

Miami Maritime Museum

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Miami Maritime Museum Development Proposal

I. Summary Project Description

The Miami Maritime Museum (MMM) is a unique development proposal that offers economic value and strong cultural significance to Virginia Key and the Greater Miami area. As an independent, world-class museum, this special project will also aid in the long-term preservation and re-opening of the historic Miami Marine Stadium. Together, both the MMM and the Miami Marine Stadium will symbiotically regenerate the magical Marine Stadium Basin, acting as cultural anchors in establishing Key Biscayne as an international waterfront destination.

Designed for all ages, the MMM will showcase the breadth and depth of the boating world will feature a host of indoor and outdoor exhibitions. It is envisioned to emulate the scale and quality of the Bilbao Maritime Museum or other similar projects such as New York City's South Street Seaport Museum. Dynamic collections will include indoor exhibitions detailing the past, present and future the boating industry as well as open-air boat exhibitions, with featured boats docked alongside the museum.



Maritime Museum de la Ria de Bilbao
<http://www.nekatur.net/Lugar-interes.aspx?Id=120&lang=en-US>

Additionally, the museum will feature classrooms for interactive educational activities such as boatbuilding and model making classes for children and adults. A diverse range of interactive programs such as boating expeditions, speed boat racing, festivals, and other boating related activities will also be offered.

Complimentary program components include a lunch café, coffee shop, bookshop and model shop. An upscale, waterfront restaurant and a moderately-priced wine bar and event space on a docked, historic ship located next to the museum will cater to the adult crowd after regular business hours.



The Frying Pan, located along Chelsea Piers in New York City



The Boathouse Restaurant, located in the heart of Central Park, NYC.

The MMM will be international in scope, ultimately bringing thousands of visitors to the site each year.

Market Demand:

Several indicators suggest the potential positive impact of the MMM. Miami's reputation as one of the world's most active boating communities and its standing as a world-renowned tourist destination indicates a strong demand for this unique waterfront cultural amenity. Despite this, no maritime museum exists in the area and thus there is no direct competition for this kind of project, making the MMM the first of its kind in the Greater Miami area.

Market studies also reveal a declining a number of visitors visiting museums, which could be an indication that there are an insufficient amount and/or quality of museum sites for tourists to visit.

II. Introduction

Site Location and Size

Virginia Key is an 82-acre island with a half-mile beach located between the Atlantic Ocean and Biscayne Bay. North and South of the island are Miami and Key Biscayne, connected by the Rickenbacker Causeway built in 1947.

The site is part of District 2 of the City of Miami and occupies most of the land on Virginia Key. The land available for redevelopment is over 55 acres excluding the composting facilities and the areas of natural, exotic and native vegetation. A meeting with District 2 commissioner Marc Sarnoff revealed that additional, and maximized, commercial use on the site was necessary to make the restoration and reopening of the Marine Stadium a financially viable project.



Location Map



Relevant Ownership History

Virginia Key is home to the Miami Seaquarium as well as one of the jewels of the Miami Modern architectural era: the Marine Stadium. The stadium was designed by Hilario Candela and was a unique venue for a diverse array of activities ranging from music concerts and boat races to boxing matches and Easter services for almost 40 years.

Its one-of-a-kind, 6,550 seats covered by a waving lightweight concrete shell became an icon to the City from the very beginning, leading to its nationwide recognition. To this day, it remains the only structure of this kind in the world.

The venue remained operative for almost four decades (1964-1992) until mismanagement and damage caused by Hurricane Andrew lead to its closure. At the time, the City of Miami requested funds from FEMA for its demolition, but the funds were denied. Later, an engineering study requested by the insurance company found that the stadium had suffered minor damage, and it would be more costly to demolish it than to renovate it. The renovation never happened and the stadium has been shuttered since then, becoming a victim of vandalism and neglect.

Several proposals for the redevelopment of Virginia Key have been presented to the City of Miami since the closing of the Marine Stadium. While many of the redevelopment plans have excluded or ignored the stadium as part of the future vision for the island, fortunately none have been executed.

In June 2007, the design firm EDSA presented a preliminary design for the new Virginia Key Master Plan to the City of Miami. This first proposal included the demolition of the stadium structure and was subsequently rejected due to increased community support to save the stadium.

During the summer of 2008, EDSA presented a revised proposal to the commission that preserved the stadium. In 2009, the commission heard another presentation that proposed less density surrounding the stadium. Yet another presentation is slated for May 2010.

The Matheson family donated the land on which the Marine Stadium sits for the purpose of “water sports.” Due to this restriction, the land cannot be redeveloped for any other use. The City of Miami owns the rest of the land on the development site.

Current use

The site currently features the Miami Seaquarium, Hobie Beach, Marine and Science Technology (MAST) Academy, Atlantic Oceanographic and Meteorological Laboratory (AOML), Jimbo’s Place (smoked fish and beer), Rosenstiel School of marine and Atmospheric Science, Rusty Pelican (restaurant), Boat Marina and the Virginia Key Compost Facility.

Special Positive or Negative Features of Site and Neighborhood

As described by the stadium’s architect, Hilario Candela, the site is a magical, romantic place, destined to become next big destination in Miami. One can see views of the growing Miami skyline from the site, while the evening lighting on the tallest buildings in the city makes the perfect backdrop for dining or walking along the site. As the only public park on the bay, the site also holds a certain level of history and sentimentality.

Infrastructure is in place to support large numbers of people coming into the site. Additionally, public transit systems can easily be attached to the existing highway, extending the metro rail to the site.

Some of the challenges may include the “NIMBY” owners on Key Biscayne, who do not want the traffic in their back yards. Parking is also an issue. The city wants a garage while the urban designers prefer surface green parking.

Additional challenges include a waste facility in the vicinity that causes an unpleasant odor and occasional runoffs into the water and the consideration that construction can be dangerous to the existing environment.

Current and Proposed zoning: Use and development requirements

Under the current zoning, the MMM is feasible. The current zoning includes C-1, CS, and PR (parks and recreation).¹ Under the conditional principal uses, a museum can be developed by special permit and subject to the applicable criteria of Section 1305 of the Miami Zoning Code. This clearly implies a request for special zoning, which could be achieved by working with the City. The northeast shore of the site is reserved for conservation and will not be affected by the museum plans. Notes on the applicable zoning are as follows:

- **PR: Parks and Recreation**

- Permitted principal uses: public and private parks, open space, and recreational facilities, including existing marinas.

¹ See Appendix I for further definitions.

- Conditional principal uses: by special permit only; specifically, major structures such as performing arts centers, museums, art galleries, and exhibition space, which change the character of an existing park.

- **C-1: Restricted Commercial**

- Height unlimited;
- FAR is 1.72 times the gross lot area.

Proposed zoning under Miami 21 is T1 (natural) and Civic Space though the zoning change has not gone into effect.

III. Market Analysis

Trends²

As reported by the research firm Synovate for the Greater Miami Convention and Visitor's Bureau (GMCVB) for 2007, overnight visitors spent \$17.1 billion in direct expenditures in Greater Miami and the Beaches. Average daily expenditure remained steady at \$244.54; average expenditure per trip was \$1,430.56; and the average length of stay was 5.85 days. The total number of overnight visitors to Greater Miami and the Beaches has increased between 2.0% to 5% every year between 2003 to 2007.³

Visitor satisfaction continued at its high levels since the GMCVB started tracking it in 1989. Over 90% of overnight visitors said they were "extremely or very satisfied" with their stay in our destination -- that represents 11.6 million of the nearly 12 million overnight visitors to Greater Miami and the Beaches. The likelihood of returning to our destination was 97.8% or 11.7 million visitors—the highest observed level in the past 5 years. The increase in satisfaction and likely to return ratings are a good sign for Greater Miami's "repeat visitors." This also may be a sign that travelers are noting the increase in improved attractions and amenities that Greater Miami has to offer.

Although tourism has been strong, there has been a declining number of visitors who reported to have visited museums.⁴

As reported by ATM Inc. for the City of Miami in 2007, during the five-year period from 2001 to 2005, the population of Florida has grown from almost 16 million people to nearly 18 million people (estimate), an increase of about 11.8%. The overall population of Florida grew about 23.5%, from 1990 to 2000 (U.S. Census Bureau), to 15,982,378 people. Estimates indicate growth of about 11.8% from 2000 to 2005, to 17,872,296 people. Statewide population growth is projected to grow 13% through 2030 (FLOEDR,

² See Tables 1 and 2 in Appendix 2.

³ See Table 1 in Appendix 2.

⁴ See Table 1 in Appendix 2 that reports the percentage of visitors who reported to have visited the listed destinations. This is likely evidence of a need that exists in this sector.

2005). The population of Miami-Dade County grew from 1,937,100 to 2,253,361 people from 1990 to 2000, or a 16.3% increase. Estimates indicate growth of about 6.0% from 2000 to 2005, or to about 2,388,815 people. Miami-Dade County population is projected to continue to grow nearly 10% through 2030 (FLOEDR, 2005).

Thus, the population trends of the primary market lag behind the statewide average; however, Miami-Dade County is the most populous county in Florida and represented 14.1% of the entire state population in the 2000 Census.

Rents in Area: Current and Forecast

Because of the limited retail presence in Virginia Key at this time, Key Biscayne rents were used as a proxy to future Virginia Key rents. The current range lies between \$25 through \$40 per square foot per year. A conservative estimate of \$35 per square foot per year was used.

Identification of Unfilled Need

There are several maritime museums in the South Florida area, there are none in or around the Greater Miami area and the Beaches. As mentioned above, tourism in the Greater Miami area and the Beaches is strong, but there are a declining number of visitors visiting museums. These factors, combined with the fact that there is no maritime museum in the Greater Miami area or the Beaches, suggests that there is an unfilled need for a maritime museum because the area already draws a large amount of tourists and the declining number of visitors visiting museums could be an indication that there are an insufficient amount and/or quality of museum sites. Additionally, the area boasts an active boating community and close proximity to the ocean. The MMM would satisfy the unfilled need for a maritime museum. At present, there are at least 10 maritime museums that we identified in Florida.⁵ They are as follows:

<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zipcode</u>	<u>Name</u>
103 Water Street	Apalachicola	FL	32320	Apalachicola Maritime Museum
1015 Museum Circle	Jacksonville	FL	32207	Jacksonville Maritime Museum
200 Greene Street	Key West	FL	33040	Mel Fisher Maritime Heritage Society and

⁵ Poutre, Joseph, *Naval and Maritime Museums List United States of America*, <http://www.bb62museum.org/usnavmus.html#FL>, retrieved March 23, 2010. List last updated October 18, 2009. Lighthouse, naval and treasure museums excluded.

				Museum
1707 NE Indian River Drive	Jensen Beach	FL	34957	Maritime and Classic Boat Museum
102670 US Highway 1	Key Largo	FL	33037	Maritime Museum of the Florida Keys
17314 Panama City Beach Parkway	Panama City Beach	FL	32413	Man in the Sea Museum
2400 North Flagler Drive	West Palm Beach	FL	33405	Palm Beach Maritime Museum
9 King Street	St. Augustine	FL	32084	Lyons Maritime Museum
3250 S Kanner Highway	Stuart	FL	34994	Maritime and Yachting Museum of the Treasure Coast
705 Channelside Drive	Tampa	FL	33602	American Victory Mariners Memorial & Museum Ship

Existing and Future Competition

Existing competition

South Florida has both local and tourist traffic. Given the different consumption and recreational habits of these two populations, it is important to distinguish what the Miami Maritime Museum’s competitors would be for each group.

In the case of local traffic, our direct competitors would be other maritime museums in South Florida and the Monroe County (refer to the list in the previous section).

Museums with different themes in the same area are indirect competitors. There are at least 22 museums in Miami, one in North Miami and four in Miami Beach according to the Florida Association of Museums. Of these, Miami Science Museum and Planetarium and Seaquarium are greater threats as both offer entertainment for the whole family. However, with the appropriate development, the novelty and quality of our venue would probably put it at an advantageous position relative to the other museums.

Direct competition for tourist traffic would be more aggressive as it includes all general interest museums in Miami. The limited time the average tourist spends in Miami limits the number of museums he or she can normally visit to one.

Future competition

Bicentennial Park is in the process of renovation and will become Museum Park. Museum Park will be the site of the new Miami Art Museum and the new Miami Science Museum. The latter is more family-oriented and as stated above could be an alternative to museum-goers with limited time who would be forced to choose between the two. Given its proximity to Bayside, the entire Bicentennial complex could potentially be chosen as an alternative destination to spend a leisurely day.

IV. SWOT Analysis of Proposed Project

Strengths	Weaknesses
<ul style="list-style-type: none"> • The MMM will play an integral role in making the developed Virginia Key an international destination. • There is no competition in the form of other maritime museums in the Greater Miami Area. • The site is in a strategic location with access to the bay and in proximity to the Miami Marine Stadium. • Miami is a popular tourist destination that is looking to strengthen the cultural experience it has to offer. • The museum will cater to visitors of all ages. 	<ul style="list-style-type: none"> • Physical space constraints may limit the size of the museum as well as the number of wet slips or drystack racks for museum use. • There is only one road that provides for the flow of traffic into and out of the Key. • The museum is a non-profit that will need to depend on supporting revenue streams from surrounding retail.
Opportunities	Threats
<ul style="list-style-type: none"> • Virginia Key is currently in the redevelopment process. • Miami Marine Stadium is on the World Monument Fund's list of sites to be preserved. • Miami is home to the International Boat Show. • There is a well-established rowing club and a strong interest in boating activities in the area. 	<ul style="list-style-type: none"> • There are multiple players working to redevelop the same general area that could lead to conflicts that hinder decision-making and slow the progress. • New competition will potentially decrease absorption.

V. Development Plan

Concept



The MMM will include exhibitions, educational opportunities, interactive activities, as well as shopping and dining. Exhibitions will be comprised of permanent collections (indoor and outdoor), temporary exhibitions (indoor and outdoor), and virtual reality exhibitions.



Educational spaces, including an auditorium, will also be provided as well as a boat building class/model making shop. Envisioned interactive events will include speedboat racing, expeditions/cruises (*Quasart yacht charters, tours on historic boats, dinner cruises, casino nights*) as well as annual festivals and international boat show related events. Also included in the program is a lunch café and coffee/book shop, upscale, outdoor restaurant, moderately priced wine bar and event space on docked, historic ship. These programmatic elements are all modeled from successful boating museum concepts around the country.

Specific Program

<u>MUSEUM⁽¹⁾</u>	<u>Square Footage</u>
<i>Indoor (exhibitions, media archive, auditorium, shops, café, classrooms and model shops)</i>	75,000 sf
<i>Outdoor (exhibitions, three docks, the walkway surrounding them and the bay)</i>	175,000 sf
<u>WATERFRONT RESTAURANT ⁽²⁾</u> <i>500 seats; with a spectacular view of the water, it's ideal for weddings and large events.</i>	7,000 sf
<u>TOTAL:</u>	<u>257,000 sf</u>
<u>Lightship</u> ⁽³⁾ <i>(for Outdoor Dining, Cocktails, and Parties.)</i>	Actual size will be dependent on donation of boat. We estimate 100' x 40'.

1. Based on Bilbao Museum
2. Based on Boathouse Restaurant in Central Park
3. Modeled after Frying Pan concept (Chelsea, NYC)



Western Australian Maritime Museum, at <http://www.cvent.com/destination-guide/perth/images-places-of-interest-01.shtml>

Phasing and Absorption

Design and Development is estimated to take 14-16 months, with construction estimated at 24 months. (based on MAM's schedule.) Given the integral nature of the program, the museum, (including café, and bookstore), is expected to be completed in one phase, with the upscale restaurant opening the following year.

Assumptions

It is assumed that enough space is available to support the size of a world-class museum. In addition, it is also assumed that slips can be accommodated to feature a variety of boats and that water-based commercial activities will be permitted and that parking will be shared with the parking garages set forth in the Virginia Key master plan. Parking will require 430-440 units (based on MAM and MSM needs).

VI. Cash Flows

Assumptions

It is fundamental to create an advisory committee through which to leverage the advice and support of experts in different fields related to the success of our endeavor.

Several individuals have already expressed interest in a concept like the MMM. These individuals include Tony Goldman (The Goldman Company), John Petricola (The Rockefeller Group), David Puyanik (Commodore Realty), Manuel Alonso Poch (Developer), Bob McCammon (South Florida Historical Museum), Michael Taylor (Stiles Realty), Katrin Theodoli (Magnum Marine) and Katy Jones Steiger (Power Boat Race Promoter). They all are examples of movers and shakers in the community that could help raise funds toward the construction of MMM. The proposed construction budget will be around that of the new NWS Campus in Miami Beach. This institution took 7 years to raise the funds needed and broke ground fully funded through private and public contributions.

To build the Return of 501(c)(3) two comparables have been used.

The Museum of Contemporary Art in North Miami was deemed more appropriate to calculate potential revenues from fundraising, since it is located in Miami and it is an institution backed by patrons similar to our potential ones.

South Street Seaport Museum in New York has been established as a proxy for expenses. This is due mainly to the similarity of the task associated with curating and running of a museum of the same interest and also because they have notably higher costs serving the purpose of conservative accounting.

Return of Organization Exempt From Income Tax Assumptions

Construction and Land Lease

Annual Land Lease Rate (token fee paid by other nonprofit institutions in Miami Dade)	\$1.00
Fundraising Period For Construction	7 years
% Private funding (private donors, corporations and foundations primarily)	67%
% Public funding (City, County, State funding, National endowment of the Arts, Grants...)	33%
Projected Total Cost	\$150,000,000
Projected Hard Costs	\$138,000,000
Projected Soft Costs	\$12,000,000

Distribution of Fund Resources

Individual Contributions	25%
Foundation Contributions	40%
Government Contributions (Grants)	10%
Corporations	15%
Special Events	10%
Total	100%

Growth Rates

Annual Revenue Growth Rate Year 11-13	10.00%
Annual Revenue Growth Rate Year 14-19	2.83% ¹
Annual Expense Growth	2.83% ¹

Rentable Areas

Rentable Area Restaurant	7,000
Rentable Area "Frying Pan"	5,400

Lease Rates

Full Service Lease Rate NNN	\$57.49 ²
Event Rental Rate Outdoor Average (12,000 SF)	\$200,000
Annual Lease Escalation	2.83% ¹

¹ Average Rate as indicated by the CPI for the last 10 years

² Compared to other commercial properties in Key Biscayne as of March 2010*(1.0283)¹³

BASE CASE SCENARIO. Year 1	
REVENUE	
Contributions, Gifts, Grants, And Similar Amounts Received:	
Individual Contributions	\$1,583,341
Foundation Contributions	\$2,533,346
Government Contributions (Grants)	\$633,337
Corporations	\$950,005
Total	\$5,700,029 ³
Program Service Revenue Incl. Government Fees and Contracts	\$130,928 ⁴
Membership Dues and Assessments	\$0
Interest on Savings and Temporary Cash Investments	\$0
Dividends and Interest From Securities	\$0
Gross Rents:	
Restaurant Rental Revenue	\$402,454
"Frying Pan" Rental Revenue	\$310,464
Event Space Rental Revenue	\$200,000
Rental Expenses	\$0
Net rental income or (loss)	\$912,918
Special Events and Activities	
Net Income or (loss) from special events	\$633,337 ³
Gross Sales of Inventory, Less Returns and Allowances	\$55,416 ³
COGS	\$18,200 ³
Gross Profit or (loss) from Sales of Inventory	\$37,216
Total Revenue	\$7,414,428

³ =(Moca 2007*(1.0283)^13)/2.

⁴ =Moca 2007*(1.0283^13). We consider this very conservative when looking at South Street Seaport Museum's \$732,504

EXPENSES	
Program Services:	
Compensation to Officers, Directors, Key Employees	\$168,098
Salaries And Wages of Employees	\$1,530,791
Pension Plan Contributions	\$94,510
Employee Benefits	\$209,423
Payroll Taxes	\$116,016
Accounting Fees	
Legal Fees	\$0
Supplies	\$145,401
Telephone	\$13,044
Postage and Shipping	\$5,169
Occupancy	\$336,645
Equipment Rental and Maintenance	\$15,049
Printing and Publications	\$30,043
Travel	\$4,566
Conferences, Conventions, and Meetings	\$533
Interest	\$0
Other Services (Professional Services, Office and General, Insurance, Advertising, Misc.)	\$2,200,753 ⁵
Total Functional Expenses	\$4,870,042
Managemet and General	\$1,663,968
Fundraising	\$684,181⁶
Land Lease	\$1
Total Expenses	\$7,218,192
Excess or (deficit) For the Year	\$196,236
Net Assets or Fund Balances at Beginning of Year	\$0
Net Assets or Fund Balances at End of Year	\$196,236

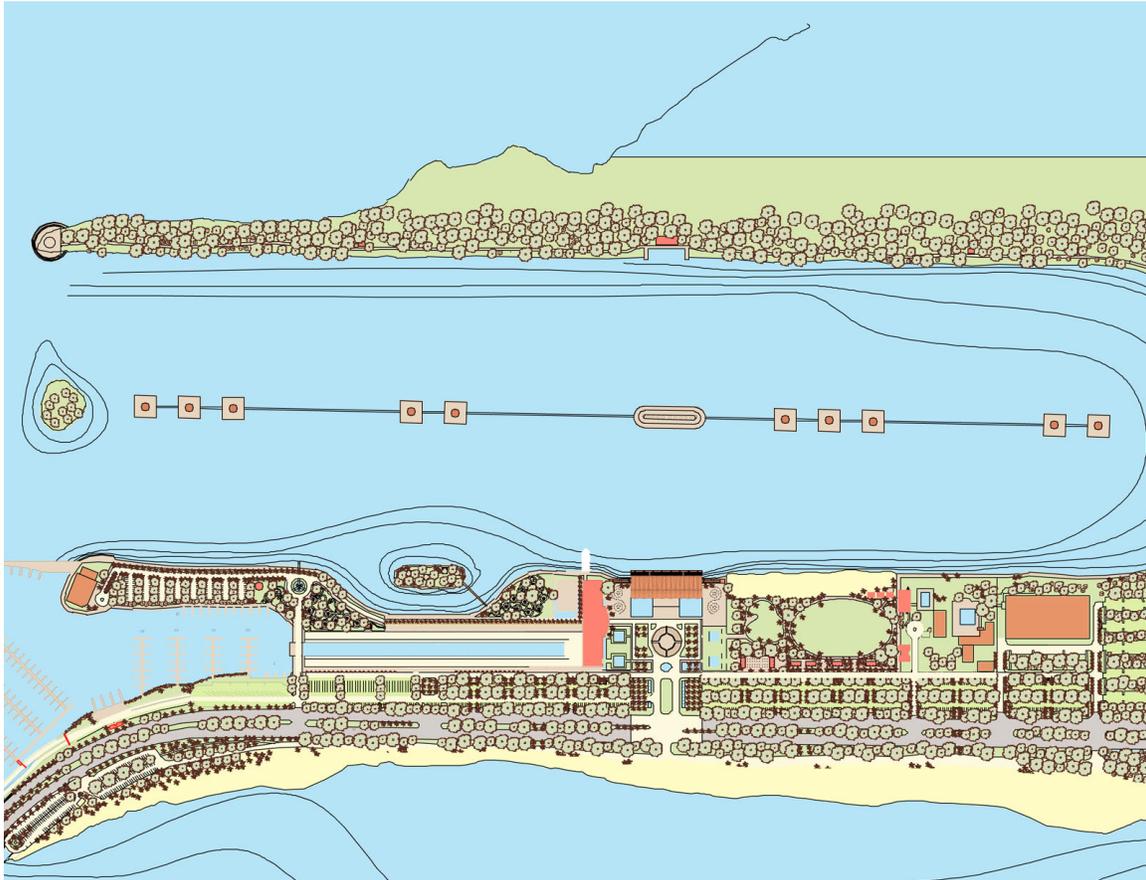
⁵ =Moca 2007*(1.0283)^13. In an effort to be conservative given that South Street Seaport Museum's is much lower.

⁶ =Moca 2007*(1.0283)^13. In order to be consistent. We based our fundraising projections on Moca's performance. It is worth noting that while fundraising revenues are estimated to be half of those of Moca, expenses are considered to be the same.

Pro-Forma

See attached.

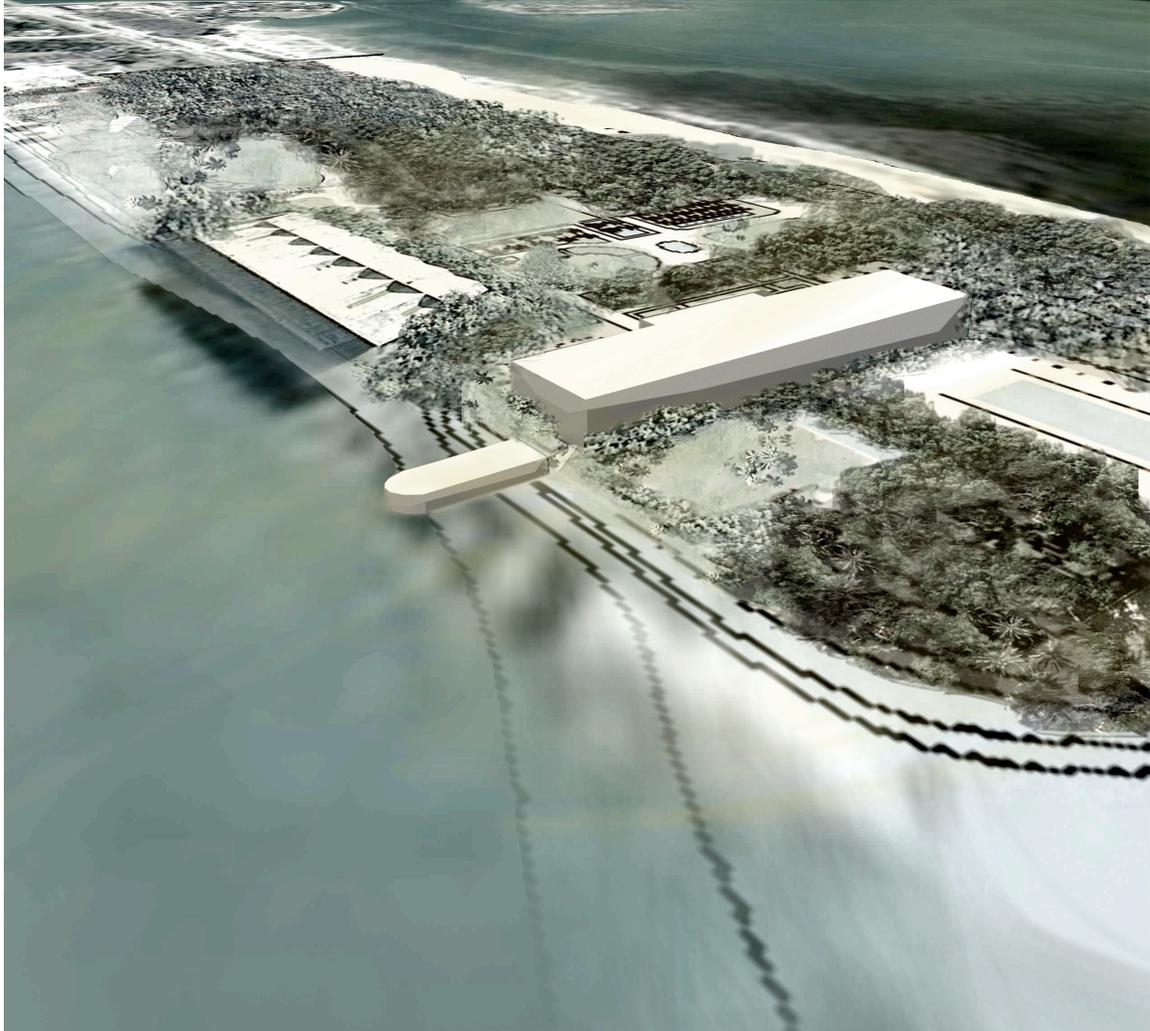
VI. Renderings



The new MMM is highlighted in coral and located just West of the existing Marine Stadium. A horizontal slip has been carved into the landscape to accommodate the outdoor exhibitions. The “Frying Pan” highlighted in white, the open-air plaza just West of the museum and a restaurant located on the second story on the North end of the museum provide spectacular views from the water’s edge.



The Master plan superimposed on aerial view.



A 3D view looking South East highlighting the “Frying Pan” concept and the relationship of the museum to the existing Marine Stadium.

APPENDIX I

C- I Restricted Commercial

Intent and Scale:

The restricted commercial category allows structures used as any type of residential facility except for rescue missions, to a maximum density equivalent to R-4, subject to the same limiting conditions; any activity included in the office designation, commercial marinas and living quarters on vessels with specific limitations, and mixed-use or commercial activities which generally serve the daily retailing and service needs of the public, typically requiring easy access by pedestrians and private automobiles. This category is located preferably in areas directly served by arterial or collector roadways, or directly accessible via mass transportation system.

CS Conservation

Intent and Scale:

The conservation district is restricted to environmentally sensitive areas which are to be left in an essentially natural state; only activities which reinforce this character are allowed; and minimum development is permitted conditionally. Public access to these areas including off-street parking may be limited when unregulated access may present a threat to wildlife and plant life within such designated areas.

PR Parks, Recreation and Open Space

Intent and Scale:

The parks, recreation and open space district only allows for public and private parks, recreational facilities, educational and cultural facilities, marine and marina facilities, entertainment facilities, social and health related service facilities, public safety, and City of Miami administrative facilities, including authorities and agencies thereof, parkways and scenic corridors.

Please refer to the Miami Zoning Code for detailed restrictions and requirements on the above zoning.

APPENDIX 2

Table I

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
	<u>%</u>						
Art Deco District/South Beach	71.8	77.4	68.9	66.8	70.1	67.8	53.3
The Beaches	70.2	68.8	55.4	56.0	60.7	57.7	51.2
Lincoln Road	20.5	27.8	31.0	29.6	38.0	36.0	27.6
Aventura Mall	33.7	25.1	25.6	25.4	31.5	33.4	24.9
CocoWalk/Mayfair/Coconut Grove	40.0	31.6	24.1	25.7	32.1	26.0	24.9
Bayside Marketplace	52.6	44.0	29.5	31.6	30.5	27.3	24.4
Downtown Miami	29.8	24.5	19.0	20.6	16.4	17.6	24.1
Coral Gables	16.2	10.2	5.6	6.6	10.3	19.6	24.1
Little Havana	6.2	3.6	5.8	8.1	11.7	14.6	17.9
Night Clubs	21.8	20.2	12.1	11.9	15.3	17.9	16.4
Dolphin Mall	N/A	N/A	N/A	15.4	17.6	13.9	12.5
Dadeland Mall	7.9	9.9	12.9	15.8	17.7	14.1	11.8
Miami Seaquarium	6.5	9.4	6.3	6.8	5.8	7.2	8.5
Key Biscayne	10.9	12.7	8.0	7.4	9.9	11.7	7.5
Bal Harbour Shops	9.0	6.9	6.7	6.7	8.0	11.6	6.6
International Mall	8.0	9.8	6.0	11.4	11.3	8.1	6.6
Theaters	10.7	12.9	8.8	6.7	7.9	9.3	6.3
Place on Flagler	15.7	7.8	7.3	4.4	3.7	3.0	4.5
Golf	7.2	6.9	7.0	6.5	6.3	5.3	4.3
Parrot Jungle	0.2	0.2	0.6	2.4	2.2	3.4	3.8
Everglades National Park	1.6	1.4	1.7	1.6	2.2	4.7	3.7
The Falls	2.8	1.7	4.2	4.7	4.5	5.4	3.5
Westland Mall	1.6	2.1	2.2	3.8	5.4	3.6	3.2
One day/Casino Cruise	4.9	4.6	3.7	2.7	3.5	2.8	3.0
Water Sports/Activities	4.5	2.3	2.6	1.7	4.0	2.7	2.9
Mall of the Americas	3.0	3.3	3.7	5.1	6.7	4.8	2.3
Museums	9.8	10.1	6.9	4.8	4.4	4.1	1.9
Parks	2.6	2.3	1.5	1.2	5.8	7.0	0.8

* Visitors may give more than one response

Source: Synovate

Table 2

Overnight Visitors To Greater Miami And The Beaches Domestic and International Origins							
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Domestic Visitors	5,263.6	5,316.2	5,585.3	5,726.7	6,028.7	6,262.8	6,473.0
International Visitors	<u>5,245.7</u>	<u>4,915.2</u>	<u>4,859.7</u>	<u>5,235.1</u>	<u>5,272.9</u>	<u>5,322.2</u>	<u>5,492.9</u>
Total Overnight Visitors	10,509.3	10,231.4	10,445.0	10,961.8	11,301.6	11,585.0	11,965.9
	%	%	%	%	%	%	%
Domestic Visitors	50.1	52.0	53.5	52.2	53.3	54.1	54.1
International Visitors	<u>49.9</u>	<u>48.0</u>	<u>46.5</u>	<u>47.8</u>	<u>46.7</u>	<u>45.9</u>	<u>45.9</u>
Total Overnight Visitors	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		% Change 02 vs. 01	% Change 03 vs. 02	% Change 04 vs. 03	% Change 05 vs. 04	% Change 06 vs. 05	% Change 07 vs. 06
Domestic Visitors		1.0	5.1	2.5	5.3	3.9	3.4
International Visitors		-6.3	-1.1	7.7	0.7	0.9	3.2
Total Overnight Visitors		-2.6	2.1	4.9	3.1	2.5	3.3

Source: Synovate

Return of Organization Exempt From Income Tax Assumptions

Construction and Land Lease	
Annual Land Lease Rate (token fee paid by other nonprofit institutions in Miami Dade)	\$ 1.00
Fundraising Period For Construction	7 years
% Private funding (private donors, corporations and foundations primarily)	67%
% Public funding (City, County, State funding, National endowment of the Arts, Grants...)	33%
Projected Total Cost	\$ 150,000,000
Projected Hard Costs	\$ 138,000,000
Projected Soft Costs	\$ 12,000,000

Distribution of Fund Resources	
Individual Contributions	25%
Foundation Contributions	40%
Government Contributions (Grants)	10%
Corporations	15%
Special Events	10%
Total	100%

Growth Rates	
Annual Revenue Growth Rate Year 11-13	10.00%
Annual Revenue Growth Rate Year 14-19	2.83%
Annual Expense Growth	2.83%

Average Rate as indicated by the CPI for the last 10 years
 Average Rate as indicated by the CPI for the last 10 years

Rentable Areas	
Rentable Area Restaurant	7,000
Rentable Area "Frying Pan"	5,400

Lease Rates	
Full Service Lease Rate NNN	\$57.49
Event Rental Rate Outdoor Average (12,000 SF)	\$200,000
Annual Lease Escalation	2.83%

Compared to other commercial properties in Key Biscayne as of March 2010*(1.0283)^13
 Average Rate as indicated by the CPI for the last 10 years

BASE CASE SCENARIO, Year 1	
REVENUE	
Contributions, Gifts, Grants, And Similar Amounts Received:	
Individual Contributions	\$1,583,341
Foundation Contributions	\$2,533,346
Government Contributions (Grants)	\$633,337
Corporations	\$950,005
Total	\$5,700,029
Program Service Revenue Incl. Government Fees and Contracts	\$130,928
Membership Dues and Assessments	\$0
Interest on Savings and Temporary Cash Investments	\$0
Dividends and Interest From Securities	\$0
Gross Rents:	
Restaurant Rental Revenue	\$402,454
"Frying Pan" Rental Revenue	\$310,464
Event Space Rental Revenue	\$200,000
Rental Expenses	\$0
Net rental income or (loss)	\$912,918
Special Events and Activities	
Net Income or (loss) from special events	\$633,337
Gross Sales of Inventory, Less Returns and Allowances	\$55,416
COGS	\$18,200
Gross Profit or (loss) from Sales of Inventory	\$37,216
Total Revenue	\$7,414,428
EXPENSES	
Program Services:	
Compensation to Officers, Directors, Key Employees	\$168,098
Salaries And Wages of Employees	\$1,530,791
Pension Plan Contributions	\$94,510
Employee Benefits	\$209,423
Payroll Taxes	\$116,016
Accounting Fees	
Legal Fees	\$0
Supplies	\$145,401
Telephone	\$13,044
Postage and Shipping	\$5,169
Occupancy	\$336,645
Equipment Rental and Maintenance	\$15,049
Printing and Publications	\$30,043
Travel	\$4,566
Conferences, Conventions, and Meetings	\$533
Interest	\$0
Other Services (Professional Services, Office and General, Insurance, Advertising, Misc.)	\$2,200,753
Total Functional Expenses	\$4,870,042
Management and General	\$1,663,968
Fundraising	\$684,181
Land Lease	\$1
Total Expenses	\$7,218,192
Excess or (deficit) For the Year	\$196,236
Net Assets or Fund Balances at Beginning of Year	\$0
Net Assets or Fund Balances at End of Year	\$196,236

(Moca 2007*(1.0283)^13)/2
 (Moca 2007*(1.0283)^13)/2. Very conservative considering South Street Seaport Museum makes 732,504 Moca 2007

(Moca 2007*(1.0283)^13)/2
 (Moca 2007*(1.0283)^13)/2. 32% revenues

South Seaport Museum 2007*(1.0283)^8

Moca 2007*(1.0283)^13. Only Item in expenses from Moca to overstate rather than understate expenses of this type.

South Seaport Museum 2007*(1.0283)^13
 Moca 2007*(1.0283)^13