy a variety of food and treats.

Figure 3: Camp Naumkeag Relocation Site



Source: ESRI

Camp Naumkeag Site Parking

- ◆ The Village has limited on-site parking in the relocation plan. Referring to **Figure 4**, visitors who park in the closest available spaces across from Dead Horse Beach will have to walk uphill approximately 1000 feet (about one-fifth of a mile). There are approximately 25 spaces in this lot. As visitors drive past Dead Horse Beach and towards Salem Willows Park, there are only another 20 additional parking spaces available. Future visitors will have to compete for these closest parking spaces with those who are parking to appreciate the harbor view or who wish to visit the Salem Willows Park.
- ◆ The bulk of parking however is located in two more distant locations. As shown in **Figure 4** the primary improved parking for the peninsula is about 1,600 feet further east on Restaurant Row.
- ◆ South of Fort Lee on Fort Avenue over 1,400 feet away (**Figure 5**) is a large unimproved parking area mostly dedicated for Fort Lee and as overflow parking. From both parking areas, Memorial Drive bends and has considerable elevation to Camp Naumkeag. Also, no site lines.
- ◆ A third of a mile distance for parking will not be acceptable for most visitors -- particularly with no site lines and an uphill walk. Prominent signage will be required. Strategies to address the shortfall of adjacent parking are being developed.
- ◆ **Figure 6** provides a diagram of pedestrian access to the site from available parking and strategies to provide visitor experience while approaching the site to improve visitor experience and willingness to walk the distance from parking to entrance.

Source: ESRI and ConsultEcon, Inc.

Figure 4: Distance Between Camp Naumkeag and Restaurant Row Parking

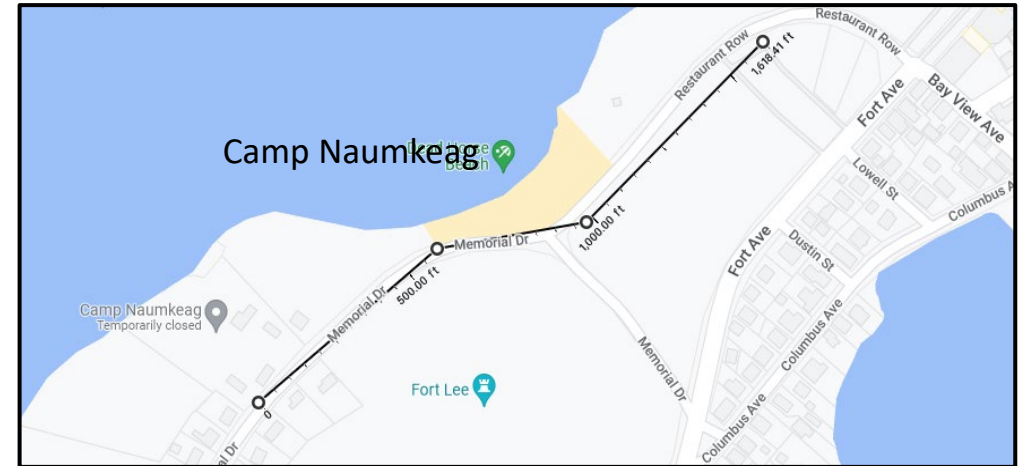
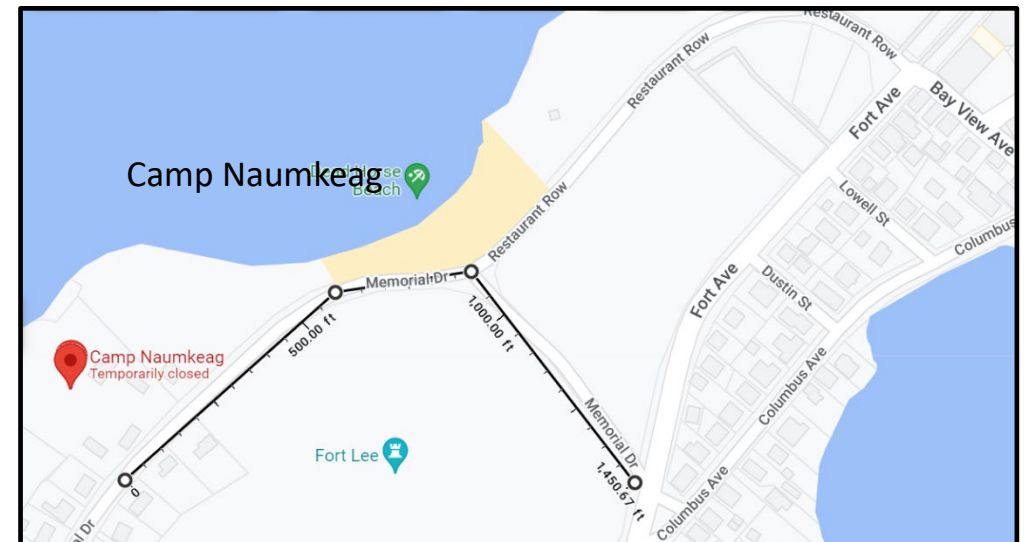


Figure 5: Distance Between Camp Naumkeag and Fort Lee Parking



Camp Naumkeag Site Parking and Circulation Strategies

Figure 6: Parking and Visitor Path to Entrance



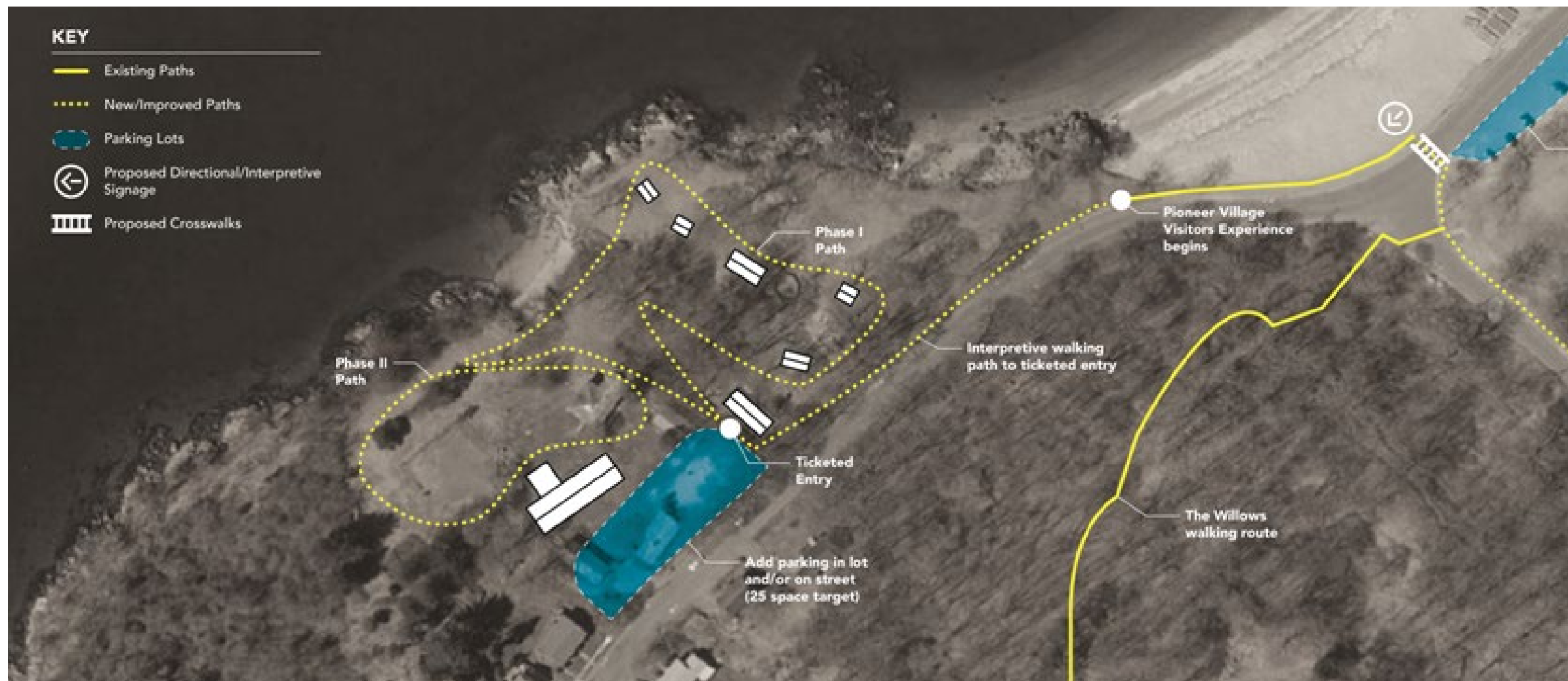
Source: ConsultEcon, Inc. and Oudens Ello Architecture, LLC

Camp Naumkeag Site Parking and Circulation Strategies

- ◆ Addressing a shortfall of adjacent parking and circulation to the site from remote parking locations will be essential to future market and operating success. Strategies to address this situation include, but are not limited to:
 - Increase on-site parking (Target 20-25 total spaces on-site).
 - Develop the Ft. Lee parking lot and its accessibility (better signage and improved landscaping).
 - As indicated by visitor volume and seasonality, provide a scheduled parking shuttle to The Village from its available parking resources. An on-call shuttle can be an alternate / add on for accessing available parking.
 - Ensure staff and volunteers park at the most distant available spaces especially during busy periods.
 - Create an initial visitor arrival point experience at the eastern point of Naumkeag Camp property to serve as an introduction to The Village experience. (This will support a pleasant experience for the long walks to the site by many visitors.)
 - Encourage ride-share, bicycle and other non-automotive travel modes to the site.
 - Make The Village a stop on tours that originate in other locations.
- ◆ All parking strategies employed will require a robust signage and information program and ongoing implementation. Sustaining partnerships and cooperation with relevant agencies and companies will be needed.
- ◆ Explore opportunities for shuttle service to The Village. These might be part of Salem's City-wide shuttle service, and/or a dedicated shuttle for high visitation periods including weekends September through Thanksgiving.
- ◆ Improve the pedestrian path from parking to entrance. **Figure 6** (Prior Page) provides a diagram of pedestrian access to the site from available parking and strategies to provide initial interpretation and visitor experience while approaching the site to improve visitor experience and willingness to walk the distance from parking to entrance. **Figure 7** (Next Page) provides a closer detail view of the layout.

Site Parking and Circulation Strategies

Figure 7: Parking and Visitor Arrival Opportunities Detail



Source: ConsultEcon, Inc. and Oudens Ello Architecture, LLC

Vision for the Future of The Village

- ◆ This business plan is based on the Oudens Ello plan for relocation. For Phase One of the project, the outdoor landscape will be the focus. Five of the building replicas (Woodbury Cottage, Governor's House, Blacksmith Cottage, Lady Arabella Cottage, and the Blacksmith Shop) will be moved to the new location at Camp Naumkeag. In addition, other selected elements of Pioneer Village such as administration building, ticket booth dugouts, dugouts, and the wigwam will be relocated as well. Outdoor spaces like an amphitheater will be utilized for school groups and other educational events. Specifically, the site will have native plantings in the landscape, utilize the waterfront access to tell the historical narrative, and will have outdoor tours and displays. Outdoor space has also been dedicated to Indigenous representation, the form of which has yet to be determined.
- ◆ Phase Two will have a broader and more permanent representation of Salem's history and modern culture. A key feature is the development of a new construction Visitor Center. It will explore the historical narrative of interactions of indigenous peoples and European settlers and the larger context of Salem history through interactive exhibits and events. The Visitor Center will have a total gross of 3,132 square feet. The facility spaces will include a lobby, gift shop, restrooms, exhibit space, and a flexible classroom space. The Visitor Center provide ticketing and group organizing functions, retail shop for education and souvenir materials, and serve as a convening space for education programs and events. The classroom space is currently planned to have a capacity of 20 occupants. It is recommended that this be increased by about one third capacity to maximize the space's use, particularly for school groups. In addition, the staff will have office space, a breakroom, and a changing room for costumed interpreters. The Visitor Center is planned to have net zero energy use and will be equipped for year-round use if The Village expands its operating season in the future.
- ◆ In the future, there is an opportunity to add more replica buildings to increase representation of communities present in seventeenth century Salem.

Source: ConsultEcon, Inc. and Oudens Ello Architecture, LLC

Vision for the Future of The Village (Cont'd)

Interpretative Theme

- ◆ The Village's mission is to use the history of Salem as the "world's classroom" i.e., using Salem as a microcosm of a larger historical narrative. Specifically, The Village will contextualize settler-indigenous interactions in the seventeenth century. It will seek to dispel stereotypes with balanced representation and to create a more authentic narrative of colonial settlement. The Village will be a place to experience and discuss both colonial and indigenous history and culture. It will provide a forum on indigenous history, which can be expanded off-campus through experiences such as an indigenous walking tour and the city-wide installment of stone markers with indigenous language as two potential means of expanding The Village's enhanced mission.
- ◆ The Village also recognizes the importance of the Salem Witch Trials as an entry point for visitors to the larger history of Salem and Massachusetts as a whole. The Village can tie the Salem Witch Trials and other early Salem remnants as interpreted elsewhere to the broader history of Salem.

Transforming The Village into a Destination

- ◆ Along with the interpretive mission of The Village, implementation of this master plan will support The Village's transformation into a destination. The Village will encourage repeat visitors through its seasonal offerings, events, and demonstrations. It will also fill the need for a consistent forum to learn about colonial and indigenous local history in Salem.
- ◆ The Village can serve in tandem with Salem Willows Park's harbor view, arcade, and food offerings as a single destination with multiple options. Families can plan an outing centered around The Village's historical offerings and enjoying refreshments and the beach at Salem Willows Park. Exploring adjacent Fort Lee is a future opportunity as well.

Source: ConsultEcon, Inc. and Oudens Ello Architecture, LLC

A detailed map of the Greater Boston area and surrounding regions in Massachusetts and New Hampshire. The map shows major highways, cities, towns, and geographical features like state forests and reservations. A red pin is placed in Beverly, Massachusetts, near the border with Essex County. The text "Resident Market Evaluation" is overlaid in large, bold, black letters across the center of the map.

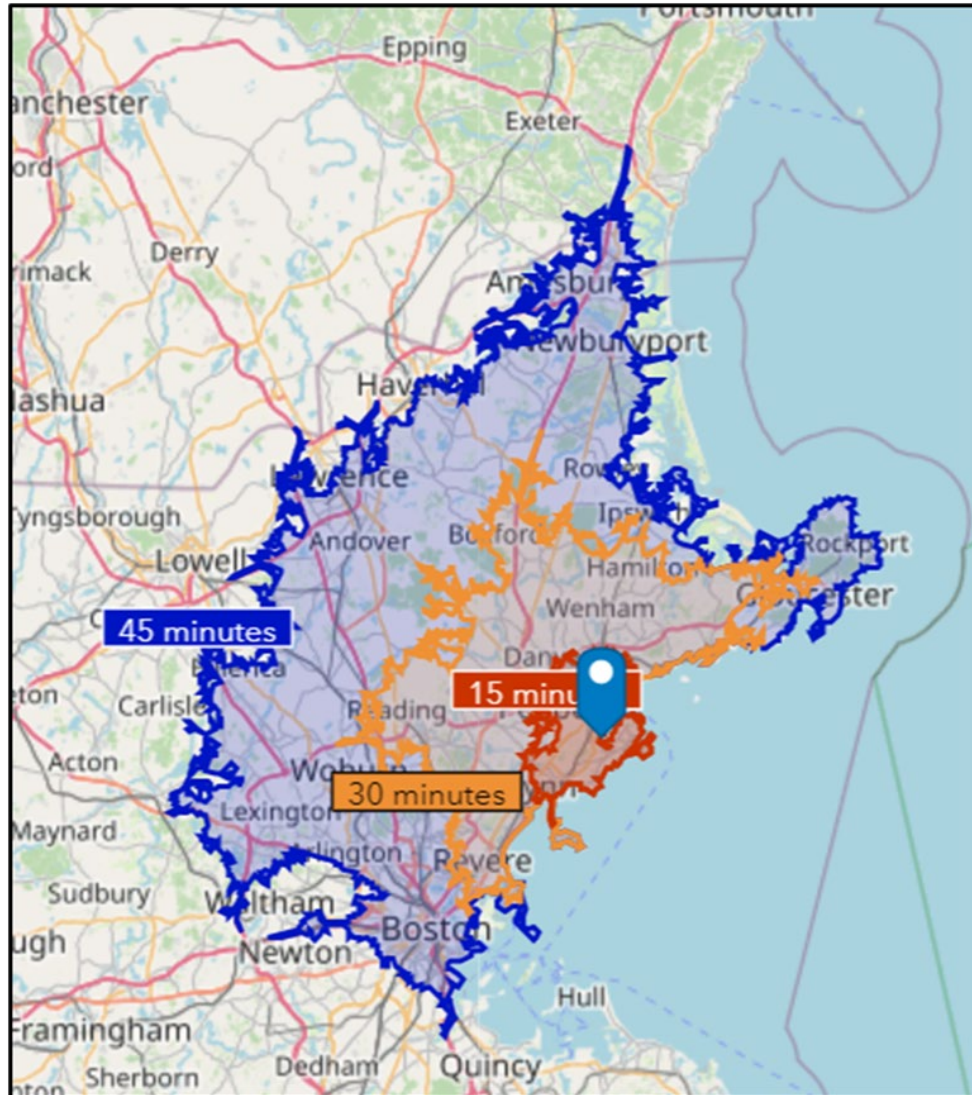
Resident Market Evaluation

Resident Market Definition

- ◆ The resident markets of the current Village site and the Camp Naumkeag site were compared to identify significant differences in population within a 45-minute drive time of each site.
- ◆ For each site, the population was analyzed by the following drive times.
 - Primary Market Area (0- to 15-Minute Drive)
 - Secondary Market Area (15 to 30-Minute Drive)
 - Tertiary Market Area (30 to 45-Minute Drive)
 - Resident markets are analyzed within a “gravity model” context -- the closer residents live to an attraction, the more likely they are to visit.
- ◆ Beyond the 45-minute drive time, The Village can also draw from the larger region including the remainder of the 4.3 million residents in the Boston Metropolitan area ^{1/} and beyond.

^{1/} Population estimate for 2022

Current Site Resident Market Population



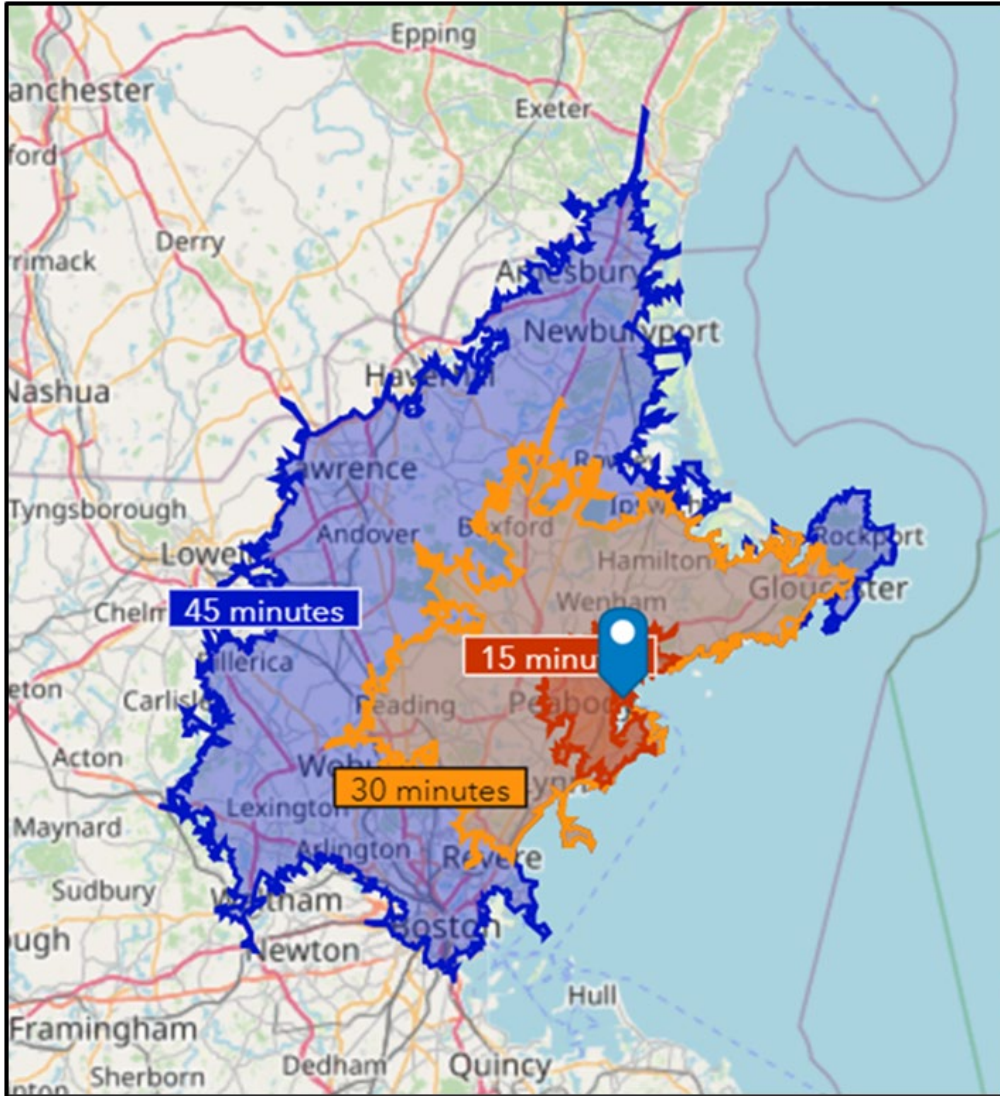
Current Site Resident Market Definition

- ◆ Primary Market Area (0- to 15-Minute Drive)
- ◆ Secondary Market Area (15 to 30-Minute Drive)
- ◆ Tertiary Market Area (30 to 45-Minute Drive)
- ◆ The table below shows the population trends in the Resident Market Area based on the 2020 census population and population projections for 2027. The Resident Market Area of the current site had a population of approximately 1.93 million in 2020. This population is projected to remain fairly stable over the period up to 2027. The percent change in the total resident market from 2020 to 2027 is 1.0%.

Market Area	Color	Definition	2020 Population	2027 Population
Primary Market Area	Red	0- to 15-Minute Drive	188,842	192,937
Secondary Market Area	Yellow	15 to 30-Minute Drive	395,402	400,374
Tertiary Market Area	Blue	30 to 45-Minute Drive	1,343,754	1,354,639
Total Resident Market Area		0- to 45-Minute Drive	1,927,998	1,947,950

Source: ESRI and ConsultEcon, Inc.

Resident Market of Camp Naumkeag Site



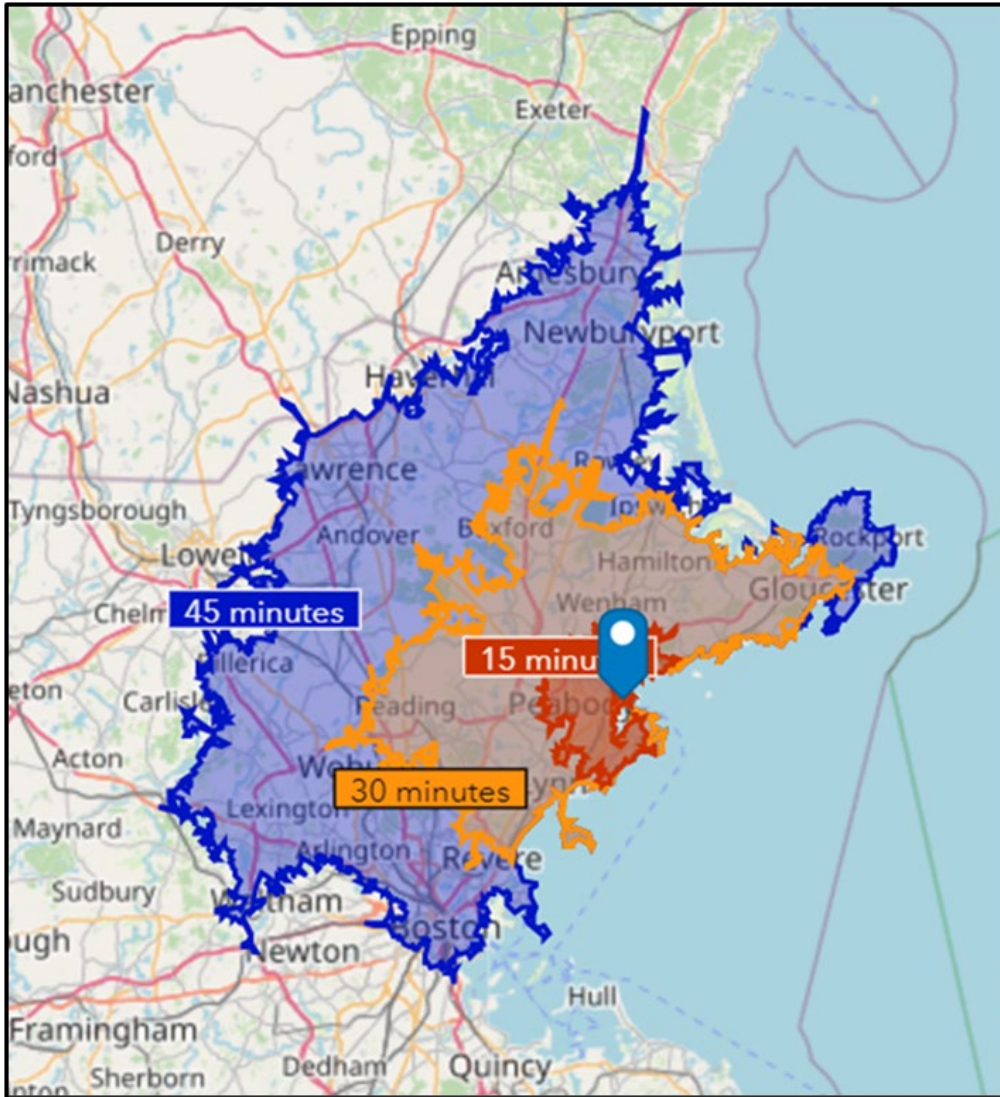
Camp Naumkeag Site Resident Market Definition

- ◆ Primary Market Area (0- to 15-Minute Drive)
- ◆ Secondary Market Area (15 to 30-Minute Drive)
- ◆ Tertiary Market Area (30 to 45-Minute Drive)
- ◆ The table below shows the population trends in the Resident Market Area based on the 2020 census population and population projections for 2027. The Resident Market Area of the Camp Naumkeag site had a population of approximately 1.84 million in 2020. This population is projected to remain fairly stable over the period up to 2027. The percent change in the total resident market from 2020 to 2027 is 1.2%.

Market Area	Color	Definition	2020 Population	2027 Population
Primary Market Area	Red	0- to 15-Minute Drive	142,810	144,918
Secondary Market Area	Yellow	15 to 30-Minute Drive	407,745	415,375
Tertiary Market Area	Blue	30 to 45-Minute Drive	1,287,906	1,299,429
Total Resident Market Area		0- to 45-Minute Drive	1,838,461	1,859,722

Source: ESRI and ConsultEcon, Inc.

Resident Market of Camp Naumkeag Site



Resident Market Definition

- ◆ Primary Market Area (0- to 15-Minute Drive)
- ◆ Secondary Market Area (15 to 30-Minute Drive)
- ◆ Tertiary Market Area (30 to 45-Minute Drive)
- ◆ Both the current and future site have large drive-time markets available to them with over 1.8 million residents within a 45-minute drive time. The current site has about 5% higher population, but that is not a material difference for the future attendance potential at the Camp Naumkeag site.

Resident Market Summary

- ◆ The Village has a large population base to draw on for visitors throughout the year.
- ◆ Both the current and future site have large drive-time markets available to them with over 1.8 million residents within a 45-minute drive time.
- ◆ The current site has about 5% higher population, which is not considered a material difference for the future attendance potential at the Camp Naumkeag site.
- ◆ The total Boston Metropolitan area population was 4.3 million in 2022.



Tourism Market

State of Massachusetts Tourism

City of Salem Tourism

City of Salem Tourism Market

Salem Visitor Volume and Trends

- ◆ Salem has a variety of tourism and visitation drivers including its history and heritage attractions, the PEM and other museums and historic sites, its built environment and waterfront access, Halloween and other events, downtown restaurants and retail, and Salem State University. These assets are the basis for a vibrant and well-known destination that has developed repeat visitation patterns. As such The Village will be able to tie into and support Salem's tourism economy and benefit repeat visitation to the city.
- ◆ There were an estimated 2.1 million visitors to Downtown Salem in 2022 as of mid-December according to Destination Salem's most recent visitor survey. Visitation is up 10 percent from last year. 28 percent of visitors stayed only one day, 8 percent spent one night, 20 percent stayed two nights, and 44 percent stayed three or more nights in Salem.
- ◆ The highest visitor volumes are recorded in the fall, especially in October. *The Salem News* reported that 921,100 travelers visited downtown Salem during October. This is up 8 percent from last year and is a 36 percent increase from the last non-pandemic Halloween season in 2019.
- ◆ The upward trends in visitation pre- and post-pandemic indicate that visitation volumes will continue to increase in upcoming years.

A photograph of a residential street with houses and trees in autumn. The trees have yellow and orange leaves, and the houses are visible in the background. The text "The Village's Current Operating Profile" is overlaid in the center.

The Village's Current Operating Profile

Current Operations - Visitation and Seasonality

- ◆ The Village's operating season is currently June through October.
- ◆ The Village's current operating hours are Saturdays and Sundays from 12:00pm to 4:00 pm.
- ◆ Visitors typically stay for thirty minutes. They are interested in seeing the house from the film, Hocus Pocus. Visitors typically take pictures at the house and then explore the rest of the Village.
- ◆ Fiscal year 2022 Attendance
 - The fiscal year of 2022 is defined as July 2021 to June 2022.
 - The total number of visitors was 10,000.
 - Approximately 7,000 visitors took self-guided tours during normal operating hours.
 - Evening, October events accounted for 3,000 visitors in FY 2022.
- ◆ Fiscal year 2023 was a return to more normalized market conditions – Salem had a strong tourism season.
- ◆ Fiscal year 2023 Attendance
 - The fiscal year of 2023 is defined as July 2022 to June 2023.
 - The total number of visitors through November was 16,200.
 - Approximately 12,200 visitors took self-guided tours during normal operating hours.
 - Evening events in October accounted for 4,000 visitors in FY 2023.

Current Operations - Ticket Pricing and Events

- ◆ The Village charges \$5 for adults and children seven years and older.
- ◆ This reduced price reflects recent COVID-19 policies with the reduction of costumed interpreters and no guided tours. The highest ticket price was \$6 for children seven years and older, which was at the peak of The Village's visitation.
- ◆ Before COVID, The Village typically had 4 to 6 events annually.
 - The average attendance of these events was 1,000 visitors.
 - The Spice Festival, last held in 2019, had approximately 1,000 attendees.
 - Night Market had 2,000 visitors per night for 3 nights.
- ◆ Attendance fees are the primary source of revenue for the site with retail as an additional source.

Current Operations – Earned Revenues

Gross Revenue (Not including retail)

- ◆ Fiscal year 2022: \$50,000 gross earned revenue
 - \$35,000 for self-guided tours (Ticket Sales)
 - Three event nights earned a total of \$15,000 in earned revenue. The reduced earned revenue compared to past fiscal years is due to transitioning from entirely virtual events to some in-person events.
- ◆ Fiscal year 2023 \$82,000
 - Self-guided tours earned \$62,000 in gross revenue.
 - Four event nights earned \$20,000 in gross revenue.
- ◆ FY2023 had a budget to purchase goods for resale but did not have sufficient staff to launch retail operations at The Village. Retail will be offered in future operations.
 - The priority in FY 2023 was to manage flow of visitors and ensure a pleasant visit.
 - The goods purchased for sale will be sold instead at the Witch House over the winter of 2022-23.

Current Operations - Staffing

- ◆ In FY22, The Village employed 3 staff members.
 - Due to COVID-19, The Village transitioned from costumed staff to self-guided tours and limited costumed staff for demonstrations and special events.
 - Two or more staff were at The Village on a rotating basis to answer questions.
- ◆ At the end of FY22, The Village lost all its staff but the Director.
 - The Director operated the site on her own with help from relatives volunteering.
- ◆ The Village has struggled to retain employees due to the current lack of a payroll budget. Employees are paid as independent contractors.
 - As an independent contractor, employees must withhold their own taxes, unlike a payroll system.
 - It is difficult to attract new employees and retain staff. As these positions do not provide substantial compensation, finding and retaining loyal and committed staff is essential to maintain the visitor experience and to sustain attendance and earned revenues.
- ◆ *The Village cannot be expected to continue to operate with its current inadequate staffing profile. Adequate staffing will be necessary to achieve the substantially higher opportunity for attendance and community benefits that the Camp Naumkeag site presents.*

Current Operations - Operating Budget

- ◆ Since the Director has been managing The Village, the Operating Budget has been \$18,000 which is insufficient to sustain the structures and to sustain the quality of visitor experience which has been well appreciated by Salem residents and school children as well as out-of-town visitors.
 - In FY22, the operating budget was increased to cover consulting fees with the local indigenous tribe and for building repairs.
 - It is acknowledged that this operating budget is not in the context of a “stand-alone” operation, but rather as a component of the city’s internal budget.
- ◆ This operating budget (despite it being an internal city budget) is incomparably low from the broad view of heritage / educational sites.
- ◆ The Village does not utilize volunteers, as it does not have the staff and operating infrastructure to organize and effectively deploy volunteers.
- ◆ The shortfall in operating budgets has contributed to the deterioration of the current site and the structures. The scale of the operating budget has limited personnel, marketing, outreach, programming, events and retail sales which have in turn substantially limited attendance and earned revenues.
- ◆ Given that the structures have been reported as being in danger of further deterioration from rising water levels and low maintenance budgets, the move to the Camp Naumkeag site will help sustain their long-term physical condition in a higher elevation location and increased revenues to fund maintenance.

Summary of The Village's Current Operations

- ◆ The operating season for The Village is currently June through October.
- ◆ Days open are Saturdays and Sunday from 12 pm to 4 pm.
- ◆ The Village charges \$5 for adults and children seven years and older.
- ◆ Currently, visitors to The Village typically stay for thirty minutes.
- ◆ In FY22, The Village had a total of 10,000 visitors; increased to 16,200 for the 2022.
- ◆ Before COVID, The Village had 4 to 6 events with an average attendance of 1,000 visitors.
- ◆ In FY22, The Village had \$50,000 in gross earned revenue, not including retail.
- ◆ Since the Director has been managing The Village, the operating budget was \$18,000, which increased in FY22.
- ◆ At the end of FY22, The Village lost all its staff but the Director. The current lack of a payroll system has been an obstacle to hiring new staff.
- ◆ The Village cannot be expected to continue to operate with the current inadequate staffing profile. Certainly, adequate staffing will be necessary to achieve the substantially higher opportunity for attendance and community benefits that the Camp Naumkeag site presents.
- ◆ Enhancing and regularizing operations is imperative to continuing the economic development and education benefits The Village provides. Continuing to operate in the current mode is not considered to be sustainable.

Pioneer Village Business Plan



The Village Operating Opportunities

Operating Opportunities at Camp Naumkeag Site – these are included in the business plan

- ◆ Expand The Village operating season.
- ◆ Expand days open from Saturdays and Sunday.
- ◆ Increase The Village admission price.
- ◆ Increase visitor length of stay from the current estimated average of thirty minutes.
- ◆ Significantly increase attendance to The Village.
- ◆ Significantly increase earned revenues from ticket sales and retail.

Requirements for Achieving The Operating Opportunity at Camp Naumkeag Site

- ◆ Achieving these operating opportunities is dependent on:
 - Implementation of the site plan and on-site visitor experience; signage, parking availability and location, strategies to address the distance to parking, implementation of transit (public or private) during high season and weekends;
 - Implement planned pricing, hours open and seasonality of operations, events and programs, marketing, outreach to school groups, retail offerings, facility rentals by groups; and,
 - Provide adequate staffing and operating budgets to maintain the site and implement the proposed public outreach and visitor experience activities that will yield increased attendance, earned revenues and community benefits.

The Village Seasonality and Visitation Targets

- ◆ With the relocation, the Director proposes to expand the operating season to April through Thanksgiving weekend. ^{1/}
- ◆ Pioneer Village to open seven days per week in summer through October with weekends only in Spring and November; with adjustments to days open based on attendance patterns.
- ◆ Length of stay is targeted to increase from its current average of thirty minutes to forty-five minutes. (In a later phase, the addition of an eight-to-ten-minute introductory film would increase time on site to over an hour.)
- ◆ The relocation would allow for more school groups.
- ◆ At the new location, The Village would further attract locals and their visiting family and friends, especially during Thanksgiving weekend.
- ◆ With the installation of the Visitor Center, the Director hopes to expand to a year-round operation with the proper staffing and accessibility to its visitors.
- ◆ Targeted attendance is 28,000; over a 50 percent increase from FY 2023.

^{1/} With the installation of the Visitor Center in a future Camp Naumkeag Phase, operations could be expanded to year-round operation with sufficient staffing and operating budgets.

The Village Ticket Pricing

- ◆ The recommended new ticket prices are for adults and children seven years and older.
 - \$7 initially with the much-enhanced visitor experience at the Camp Naumkeag site. Prior to adding the visitor center.
 - \$9 after the visitor center is added. The additional exhibits, introductory film and amenities of the visitor center will justify the increased admission price.
- ◆ School group tours will continue to be an important revenue source due to the Massachusetts State Curriculum requirements. The recommended ticket price is \$4 to keep costs affordable and at competitive rates, while still creating an impactful revenue stream.
- ◆ Note: These planned ticket prices are in current value of the dollar. Depending on project timing, and the rate of inflation until the Camp Naumkeag site is opened, there may be a higher face-value of ticket prices.

The Village Ticket Pricing (Continued)

- ◆ Combination tickets with the Witch House would leverage the Witch House's success to build awareness for The Village and to capture more of the target audience's time and attention.
 - \$18.99 is the proposed adult combination ticket price to include additional perks like maps and intellectual property (current value of the dollar).
 - The Village would receive a portion of the earned revenue from the ticket sales.
 - The earned revenue could be divided so the Witch House could receive a larger portion (\$10.00), The Village (\$6.75) and Charter Street Cemetery (\$2.24). (These are approximate amounts to demonstrate that the division of earned revenue should be weighted based on the size and operating expenses of each site.)
 - A combination ticket that includes a ride on the trolley would be approximately \$29.99. (This price would be subject to negotiation with trolley operators.) Note that:
 - A trolley ride costs \$22 for adults and \$12 for children.
 - The convenience of transportation and admission tickets would still be perceived as worthwhile for most visitors despite the additional cost.
- ◆ A two-day ticket is recommended so visitors can plan their stay and potentially extend their visit.

The Village On-Site Events

- ◆ The Village will sponsor at least 6 evening events or festival days during operating hours that could extend into the evening.
 - At an average of 1,200 per event, these would total 7,200 attendances or about 25 percent of annual attendance.
- ◆ To the extent practicable, The Village will participate and support other Salem events and festivals.
- ◆ Outside Facility Rentals
 - The plans for the Camp Naumkeag site and parking availability are not generally conducive for event rentals.
 - The entire Village is interpretative, there is no allocated space for outside events. Available event spaces will be prioritized for the Village's events.
 - Any outside event would have to reasonably align with The Village's interpretive plan.
 - The Village will consider event rentals during the off-season but only when the visitor center has been developed and available for such use.

The Village Revenue Potential

Pioneer Village At Camp Naumkeag
Earned Revenue Potential

- ◆ Ticket sale revenue is based on the 28,000 annual attendance potential and proposed ticket pricing policies, distribution of attendance by type is based on past experience, the attributes of the Camp Naumkeag site, an extended operating season, enhanced staffing, operations and marketing.
- ◆ The retail sales objective is to sell \$1.25 per capita to start, with the opportunity to grow in the future.
- ◆ Potential total earned revenues are estimated at \$208,000 in current value of the dollar.

<u>Ticket Revenue Potential</u>	<u>Ticket Price</u>	<u>Number of Admissions</u>	<u>Percent to Total</u>	<u>Earned Revenue Potential ^{1/}</u>
7+ Regular Admission ^{2/}	\$7.00	18,200	65%	
Combo Tickets	\$6.75	4,200	15%	
School Groups	\$4.00	4,200	15%	
Free (Under 7 and Misc.)	\$0.00	1,400	5%	
Total		28,000	100%	
Per Capita Ticket Revenue	\$6.16			
Ticket Revenue Potential				\$172,550
 <u>Retail Revenue Potential</u>				
Per Capita Retail Revenue	\$1.25			
Retail Revenue Potential				\$35,000
<u>Total Revenue Potential</u>				\$207,550
Rounded				\$208,000

1/ Dollar amounts are in current value of the dollar.

2/ Includes attendance at events

Source: ConsultEcon, Inc. and Salem Pioneer Village

Operating Budget - Staffing

- ◆ Executive Director position to continue to be shared role with Salem Witch House and Charter Street Cemetery.
- ◆ Four staff members are required for the daily operations of The Village.
 - 5 staff members will be needed during the summer and weekends and during the City of Salem's and The Village's busiest visitation period from mid-September to mid-November.
 - It is recommended that more staff are transitioned to full-time and to reduce if not eliminate contracting the Village's future employees.
- ◆ This recommended model is similar to the Witch House, which has proven to be effective.
- ◆ Future operating budgets will include personnel, budgets for purchasing goods for resale, and funds for ongoing operations including administrative materials, small repairs, and the like.
- ◆ It is acknowledged that the operating budget is not in the context of a “stand-alone” operation, but rather as a component of the city's internal budget. Site maintenance and supplies, utilities, marketing and public outreach and reinvestment in the site would be funded through City of Salem departmental budgets.

Relocated Village Economic Sustainability

The Camp Naumkeag site is ideal because of its highly favorable site size that can accommodate The Village's historical buildings, a future visitor center, and event space. It has a varied landscape with forest land and compelling harbor views. It is nearby to other destination public spaces including Dead Horse Beach, Fort Lee and Salem Willows Park. Addressing a shortfall of adjacent parking and circulation to the site from remote parking locations will affect market potential. However, there are a number of parking and access strategies that can be employed to ameliorate the situation particularly during high periods of visitation.

The Village is not only being relocated in a much more attractive and expansive site, but this plan will support goals for enhanced interpretation of Salem's culture and heritage from the era including indigenous peoples and settlers. There will be opportunities for events and programs as never before. Thus, a richer and more attractive experience will foster more visitation, more repeat visitation and a less seasonally peaked attendance pattern.

Moving to Camp Naumkeag will also support the joint operations of the City operating unit consisting of Witch House, Charter Street Cemetery and The Village can be more effective with The Village moved to Camp Naumkeag and operated as a unit. Benefits will include overall attendance increase, opportunities for joint tickets, enhanced marketing effectiveness with increased revenue and more sites / experiences offered, larger total budgets and increased staffing flexibility.

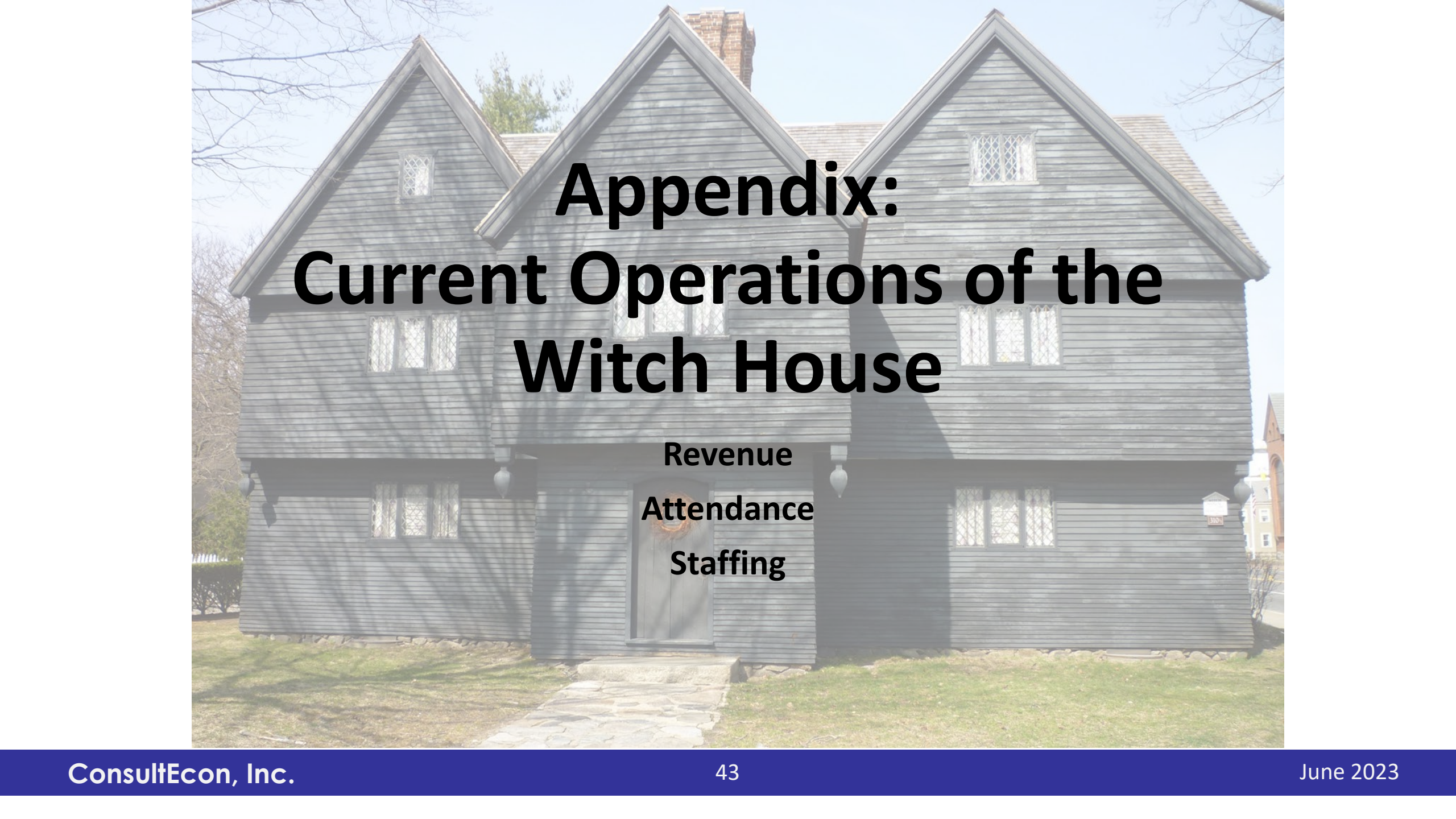
Summary of Relocated Village

Economic Sustainability (Continued)

To date, The Village has operated with minimal staff and budget. Yet in 2022, as the COVID pandemic has receded, it attracted over 16,000 visitors in its 5-month season and its earned revenue was roughly four times greater than operating expenses. Given the volume of tourists to Salem and the large nearby resident market, there is substantial opportunity for increased attendance that has not been realized due to the current location and minimal operating budgets. Moving forward, The Village at Camp Naumkeag can be operated to achieve greater education, community and economic development benefits with higher attendance, more community-oriented events, more and larger festivals and improved opportunities to partner with the local indigenous community.

While operating at the current minimal operating model is an option, enhanced personnel and operating budgets would increase attendance, earned revenues and community benefits at a higher ratio. Therefore, based on past performance and future opportunities, prospects for economic sustainability are excellent.

The plan for The Village is to increase attendance to 28,000 with increase in ticket prices and retail sales. Earned Revenue potential is targeted at \$208,000 in current value of the dollar. When relocated, The Village's future attendance and earned revenue will depend on whether it is operated minimally or as a central component of Salem's rich heritage and cultural offerings. This plan targets four staff members for the daily operations of The Village and 5 staff members during the summer and weekends and during the City of Salem's and The Village's busiest visitation period from mid-September to mid-November. Operating budgets would increase commensurately and continued support from the City of Salem for site maintenance and supplies, utilities, marketing and public outreach and reinvestment in the site.



Appendix: Current Operations of the Witch House

**Revenue
Attendance
Staffing**

Salem Witch House

Salem Witch House is operated through the same City Department and Executive Director as The Village.

Attendance and Operations

- ◆ The Witch House is open year-round; with reduced hours from mid-November to mid-March.
- ◆ Admission is \$8.25 for adults, \$6.25 for seniors (60+), \$6.25 for veterans, \$4.25 for youths (6-14), free for children under 6. Guided tours are an additional \$2.25.
 - It is the most inexpensive historical attraction in Salem.
 - The Director is considering raising the admission price to \$11 to offset operation costs.
- ◆ School groups are charged \$2 to \$4 per attendee.
- ◆ In FY23, the Witch House is targeting 60,000 visitors.

Retail Sales

- ◆ Retail sales \$90,000 for gift shop alone Approximately \$1.75 per capita sales.
- ◆ Budget for purchasing goods for resale (COGS) has climbed from \$10,000 to \$30,000 current). An extremely low (good) ratio of COGS to sales.
- ◆ Witch House works with artists to create highly marketable items at low cost with local benefits.
- ◆ Bulk purchasing and filler items (posters, herb packets) have 50% markup.

Operations of Salem Witch House

Revenues

- ◆ Before COVID, the Witch House earned \$500,000 in revenue operating year-round.
- ◆ During COVID, the Witch House's earned revenue was reduced to \$220,000.
- ◆ In Fiscal Year 2022 the Witch House earned \$460,000.
 - Witch House is projected to earn \$600,000 in Fiscal Year 2023.

Summary of The Witch House's Operations

Staffing

- ◆ 12 staff members rotate between the Witch House and Charter Street Cemetery.
 - 7 employees are typically stationed at the Witch House and 5 at the cemetery.
- ◆ Employees work an average of 28 hours per week or less.
 - City Human Resources Dept. has recently set a limit on the total hours an employee can work in one week to 19 hours. This has been a challenge to properly staffing the two sites.
 - The Director tries to allocate the maximum of 30 hours per week to employees, when possible, but hours are reduced to 20 per week during the winter due to shorter hours open and budget limitations.
- ◆ Staffing has been kept static on the operating budget even though employees work at both locations.
- ◆ The Witch House has tried to support their own repairs (i.e. roof) with an allocated fund but has not been supported to date.

Moving forward, this department can be more effective with The Village moved to Camp Naumkeag and operated as a unit. Benefits will include overall attendance increase, opportunities for joint tickets, enhanced marketing effectiveness with increased revenue and more sites / experiences offered, larger total budgets, and increased staffing flexibility.

