

Economic Impacts of the New North Carolina Maritime Museum and Maritime Campus in Carteret County, North Carolina

FINAL REPORT



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**Prepared for: Maritime Heritage Foundation
of Beaufort, North Carolina, Inc.**

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EXECUTIVE SUMMARY

The Maritime Heritage Foundation of Beaufort, North Carolina Inc. engaged ConsultEcon, Inc. to evaluate short and long range project planning, recommend improvements and assess the economic impacts of the proposed new North Carolina Maritime Museum and Maritime Campus at Gallants Channel on Carteret County and the State of North Carolina. Based on the analysis, the project's economic benefit to the state of North Carolina and to Carteret County is significant.

The Recommended Plan

The recommended plan for the new Maritime Museum at Gallants Channel is a +/-80,000 square foot museum to be designed and developed following an initial phase of improvements to the Maritime Campus and development of a new Maritime Center. A +/- 4,000 square foot Maritime Center will support expansion of maritime and marine science programming, junior and adult sailing programs and promote expanded use of the Gallants Channel site. The Maritime Campus will include a well-programmed outdoor space that will be a destination in its own right, complementing the new museum and other attractions in Beaufort and Carteret County.

"The Maritime Heritage Campus at Gallants Channel will be a fusion of marine history, education, and science combining the intriguing artifacts from Blackbeard's flagship Queen Anne's Revenge with the fascinating story of Eastern North Carolina's maritime past, present, and future. It will be an unparalleled tourist attraction that will also be an asset to residents providing a coastal setting and facility for education, community events, environmental research, performances, and conferences."

Stakeholder Vision Statement

Basis for Economic Impacts

The economic impact analysis assumes the full implementation and operation of the Maritime Museum, Maritime Campus, Maritime Center and transient docks as described in this report. All existing and increased operational expenditures are evaluated in economic impact analysis because the project is a capital investment that is required to sustain the Maritime Museum over time and transform the visitor experience to create a higher level of visitation and operating potential. The difference between the economic impacts of the existing museum and new museum operations is the increased economic impacts in Carteret County. The economic impact analysis will need to be revisited as project planning and design advances.

The existing and future operations of the North Carolina Maritime Museum, as it attracts new visitors from resident and visitor markets, forms a stream of economic benefits to Carteret County and North Carolina as a whole. The economic impacts analysis evaluates the additional direct new spending of visitors and its total impacts (the "multiplier" effect) to Carteret County and the State of North Carolina. It also evaluates the combined operating

expenses of new North Carolina Maritime Museum and Maritime Campus, the mix of visitors to the facility, and the profile of off-site visitor spending on the day of their visit or overnight trip based on tourist spending profiles from the state. The total potential economic impacts are evaluated using multipliers from the U.S. Bureau of Economic Analysis to derive direct, indirect and induced economic impacts. The economic impacts for the project are based on combined expenditures by partners or by visitors in conjunction with museum-only attendance. (For the purposes of this analysis, other museum visitation is excluded because it is largely local in nature and, therefore, would not generate new economic impacts.)

The economic impacts to Carteret County and the State of North Carolina are separate analyses specific to the County and State. The County economic impacts reflect economic impacts from direct economic activity due to facility operations and in-County spending attracted from outside of County borders due to the project and the subsequent economic multiplier effects within the County. The State economic impacts reflect economic impacts from direct economic activity due to facility operations and in-State spending attracted from outside of the State due to the project and the subsequent economic multiplier effects within the State.

EXISTING IMPACTS DUE TO MUSEUM

North Carolina Maritime Museum and Maritime Campus Baseline Operations

The operation of the Museum and Campus is a public private partnership, involving the state of North Carolina which owns the land and facilities, and two supporting partner organizations-- Friends of the NC Maritime Museum and the NC Museum of History Associates. The North Carolina Maritime Museum in Beaufort is operated by the State of North Carolina. The Museum drew 148,000 visitors in 2017. (Because 2018 attendance was impacted by Hurricane Florence, 2017 is used as a baseline for annual attendance.) The Museum offers free admission with donation requested and most programs at the museum are free as well. The Museum is funded by state appropriations. Additional earned and contributed revenues are generated through supportive organizations, Friends of the NC Maritime Museum and NC Museum of History Associates. The future operating expenses of these existing partners and a to-be-determined food service operator are combined to determine the project's economic impact.

Local (Carteret County) Annual Economic Impacts - Existing Museum

- ◆ **Future Stable Year Direct Expenditures** - \$1.1 million of the combined operating budgets are estimated to be spent annually in Carteret County. Offsite spending by visitors in Carteret County is estimated at \$8.3 million based on 2017 baseline attendance. Only spending from site visitors from outside of Carteret County is included in the direct spending estimates. Total direct expenditures, therefore, are estimated at \$9.3 million annually. 94% of the museum visitors are assumed to be from outside of Carteret County.
- ◆ **Total Economic Impacts** - As the multiplier effect works its way through the Carteret County economy, the direct economic activity due to the existing North Carolina Maritime Museum generates a total estimated annual, direct, indirect, and induced economic impact of \$20.3 million. Of that, \$5.7 million are wages and salaries supporting 222 total jobs¹ in Carteret County.
- ◆ **County Fiscal Revenue Generation** - On-site and off-site expenditures generate sales and occupancy taxes. Employee direct and induced spending would generate sales taxes. Total annual tax revenues in these categories are estimated at \$434,000 to Carteret County based on 2017 baseline attendance.

Annual Economic Impacts from Baseline Operations on Carteret County

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$9.3 million	\$11.0 million	\$20.3 million
Wages	\$2.9 million	\$2.8 million	\$5.7 million
Permanent Employment	121	101	222

Note: Expenditures and wages are rounded to nearest hundred thousand; rounding effects total.

¹ Total jobs include full time and part time employment, assumed to be in ratio with the distribution of jobs between actual full time and part time for Carteret County. This applies to the North Carolina employment estimate as well.

Regional (North Carolina State) Economic Impacts - Existing Museum

- ◆ **Future Stable Year Direct expenditures** - \$1.4 million of combined operating budgets are estimated to be spent annually in North Carolina. Offsite spending by visitors in the State is estimated at \$3.9 million based on 2017 baseline attendance. Only spending site visitors from outside of the State of North Carolina is included in the direct spending estimates. Total direct expenditures, therefore, are estimated at \$5.2 million annually. 40% of the museum visitors are assumed to be from outside of the State of North Carolina.
- ◆ **Total Economic Impacts** - As the multiplier effect works its way through the North Carolina State economy, the direct economic activity due to North Carolina Maritime Museum generates a total estimated annual, direct, indirect, and induced economic impact of \$13.9 million in expenditures. Of that, \$4.8 million are wages and salaries, supporting 174 total jobs in the State. At the statewide level, these impacts include the effects on jobs and economic activity within and outside of Carteret County.
- ◆ **County Fiscal Revenue Generation** - On-site and off-site expenditures generate sales taxes; and employment directly and indirectly supported by combined operations generate sales and income taxes. Total annual tax revenues in these categories are estimated at \$394,000 to the State of North Carolina based on 2017 baseline attendance.

Annual Economic Impacts from Baseline Operations on the State of North Carolina

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$5.2 million	\$8.7 million	\$16.0 million
Wages	\$1.9 million	\$2.9 million	\$4.8 million
Permanent Employment	81	93	174

Note: Expenditures and wages are rounded to nearest hundred thousand; rounding effects total.

ATTENDANCE POTENTIAL

NC Maritime Museum Visitation. The stabilized annual visitation potential range for the new NC Maritime Museum is estimated at 187,000 to 283,000, with a mid-range estimate rounded to 234,000 in a stable year of operation (typically the third or fourth full year of operation after opening). Because of its location in Carteret County, the scale of available resident and tourist markets, and the appeal of its pirate collections and exhibits, a new North Carolina Maritime Museum will rely heavily on the tourist market for visitation. Under a mid-range visitation potential, approximately 15 percent of visitation is estimated to be from the resident market areas and 85 percent due to tourist and seasonal resident visitation.

Visitation patterns at the site will be seasonal with peaked visitation during summer months that follows a pattern of tourist visitation to Beaufort and the school calendar in the shoulder seasons. Residents, school and other tour groups will be important audiences during non-peak periods and during shoulder seasons. Education and community-based programming within the local context will appeal to multiple niche resident and seasonal resident audiences and build awareness and local affinity, membership and community support for the project. The enhanced offerings, marketing, project scale, attractive site and enhanced visitor amenities will attract new day trip and overnight tourists from outside of the area. The new museum and campus experience at the Gallants Channel site are assumed to appeal to existing audiences served by the current museum and will attract new audiences. Thus, the new Maritime Museum and campus have the potential to extend length of stay of current travelers and draw new visitors to Beaufort and Carteret County that would not otherwise visit the area.

The new Museum visitation will require expanded Museum (State) operations. The visitation potential analysis assumes that the new Maritime Museum will be constructed with building interior and exhibit spaces offering a high quality and repeatable visitor experience and that the new museum and the Gallants Channel site will be aggressively marketed, competently operated, maintained in such a way as to achieve a high level of customer satisfaction and will receive full community support in the public and private sectors.

Maritime Campus Only Visitation. In addition to Museum visits, the Maritime Campus itself will be a visitor draw. Other visitation to the Maritime Campus adds another potential +/- 54,000 visitors from partnership operations including programs and events sponsored by the Friends; marine science programs; community use of facilities for meetings and events; outdoor events and festivals; and, general site use for recreation. It should be noted that many Museum visitors would extend their visit by enjoying various elements of the overall Gallants Channel site. Thus, the use of the Maritime Campus would include Campus only visitors and a portion of museum goers. The Maritime Center will be designed to maximize the usage of the site as planning and building of the museum proceeds.

Total Attendance Potential. Combined Museum visitors and Maritime Campus visitors are estimated at 289,000 in a mid-range future stable year of operations.

COMBINED OPERATING EXPENSES

Future operating expenses estimates of public and private partners are inputs to the economic impact analysis. Both the Maritime Museum operating budget and the Friends organization operating budget estimates are based on current operating budgets with increases to reflect the larger museum, higher attendance potential and increased operations, programs and activities at the Gallants Channel site.

Operating Budgets. Combined operating expenses are estimated to total \$2.4 million, not including cost of goods sold in a future stable year of operations. The Museum operating budget accounts for 71 percent of the total and for analytic purposes is estimated at \$1.7 million, an increase of 62 percent from the FY 2018-2019 budget of \$1.1 million. The remaining 28 percent or \$700,000 is the estimated future budgets of three private partner organizations—the Friends of the North Carolina Maritime Museum, the North Carolina Museum of History Associates and a to-be-determined food service operator. The largest projected budget among the three private partners is the \$515,000 Friends of the North Carolina Maritime Museum budget which represents a 20 percent increase over its 2017 baseline operating budget.

Personnel. Total combined direct employment generated by the new North Carolina Maritime Museum and Maritime Campus is estimated to include 28 full time employees and 27 part time and seasonal employees. Total full-time equivalent employment is estimated to be 35.5 employees of which 73 percent would be at the Museum.

PROJECT ECONOMIC IMPACTS

Construction Period Impacts

The total development costs for the new North Carolina Maritime Museum, Maritime Center and Maritime Campus are estimated at approximately \$59.5 million in current (2018) dollars. Assuming 75 percent of total development costs are for construction and 75 percent of construction expenditures occur in the State of North Carolina, the one-time total economic impact (which includes direct, indirect, and induced effects) of construction of the New Maritime Museum and Maritime Campus is estimated for the State as a whole.

- ◆ The total impacts (direct expenditures and multiplier effects) of the development project will include approximately \$107.2 million in expenditures (economic activity) in the economy of the State of North Carolina State, of which approximately \$34.0 million will be wages and salaries.
- ◆ The project will support an estimated 730 total person-years of employment in the State economy, including 214 person-years directly supported employment in construction and 516 person-years of indirect and induced supported employment in a variety of other industries.
- ◆ An estimated \$1.0 million in state income tax revenue would be generated from construction wages and salaries.

Following is a chart summarizing one-time economic impacts of the construction period:

Construction Period Impacts on the State of North Carolina

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$33.5 million	\$73.7 million	\$107.2 million
Wages	\$10.3	\$23.7 million	\$34.0 million
Person-Years Of Employment	214	516	730

Annual Economic Impacts Due to Ongoing Operations Summary

Local (Carteret County) Annual Economic Impacts

- ◆ **Future Stable Year Direct Expenditures** - \$1.7 million of the combined operating budgets are estimated to be spent annually in Carteret County. New offsite spending by visitors in Carteret County is estimated at \$18.6 million. Only spending from site visitors from outside of Carteret County is included in the direct spending estimates. Total direct expenditures, therefore, are estimated at \$20.3 million annually.
- ◆ **Total Economic Impacts** - As the multiplier effect works its way through the Carteret County economy, the net new direct economic activity due to the North Carolina Maritime Museum and Maritime Campus has the potential to generate a total estimated annual, direct, indirect, and induced economic impact of \$46.3 million. Of that, \$12.4 million will be wages and salaries supporting 456 total jobs² in Carteret County.
- ◆ **County Fiscal Revenue Generation** - On-site and off-site expenditures would generate sales and occupancy taxes. Employee direct and induced spending would generate sales taxes. Total annual tax revenues in these categories in a mid-range attendance scenario are \$1,007,000 to Carteret County.

Ongoing Annual Economic Impacts from Operations on Carteret County

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$21.4 million	\$24.9 million	\$46.3 million
Wages	\$6.1 million	\$6.3 million	\$12.4 million
Permanent Employment	229	227	456

Note: Expenditures and wages are rounded to nearest hundred thousand; rounding effects total.

Increased Annual Economic Impacts from Operations on Carteret County

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$12.1 million	\$13.9 million	\$26.0 million
Wages	\$3.2 million	\$3.5 million	\$6.7 million
Permanent Employment	108	126	234

Note: Expenditures and wages are rounded to nearest hundred thousand; rounding effects total.

² Total jobs include full time and part time employment, assumed to be in ratio with the distribution of jobs between actual full time and part time for Carteret County. This applies to the North Carolina employment estimate as well.

Regional (North Carolina State) Economic Impacts

- ◆ **Future Stable Year Direct Expenditures** - \$2.2 million of the combined operating budgets are estimated to be spent annually in North Carolina. Offsite spending by visitors in the State is estimated at \$9.2 million. Only spending from site visitors from outside of the State of North Carolina is included in the direct spending estimates. Total direct expenditures, therefore, are estimated at \$11.4 million annually.
- ◆ **Total Economic Impacts** - As the multiplier effect works its way through the North Carolina State economy, the net new direct economic activity due to North Carolina Maritime Museum has the potential to generate a total estimated annual, direct, indirect, and induced economic impact of \$30.0 million in expenditures. Of that, \$9.8 million will be wages and salaries, supporting 328 total jobs in the State. At the statewide level, these impacts include the effects on jobs and economic activity within and outside of Carteret County. The Carteret County and State of North Carolina impacts are not additive.
- ◆ **County Fiscal Revenue Generation** - On-site and off-site expenditures would generate sales taxes; and employment directly and indirectly supported by combined operations would generate sales and income taxes. Total annual tax revenues in these categories in a mid-range attendance scenario are \$819,000 to the State of North Carolina.

Ongoing Annual Economic Impacts from Operations on the State of North Carolina

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$11.4 million	\$18.6 million	\$30.0 million
Wages	\$3.9 million	\$6.0 million	\$9.8 million
Permanent Employment	135	193	328

Note: Expenditures and wages are rounded to nearest hundred thousand; rounding effects total.

Increased Annual Economic Impacts from Operations on the State of North Carolina

	<u>Direct</u>	<u>Indirect & Induced</u>	<u>Total</u>
Expenditures	\$6.1 million	\$9.9 million	\$16.0 million
Wages	\$1.9 million	\$3.1 million	\$5.0 million
Permanent Employment	54	100	154

Note: Expenditures and wages are rounded to nearest hundred thousand; rounding effects total.

Qualitative Assessment of Economic Impacts

In addition to quantifiable economic impacts, the community development benefits of the new North Carolina Maritime Museum and Maritime Campus at Gallants Channel, however, may have the most profound and long-lasting impacts. The following provides qualitative assessment of the economic impacts of the project:

- ◆ **Primary Tourism Driver in Carteret County the Town of Beaufort** – The North Carolina Maritime Museum is already one of the most visited attractions in Carteret County. The project represents a substantial investment in the regional tourism economy and infrastructure. It will transform the Museum to a high-profile destination that brings new tourists to the community and enhances Beaufort, Carteret County and the State as a visitor destination. THIS IS AN IMPORTANT ECONOMIC DEVELOPMENT PROJECT.
- ◆ **Expansion of Public Education** – “Maritime Heritage meets Marine Science” The Museum’s exhibitions, programs and events will educate visitors about local and state history; maritime and marine sciences culture; and ocean and coastal sciences and industries -- past, present and future. More experiential and diversified programming will be offered that further enhances visitor awareness of Carteret County’s important maritime and marine sciences clusters. The project will attract more school groups and students from the county and state and will create a continuum of learning and practices of workforce development.
- ◆ **Maritime and Marine Science Partnerships** – The marine sciences cluster is a large industry in Carteret County. The NC Maritime Museum and Maritime Campus facilities have excellent highway, waterfront and airport access, and they will provide a venue that can be at the nexus of knowledge transfer. Representatives of the marine sciences cluster have indicated interest in partnership initiatives focused on public programs and training that will have numerous public educational and workforce development benefits. The vision for the development of the Gallants Campus site explicitly incorporates marine sciences, education and community engagement that can be broadly interpreted with multiple programming and partnership opportunities.
- ◆ **Multi-Purpose Site Development Opportunities** - The proposed North Carolina Maritime Museum and Maritime Campus will create potential to develop new opportunities for marine sciences programming and activities that appeal to resident education markets as well as out of county and out of state tourist markets. Campus development supports community recreation and outdoor use of the site for small and large group assemblies, events, festivals and other community use. More waterfront related activities, such as island ferry service and water taxis, boat rentals, and transient boating services at the site would further enhance the site as a multi-purpose destination. Additional use and activities planned for the site will lengthen visitor stays onsite and enhance offsite spending in Beaufort and Carteret County. The site’s adjacency to the airport offers a potential to develop transportation infrastructure that links air, land and sea more directly than land to sea. The parking lot may be used for

parking, intercepting visitors, and enabling them to take a water taxi or a bicycle to downtown Beaufort. There are many site attributes that, with appropriate investment in infrastructure will enhance the market potential of the Maritime Museum and Maritime Campus' market potential economic impacts and community benefits.

- ◆ **Expansion of Parks and Recreation** – The site will be used as a public park and waterfront, thereby enhancing the local and regional infrastructure and increasing parkland. The site's recreational use will support museum visitation and other site activities, with linked trips and cross promotion of local attractions and events. Trail connections for pedestrians, bicyclists and boaters will enhance the Town of Beaufort and Carteret County as a destination overall. Expanding the county's trail networks is an important priority of local government.
- ◆ **Downtown Benefits for the Town of Beaufort** – As a new destination attraction in Beaufort, the NC Maritime Museum will attract visitors that will take advantage of shopping, dining and other activities in downtown Beaufort. In addition, parking, land and water transportation services offered by the site may relieve congestion downtown, which has a limited supply of parking.
- ◆ **Community-Oriented Facilities** - The NC Maritime Museum and Maritime Campus will be a venue for unique public and private special events and functions in Beaufort and Carteret County. The NC Maritime Museum will provide space so that it becomes a meeting place and connector, especially for individuals working in the maritime and marine sciences industry.
- ◆ **Quality of Life** – The NC Maritime Museum and Maritime Campus will be a source of community pride and identity, enhancing Beaufort and Carteret County as a place to live, work, and recreate, and thus improving all aspects of the local economy and community. The focus on cultural and educational opportunities will enhance the quality of life for all citizens and for all visitors.

Recommended Next Steps in Gallants Campus site Master Planning

In the next phase of project planning and development, we recommend developing a master plan for the Gallants Channel Campus to refine the project description, including interpretive, site and building planning.

This master plan should:

- ◆ Advance plans for vehicular and pedestrian connections to the site,
- ◆ Undertake appropriate environmental studies to address prior industrial use of the site and to address the site's location in the floodplain; undertake remediations as appropriate,
- ◆ Locate facilities and landscape areas as well as internal circulation flow patterns and infrastructure for site uses,
- ◆ Refine key interpretive themes, topics, and exhibit concepts,
- ◆ Advance the planning for activities that can occur on the campus,
- ◆ Refine facility space needs and prepare initial building plans for programs and spaces,
- ◆ Create conceptual site and building plans,
- ◆ Integrate operating plan requirements into master plan,
- ◆ Provide preliminary capital cost estimates.

As importantly, concurrent to the master plan, develop and implement a business and operations organization, and a planning process and protocol to reflect the advancement of the financing, site planning, physical planning, museum programming, and partnerships to be encouraged and initiated for the site.

Table 1
Gallants Campus Development – Economic Impacts
Stable Year And Cumulative Over Time

Annual Operating Impacts	Carteret County**			State of North Carolina*		
	Direct	Indirect & Induced	Total	Direct	Indirect & Induced	Total
Expenditures	\$21.4 million	\$24.9 million	\$46.3 million	\$11.4 million	\$18.6 million	\$30.0 million
Wages	\$6.1 million	\$6.3 million	\$12.4 million	3.9 million	\$6.0 million	\$9.8 million
Permanent Employment (JOBS)	229	227	456	135	193	328
Tax revenues	Sales & Occupancy		\$ 1,007,000	Income and Sales		\$ 819,000
Cumulative Construction Period						
Expenditures	\$33.5 million	\$73.7 million	\$107.2 million			
Wages	\$10.3 million	\$23.7 million	\$34.0 million			
Person-Years of Employment	214	516	730			
Tax revenues				Income		\$ 1,002,826

3/5/2019

* The State economic impacts reflect economic impacts from new direct economic activity due to facility operations and in-State spending attracted from outside of the State due to the project and the subsequent economic multiplier effects within the State.

These are separate analyses specific to the County and State.

** The County economic impacts reflect economic impacts from new direct economic activity due to facility operations and in-County spending attracted from outside of County borders due to the project and the subsequent economic multiplier effects within the County.

Source: ConsultEcon Gallants Campus Economic Impact Study - January 2019

Table 2
Gallants Campus Development - Economic Impacts
Base Year of Operations

Annual Operating Impacts	Carteret County**			State of North Carolina*		
	Direct	Indirect & Induced	Total	Direct	Indirect & Induced	Total
Expenditures	\$9.3 million	\$11.0 million	\$20.3 million	\$5.2 million	\$8.7 million	\$13.9 million
Wages	\$2.9 million	\$2.8 million	\$5.7 million	\$1.9 million	\$2.9 million	\$4.8 million
Permanent Employment (JOBS)	121	101	222	81	93	174
Tax revenues		Sales & Occupancy	\$ 434,000		Income and Sales	\$ 394,000

3/5/2019

* The State economic impacts reflect economic impacts from new direct economic activity due to facility operations and in-State spending attracted from outside of the State due to the project and the subsequent economic multiplier effects within the State.

** The County economic impacts reflect economic impacts from new direct economic activity due to facility operations and in-County spending attracted from outside of County borders due to the project and the subsequent economic multiplier effects within the County.

These are separate analyses specific to the County and State.

Source: ConsultEcon Gallants Campus Economic Impact Study - January 2019

Table 3
Gallants Campus Development - Economic Impacts
Net Increase From Base Year to Stable Year of Operations

Annual Operating Impact:	Carteret County**			State of North Carolina*		
	Direct	Indirect & Induced	Total	Direct	Indirect & Induced	Total
Expenditures	\$12.1 million	\$13.9 million	\$26.0 million	\$ 6.2 million	\$9.9 million	\$16.0 million
Wages	\$3.2 million	\$3.5 million	\$6.7 million	\$1.9 million	\$3.1 million	\$5.0 million
Permanent Employment (JOBS)	108	126	234	54	100	154
Tax revenues		Sales & Occupancy	\$ 574,000		Income and Sales	\$ 426,000

3/5/2019

** The County economic impacts reflect economic impacts from new direct economic activity due to facility operations and in-County spending attracted from outside of County borders due to the project and the subsequent economic multiplier effects within the County.

* The State economic impacts reflect economic impacts from new direct economic activity due to facility operations and in-State spending attracted from outside of the State due to the project and the subsequent economic multiplier effects within the State.

Source: ConsultEcon Gallants Campus Economic Impact Study - January 2019

These are separate analyses specific to the County and State.

TABLE OF CONTENTS

Section		Page
	EXECUTIVE SUMMARY	1
	TABLE OF CONTENTS	i
	LIST OF TABLES	ii
	LIST OF FIGURES	vii
Section I	INTRODUCTION AND ASSUMPTIONS	I-1
Section II	EXISTING OPERATIONS	II-1
Section III	PROJECT DESCRIPTION AND SITE REVIEW	III-1
Section IV	MARKET ANALYSIS	IV-1
Section V	INDUSTRY TRENDS / CASE STUDIES	V-1
Section VI	MARINE SCIENCES, EDUCATION AND OTHER AND PARTNERSHIP OPPORTUNITIES	VI-1
Section VII	VISITATION AND OPERATING POTENTIAL	VII-1
Section VIII	ECONOMIC IMPACTS	VIII-1
APPENDIX A	LIST OF STAKEHOLDER INTERVIEWS	A-1
APPENDIX B	COASTAL TRAVEL REGION DATA 2017	B-1
APPENDIX C	EVENT CENTER PLANS	C-1
APPENDIX D	FUTURE STABLE YEAR ECONOMIC IMPACTS	D-1
APPENDIX E	BASELINE YEAR ECONOMIC IMPACTS	E-1
APPENDIX F	BASELINE AND FUTURE STABLE YEAR ECONOMIC IMPACTS	F-1

LIST OF TABLES

Table		Page
Table 1	Gallants Campus Development – Economic Impacts Stable Year And Cumulative Over Time	13
Table 2	Gallants Campus Development – Economic Impacts Base Year of Operations	14
Table 3	Gallants Campus Development – Economic Impacts Net Increase From Base Year to Stable Year of Operations	15
Table II-1	Monthly Attendance Trends, 2017 and 2018 through September North Carolina Maritime Museum at Beaufort	II-2
Table II-2	Museum Visitor Origin North Carolina Maritime Museum at Beaufort	II-4
Table II-3	Onsite Annual Program Participation North Carolina Maritime Museum at Beaufort	II-6
Table II-4	Fee Based Programs North Carolina Maritime Museum at Beaufort	II-7
Table II-5	Typical Year Annual Program Participants Friends of the North Carolina Maritime Museum	II-8
Table II-6	Membership Sales Trend North Carolina Maritime Museum at Beaufort	II-9
Table II-7	Sources of Revenue, 2017 Friends of the North Carolina Maritime Museum	II-11
Table II-8	Existing Staff Profile, FY 2017-2018 North Carolina Maritime Museum at Beaufort	II-12
Table II-9	Actual Expenditures in Fiscal Year Ending June 30, 2018 North Carolina Maritime Museum at Beaufort	II-13
Table II-10	Actual Expenditures in Calendar Year Ending 2017 Friends of the North Carolina Maritime Museum	II-14
Table IV-1	Population Trend in the Resident Market Area North Carolina Maritime Museum and Maritime Campus	IV-3

LIST OF TABLES (continued)

Table		Page
Table IV-2	Median Age and Percent of Population by Age Group in the Resident Market Area, 2018 North Carolina Maritime Museum and Maritime Campus	IV-3
Table IV-3	Number of School-Aged Children in Resident Market, 2018 and 2023 North Carolina Maritime Museum and Maritime Campus	IV-4
Table IV-4	Resident Market Area Households and Average Household Size, 2018 North Carolina Maritime Museum and Maritime Campus	IV-5
Table IV-5	Resident Market Area Households by Income Group, 2018 North Carolina Maritime Museum and Maritime Campus	IV-6
Table IV-6	Changes in Seasonal/Recreational Housing Vacancies in Primary and Secondary Market Counties, 2000, 2010, 2016 North Carolina Maritime Museum and Maritime Campus	IV-12
Table IV-7	Carteret County, NC Attractions	IV-13
Table V-1	Maritime Museums by Attendance Range	V-2
Table V-2	Maritime Museums by Metro Area Population Range	V-3
Table V-3	Maritime Museums by Attendance to Metro Area Population Ratio Range	V-4
Table V-4	Comparable Organizations by Ticket Price Range	V-5
Table VII-1	Preliminary Visitation Potential in a Stable Year of Operations North Carolina Maritime Museum	VII-4
Table VII-2	Museum and Other Site Visitation by Type in a Stable Year New North Carolina Maritime Museum and Maritime Campus	VII-5
Table VII-3	Illustrative Personnel Positions and Personnel Costs North Carolina Maritime Museum	VII-10
Table VII-4	Illustrative Stable Year Operating Expenses in 2018 Dollars Under a Mid-Range Visitation Scenario New North Carolina Maritime Museum	VII-11

LIST OF TABLES (continued)

Table		Page
Table VII-5	2017 Baseline and Estimated Operating Expenses in a Future Stable Year Friends of the North Carolina Maritime Museum	VII-12
Table VII-6	Estimated Retail Operating Expenses North Carolina Museum of History Associates	VII-13
Table VII-7	Estimated Food Services Operating Expenses Operator To-Be-Determined	VII-14
Table VII-8	Combined Operations Assumptions Input for Economic Impacts New Maritime Museum and Maritime Campus	VII-15
Table VIII-1	Summary of One Time Construction Period Impacts to the State of North Carolina North Carolina Maritime Museum	VIII-8
Table VIII-2	Summary of Estimated Annual Direct, Indirect, and Induced Economic Impacts of the New North Carolina Maritime Museum and Maritime Campus Stable Year Operations to the Carteret County Economy in Current Dollar Value Using Type II Multipliers	VIII-11
Table VIII-3	Summary of Estimated Annual Direct, Indirect, and Induced Economic Impacts of the New North Carolina Maritime Museum and Maritime Campus Stable Year Operations to the State of North Carolina Economy in Current Dollar Value Using Type II Multipliers	VIII-13
Table C-1	Boats and Camps Rentals in Carteret County	C-5
Table C-2	Civic Centers Rentals in Carteret County	C-6
Table C-3	Country Club and Business Rentals in Carteret County	C-7
Table C-4	Event Venue Rentals in Carteret County	C-8
Table C-5	Historic Site Rentals in Carteret County	C-9
Table C-6	Hotel, Motel and Inn Rentals in Carteret County	C-10
Table C-7	Museum and Attraction Rentals in Carteret County	C-11

LIST OF TABLES (continued)

Table		Page
Table D-1	Coastal Region Overnight Visitor Spending by Expenditure Category, 2017	D-1
Table D-2	Future Stable Year Economic Impacts - Calculations of Estimated Visitor Spending Potential New North Carolina Maritime Museum and Maritime Campus	D-2
Table D-3	Future Stable Year Economic Impacts - Estimated Direct Spending Potential in Carteret County and in North Carolina New North Carolina Maritime Museum and Maritime Campus	D-3
Table D-4	Future Stable Year Economic Impacts - Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends of the NC Maritime Museum on Carteret County	D-4
Table D-5	Future Stable Year Economic Impacts - Estimated Direct Spending Potential in Carteret County and in North Carolina New North Carolina Maritime Museum and Maritime Campus	D-5
Table D-6	Future Stable Year Economic Impacts - Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends of the NC Maritime Museum on the State of North Carolina	D-6
Table D-7	Future Stable Year Economic Impacts - Estimated Tax Revenue Generation Potential of the New North Carolina Maritime Museum in Selected Categories in a Stabilized Year Under a Mid-Range Visitation Scenario	D-7
Table E-1	Coastal Region Overnight Visitor Spending by Expenditure Category, 2017	E-2
Table E-2	Baseline Year Economic Impacts Calculations of Estimated Visitor Spending Potential North Carolina Maritime Museum and Friends of the North Carolina Maritime Museum	E-3
Table E-3	Baseline Year Economic Impacts - Estimated Direct Spending in Carteret County North Carolina Maritime Museum and Friends of the North Carolina Maritime Museum	E-5

LIST OF TABLES (continued)

Table		Page
Table E-4	Baseline Year Economic Impacts - Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends of the NC Maritime Museum on Carteret County	E-6
Table E-5	Baseline Year Economic Impacts - Estimated Direct Spending Potential in North Carolina New North Carolina Maritime Museum and Maritime Campus	E-7
Table E-6	Baseline Year Economic Impacts - Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends of the NC Maritime Museum on the State of North Carolina	E-8
Table E-7	Baseline Year Economic Impacts - Estimated Tax Revenue Generation Potential of the North Carolina Maritime Museum in Selected Categories in a Stabilized Year Under a Mid-Range Visitation Scenario	E-9
Table F-1	Summary of Estimated Direct Baseline and Future Stable Year Economic Impacts on the State of North Carolina New North Carolina Maritime Museum and Maritime Campus	F-1
Table F-2	Summary of Estimated Sustained Baseline and Future Stable Year Economic Impacts on the State of North Carolina New North Carolina Maritime Museum and Maritime Campus	F-2
Table F-3	Summary of Sustained Baseline and Future Stable Year Fiscal Revenue Generation to the State of North Carolina New North Carolina Maritime Museum and Maritime Campus	F-3
Table F-4	Summary of Estimated Baseline and Future Stable Year Direct Economic Impacts on the Carteret County Economy New North Carolina Maritime Museum and Maritime Campus	F-4
Table F-5	Summary of Estimated Sustained Baseline and Future Stable Year Economic Impacts on the Carteret County Economy New North Carolina Maritime Museum and Maritime Campus	F-5
Table F-6	Summary of Baseline and Future Stable Year Fiscal Revenue Generation to Carteret County New North Carolina Maritime Museum and Maritime Campus	F-6

LIST OF FIGURES

Figure		Page
Figure III-1	Gallants Channel Site and Area – 1947	III-4
Figure III-2	Current Aerial Photograph of Gallants Channel Site and Area	III-5
Figure III-3	Regional Map Showing Location of Gallants Channel Site	III-6
Figure III-4	15-30-45 Minute Drive Time Map Showing Town of Beaufort	III-7
Figure III-5	30-60-90 Minute Drive Time Map Showing Town of Beaufort	III-8
Figure IV-1	Resident Market Area North Carolina Maritime Museum and Maritime Campus	IV-2
Figure IV-2	North Carolina Tourism Regions	IV-8
Figure IV-3	Annual Recreational Visitors, 1998 to 2017	IV-16
Figure IV-4	Monthly Recreational Visitors, 2015 to 2018 (Year through July)	IV-17
Figure V-1	Photographs of the St. Augustine Lighthouse and Maritime Museum	V-7
Figure V-2	Plan for New 2,500 Square Foot Archeology and Education Center St. Augustine, FL Lighthouse and Maritime Museum	V-8
Figure V-3	Photograph of Columbia River Maritime Museum	V-10
Figure V-4	Photograph of Columbia River Maritime Museum	V-10
Figure V-5	Photograph of the Mel Fisher Maritime Museum	V-12
Figure V-6	Photograph of the Conservation Lab at the Mel Fisher Maritime Museum	V-13
Figure VI-1	Carteret Marine Science Cluster: Vectors of Impact	VI-4
Figure VII-1	Diagram of Economic Impacts Expenditure and Employment Flows	VIII-3

LIST OF FIGURES (continued)

Figure		Page
Figure B-1	2016-2017 Primary Purpose of Overnight Trip to North Carolina's Coastal Region	B-1
Figure B-2	2016-2017 First Time vs. Repeat Visitors to North Carolina's Coastal Region	B-2
Figure B-3	2016-2017 First Overnight Travel by Season to North Carolina's Coastal Region	B-2
Figure B-4	2016-2017 Lodging by Overnight Visitors to North Carolina's Coastal Region	B-3
Figure B-5	2016-2017 Top States of Origin Overnight Visitors to North Carolina's Coastal Region	B-3
Figure B-6	2016-2017 Average Spending by Overnight Visitor Parties in North Carolina's Coastal Region	B-4
Figure B-7	2016-2017 Activities Participated in by Overnight Visitors to North Carolina's Coastal Region	B-5
Figure B-8	2017 Top States of Origin of Overnight Visitor North Carolina's Coastal Region	B-6
Figure C-1	Crystal Coast Civic Center	C-1
Figure C-2	Double Tree Event Center	C-2
Figure C-3	Fort Benjamin Recreation Center	C-3
Figure C-4	North Carolina Aquarium at Pine Knoll Shores	C-4

Section I

INTRODUCTION AND ASSUMPTIONS

The Maritime Heritage Foundation, Beaufort NC retained ConsultEcon to evaluate the current planning and potential economic impacts of developing a new North Carolina Maritime Museum on 31 acres in Beaufort, NC. The current planning review includes a project description that is basis for the analysis of potential visitation, and attendance and operating potential. The economic impacts potential is based on this analysis of operating potential. As project planning and design development advances, the analysis of operating and economic impacts potential will need to be revised to reflect those plans and designs as well as any changes in operating plans by the State.

Summary of Outreach and Interviews

Community and leadership outreach undertaken to inform this analysis encompassed regular client meetings and interviews with 20 community stakeholders. This outreach informed the development of this report, and its contents reflect information provided by those interviewed. ConsultEcon visited Beaufort in October 29 and 30, met the Maritime Heritage Foundation leadership, briefed a large group of community stakeholders on the study scope of work, received initial input regarding the project, and conducted interviews with selected stakeholders in Beaufort and Morehead City. ConsultEcon met with Foundation board leadership, the director of North Carolina History Museums, and Carteret County officials on two other occasions during the course of the study in order to report preliminary findings, receive feedback and inform the direction of the project. This report therefore reflects the information and input of this outreach and interview process. A list of stakeholders, interviewed in person or over the phone during the course of this study, is included in **Appendix A**.

Assumptions

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 new NC Maritime Museum and Maritime Campus will serve to create a high quality, stimulating attraction with broad-based audience appeal and a distinctive image. The new NC Maritime Museum and Maritime Campus will be a unique attraction in the region and the nation. 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 aggressive promotional campaign will be developed and implemented. This program will be targeted to prime visitor markets. Any admission prices for programs and elements of the facilities will be consistent with the entertainment and educational value offered, and with current pricing of other comparable visitor attractions in the region.
3. There will be no physical constraints to impede visitors to the new NC Maritime Museum and Maritime Campus, 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.
5. Possession of this report does not carry with it the right of publication. This report and/or the executive summary will be presented to third parties in its entirety and no abstracting of the report will be made without first obtaining permission of ConsultEcon, Inc., which consent will not be unreasonably withheld.
6. This report may not be used for any purpose other than that for which it was prepared. Neither all nor any part of the contents of this study shall be disseminated to the public through advertising media, news media or any other public means of communication without the prior consent of ConsultEcon, Inc.

7. This report was prepared during October 2018 through March 2019. It represents data available at that time.

Section II

EXISTING OPERATIONS

This section provides an overview of the existing operations at the North Carolina Maritime Museum at Beaufort and the Friends of the North Carolina Maritime Museum in order to establish a baseline of visitation and operations for the project.

Museum Description

The North Carolina Maritime Museum in Beaufort collects, preserves, researches, documents and interprets the maritime history, culture and environment of coastal North Carolina. The Museum reflects coastal life and interprets coastal ecology, issues of the environment, local and state maritime history, lighthouses and lifesaving stations, the seafood industry, motorboats, boatbuilding, and a large variety of topics relative to maritime history. The Museum is the official repository for artifacts from Blackbeard's wrecked flagship, *Queen Anne's Revenge*.

Admissions and Operating Hours

Admission is free; donations are encouraged and appreciated. Programs run by the museum are free for the most part, with some fee-based programs. The N.C. Maritime Museum in Beaufort is open Monday thru Friday from 9 a.m. to 5 p.m., Saturday 10 a.m. to 5 p.m. and Sunday 1 p.m. to 5 p.m.

Facilities

The museum has two buildings including a museum with 24,012 square feet of space, including 5,972 square feet of exhibition area, and a watercraft center with 6,780 square feet. Other facilities include:

- ◆ Harborside Park
- ◆ Parking – current capacity for 26 cars and no space available for buses. According to the museum, the parking does not meet demand and overflow parking is limited to paid parking on the street.

Annual Attendance

Attendance to the museum was 148,000 in 2017. Data in **Table II-1** show the trend in monthly attendance between 2015 and 2017 and 2018 through September. September attendance was impacted negatively due to Hurricane Florence.

Table II-1
Monthly Attendance Trends, 2017 and 2018 through September
North Carolina Maritime Museum at Beaufort

Month	2017	Percent to Total	2018	Percent Change
January	5,712	3.9%	5,282	-7.5%
February	7,866	5.3%	6,080	-22.7%
March	9,121	6.1%	8,853	-2.9%
April	14,273	9.6%	12,361	-13.4%
May	15,194	10.2%	14,014	-7.8%
June	17,097	11.5%	17,962	5.1%
July	21,953	14.8%	22,403	2.0%
August	18,245	12.3%	20,810	14.1%
September	13,060	8.8%	6,488	-50.3%
October	11,426	7.7%		
November	8,108	5.5%		
December	6,277	4.2%		
Annual	148,332	100.0%		
Year through				
September	122,521		114,253	-6.7%

Source: North Carolina Maritime Museum at Beaufort and ConsultEcon, Inc.

Visitor Origin

Due to free admissions, the museum collects visitor origin data from a self-select visitor register is offered where visitors can sign in and provide their residence location. The five-year average sample size was approximately 6,800 visitors signing the register, representing approximately 5 percent of 2017 attendance. Almost half (49%) of the visitors were from North Carolina, the majority coming from out of state. Not including North Carolina, the top five states of origin accounted for 20 percent of total visitors, states include:

1. Virginia – 7%
2. Pennsylvania – 4%
3. Ohio – 4%
4. Florida – 3%
5. New York – 3%

Data in **Table II-2** show the visitor origin data collected in the visitor register over the years.

Table II-2
Museum Visitor Origin
North Carolina Maritime Museum at Beaufort

State	2012	2013	2014	2015	2016	2017	Average	Percent to Total
North Carolina	2,769	NA	3,314	4,324	3,237	2,868	3,302	49%
Virginia	312	NA	455	597	474	391	446	7%
Pennsylvania	240	NA	286	346	266	242	276	4%
Ohio	234	NA	277	321	255	227	263	4%
Florida	155	NA	167	229	198	187	187	3%
New York	158	NA	189	240	177	126	178	3%
South Carolina	123	NA	157	181	137	131	146	2%
Maryland	103	NA	135	178	137	144	139	2%
Tennessee	110	NA	126	155	125	114	126	2%
California	95	NA	121	136	115	118	117	2%
Texas	103	NA	105	150	109	109	115	2%
Georgia	91	NA	98	145	111	77	104	2%
Michigan	80	NA	110	99	89	82	92	1%
New Jersey	77	NA	97	113	81	77	89	1%
West Virginia	70	NA	68	108	106	83	87	1%
Indiana	82	NA	92	95	67	80	83	1%
Illinois	82	NA	74	123	76	58	83	1%
Kentucky	52	NA	56	100	63	57	66	1%
Massachusetts	52	NA	73	96	58	47	65	1%
Colorado	51	NA	59	81	75	52	64	1%
Missouri	56	NA	50	69	56	35	53	1%
Minnesota	39	NA	50	70	53	49	52	1%
Wisconsin	45	NA	50	73	48	41	51	1%
Washington	37	NA	56	60	36	42	46	1%
Connecticut	46	NA	44	53	29	32	41	1%
Arizona	30	NA	30	42	44	25	34	1%
Vermont	91	NA	10	28	23	16	34	0%
Maine	36	NA	30	50	23	27	33	0%
Oklahoma	58	NA	14	27	22	29	30	0%
Alabama	27	NA	34	31	27	29	30	0%
Iowa	23	NA	35	30	25	30	29	0%
New Hampshire	33	NA	28	28	23	30	28	0%
Kansas	18	NA	26	33	34	23	27	0%
Rhode Island	73	NA	14	14	18	10	26	0%
Oregon	22	NA	26	32	16	23	24	0%
Delaware	17	NA	25	37	21	18	24	0%
Utah	20	NA	18	40	26	12	23	0%
Louisiana	27	NA	18	22	18	30	23	0%
Arkansas	25	NA	24	28	22	14	23	0%
Nebraska	6	NA	11	26	27	13	17	0%
Mississippi	12	NA	11	21	18	14	15	0%
New Mexico	32	NA	11	12	8	10	15	0%
DC	12	NA	16	14	12	12	13	0%
Nevada	14	NA	10	16	11	13	13	0%
Alaska	8	NA	11	24	11	7	12	0%
Idaho	11	NA	11	12	9	7	10	0%
Wyoming	19	NA	8	7	4	6	9	0%
Montana	2	NA	11	16	10	4	9	0%
Hawaii	13	NA	8	9	7	5	8	0%
South Dakota	9	NA	9	9	4	9	8	0%
North Dakota	2	NA	11	9	2	3	5	0%
Total	5,902		6,769	8,759	6,643	5,888	6,792	100%

Source: North Carolina Maritime Museum.

Programs

Programs include fee-based programs, field programs, lectures and auditorium programs, films, other lecture programs, special events, school and group programs. Following is an overview of program areas by type of program:

- ◆ Field Programs
 - Fee based, small average group size held offsite excursions in Rachel Carson National Wildlife Refuge and in Cape Lookout National Seashore
 - 4 programs total approximately 70 participants annually
- ◆ Lectures and Auditorium Programs
 - 21 programs offered once per year averaging 20 participants
 - 21 programs total approximately 400 participants annually
- ◆ Films
 - 10 films annually averaging 20 participants for a total of 80 participants annually
- ◆ Other lecture programs
 - 4 programs averaging 20 participants for a total of 80 participants annually
- ◆ Special Events
 - 4 special events draw large crowds for the entire day
 - Two special events draw 500 participants and two draw 2,000 participants for a total of 5,000 annual special event participants
- ◆ School and Group Programs
 - 10 programs multiple times a year with attendance varying
- ◆ Unique One-Time Events
 - 17 programs averaging 100 participants
 - Total one-time events 1,700 participants

Data in **Table II-3** show the program participation in a typical year at the existing museum. It should be noted that program participation is a subset of overall visitation of approximately 148,000.

**Table II-3
 Onsite Annual Program Participation
 North Carolina Maritime Museum at Beaufort**

Program Type	Programs	Average Participants	Total Onsite Participants
Fee-Based Programs	18	22 ^{1/}	392
Field Programs	16	4 ^{1/}	70
Lecture and Auditorium Programs	21	20	420
Films	10	20	200
Other Lecture Programs	4	20	80
Special Events	4	1,250	5,000
School and Group Programs	150	27	4,000
Unique, One-Time Events	6	100	600
Film 'Blackbeard's Lost Ship'	1,000	20	20,000
Scavenger Hunts	10,000	1	10,000
Lab Demonstrations	250	10	2,500
Observation Overlook	100	15	1,500
Whale Display	50	5	250
Shell Display	100	5	500
Totals	11,729	4	45,512

1/ Average participants derived and so rounding affects total.

Source: North Carolina Maritime Museum at Beaufort and ConsultEcon, Inc.

Data in **Table II-4** show fee-based programs at the museum.

Table II-4
Fee Based Programs
North Carolina Maritime Museum at Beaufort

Fee Based Programs Activity and Description	Fee	Average Revenue per Year	Estimated Participants	Notes
Lunch with Pirates	\$15 per person	\$400	27	
Murder Mystery Dinner	\$40 per person	\$200	5	
Tidal Flat and Salt Marsh	\$30 for maximum group of 30 participants	\$300	200	assumes 20 per group
NC National Estuarine Reserve Rachel Carson Hike	\$60 for maximum group of 30 participants	\$100	33	assumes 20 per group
Ports and Pilots	\$5.00 per person	\$50	10	
Kayak the Salt Marsh	\$30.00 per person	\$400	13	
Shackleford Banks Hike	\$30.00 per person	\$500	17	
Explore the Rachel Carson Reserve:	\$20.00 per person	\$100	5	
Kayaking for Kids	\$30.00 per person	\$50	2	
Coastal Culture and Waterfowl Watching Excursion	\$80.00 per person	\$200	3	
Boat Building Past and Present	\$10.00 per person	\$50	5	
BLACKBEARD'S QUEEN ANNE'S REVENGE	\$85.00 per person	\$300	4	
BOATS & MODELS	\$95.00 per person	\$600	6	
COASTAL CONSERVATION FELLOWS	\$75.00 per person	\$300	4	
FISH & FISHING	\$75.00 per person	\$800	11	
PIRATES!	\$65.00 per person	\$1,000	15	
SEASHORE LIFE 1	\$60.00 per person	\$1,000	17	
SEASHORE LIFE 2	\$60.00 per person	\$1,000	17	
Total Average Revenue per Year		\$7,350		
Total Annual Participants			392	

Source: Fee and average revenue from the North Carolina Maritime Museum at Beaufort and estimated participants derived by ConsultEcon, Inc.

Support Organization – “The Friends”

The Friends of the North Carolina Maritime Museum support the operations of the North Carolina Maritime Museum with programming and fundraising. Data in **Table II-5** summarizes the Friends’ programs and participation.

**Table II-5
Typical Year Annual Program Participants
Friends of the North Carolina Maritime Museum**

Activity	Programs	Participants	Participants per Program
Fundraising Parties	2	300	150.0
Flotilla	1	300	300.0
Community Events	3	300	100.0
Junior Sailing	9	225	25.0
Cook-Offs	2	200	100.0
Wooden Boat Show parties	2	200	100.0
Traditional Sailing Events	5	160	32.0
Maritime Day/Brick Rec.	1	150	150.0
Adult Sailing	20	40	2.0
All Friends Programs	45	1,875	41.7

Source: Friends of the North Carolina Maritime Museum and ConsultEcon, Inc.

Museum Membership

The Museum’s membership program is operated by the Friends. Data in **Table II-6** show current membership level pricing, number of memberships and estimated revenue.

Table II-6
Membership Sales Trend
North Carolina Maritime Museum at Beaufort

Membership Levels / Pricing	Range of Revenue with Donations	Number of Paid Memberships
\$35	\$10-\$50	310
\$60	\$60	78
\$75	\$70-120	217
\$140	\$140	51
\$150	\$150-\$250	50
\$290	\$290	11
\$300	\$300	30
\$500	\$500	16
\$1,000	\$1,000	1
Lifetime	\$2,500	1
		765

Source: North Carolina Maritime Museum at Beaufort and ConsultEcon, Inc.

Facility Rentals

Approximately fifty (50) rentals annually. Rentals are scheduled based on space availability subject to museum program priority. Existing museum facilities are available to rent include the following:

Main Museum

- ◆ Auditorium - 1,600 SF room that has a prep kitchen
- ◆ Attached - Capacity 110, \$750 for an afternoon event

Library Meeting Room

- ◆ 600 sq. ft room has a conference table

- ◆ Capacity 20, \$25 per hour

Watercraft Center

- ◆ Main Watercraft Center Building - 5,000 SF on the water event

Location, Capacity

- ◆ 120, \$3500 per event day

Harborside Park

- ◆ 5,000 SF open deck, Capacity 250, \$2,500 per event

Revenue

The operations of the North Carolina Maritime Museum at Beaufort are directly funded by state appropriation. However, the museum does generate revenue through its supportive organizations, the Friends of the North Carolina Maritime Museum and Museum of History Associates, which recently took over the operations of the gift shop. Data in **Table II-7** show the revenue in 2017 for the Friends of the Maritime Museum. Important sources of earned revenue are programs, facility rentals, and sales of merchandise, in addition to gift shop sales at the museum.

Table II-7
Sources of Revenue, 2017
Friends of the North Carolina Maritime Museum

Source of Revenue	Type of Revenue	2017 Actual Revenue	Percent to Total
Program Income	Earned	\$133,616	24.9%
Donations/Sponsorships	Contributed	120,782	22.5%
Rental Income	Earned	81,288	15.1%
Membership Income	Earned	75,605	14.1%
Fundraiser Income	Contributed	52,078	9.7%
Grant Income	Contributed	50,796	9.5%
8% Income	Other	27,691	5.2%
Sales	Earned	21,866	4.1%
8% Expense	Other	(26,749)	-5.0%
Interest Income	Other	0	0.0%
Total Revenue		\$536,973	100.0%
Type of Revenue			
	Earned	\$312,375	58.2%
	Contributed	223,656	41.7%
	Other	942	0.2%
Total Revenue		\$536,973	100.0%

Note: Does not include Project Income of \$257,000.

Source: Friends of the North Carolina Maritime Museum and ConsultEcon, Inc.

Staffing

In the fiscal year (FY) ending June 30, 2018, there were 24 museum employees, including 22 full time and 2 part time positions, as shown by data in **Table II-8**. Total personnel costs were approximately \$877,000. Volunteers support staff with a variety of activities including visitor reception and event support.

**Table II-8
 Existing Staff Profile, FY 2017-2018
 North Carolina Maritime Museum at Beaufort**

Position Title	Department	Number of Staff Positions	Number of Full Time Positions	Number of Part Time Positions
Director	Admin	1	1	
Administrative Officer I	Admin	1	1	
Museum Curator II / Exhibits Designer	Exhibits	1	1	
Museum Curator I	Exhibits	1	1	
Graphic Designer I	Exhibits, programs, publications	1	1	
Carpenter II / Exhibit Technicians	Exhibits, programs	2	2	
Museum Curator II Maritime Research	Exhibits, programs	1	1	
Museum Curator II Collections Manager	Collections, exhibits	1	1	
Collections Registrar	Collections, exhibits	1	1	
Information and Communications Specialist II	Promotion	1	1	
Maritime Archaeologist	Archaeology	1	1	
Archaeologist I (Conservator)	Conservation	1	1	
Curator of Education	Education	1	1	
Museum Curator II	Education	1	1	
Program Coordinator I School & Group Coordinator/Volunteer Coordinator	Education	1	1	
Museum Curator II Cape Lookout Studies	Research, education	1	1	
Program Director				
Program Registrar	Programs	1		1
Boat Builder	Programs, restoration	1	1	
Watercraft Center Technician/Boat Shop Manager	programs, restoration	1	1	
Business Office Assistant	Admin	1		1
Maintenance / Construction Technician I	Maintenance	2	2	
Museum Store Manager	Sales	1	1	
Total Employment		24	22	2
Full-Time Equivalent (FTE) Staff	Part time at 50% of Full Time			23.0
Personal Services		Amount	Total	Per FTE
Salaries and Other Pay		\$629,985	72%	\$27,391
Taxes, Fringe and Benefits		\$246,821	28%	\$10,731
Total Personal Services, includes Salaries, Taxes, Fringe and Benefits		\$876,806	100%	\$38,122

Source: North Carolina Maritime Museum at Beaufort and ConsultEcon, Inc.

Museum Expenditures

Data in **Table II-9** show the expenditures of the museum. Total expenditures were \$1.0 million in FY 2017-2018. Personal services, or staff costs, were 84 percent of the total expenditures.

**Table II-9
 Actual Expenditures in Fiscal Year Ending June 30, 2018
 North Carolina Maritime Museum at Beaufort**

Code	Expense Category	FY 2017-2018	Percent to Total
531XXX	Personal Services	\$876,806	84%
532XXX	Purchased Services	139,284	13%
532XXX	Supplies	14,136	1%
534XXX	Property, Plant & Equip	12,000	1%
535XXX	Other Expenses & Adjust	175	0%
	Expenditures	\$1,042,401	100%

NR = Not Reported

Source: North Carolina Maritime Museum at Beaufort and ConsultEcon, Inc.

Friends of the North Carolina Maritime Museum Expenditures

Data in **Table II-10** show the expenditures of the Friends for calendar year 2017 the most recent fiscal year. Total operating costs were \$448,000 in 2017 and total project and capital expenditures were \$334,000, most of which were related to the construction of Harborside Park.

Table II-10
Actual Expenditures in Calendar Year Ending 2017
Friends of the North Carolina Maritime Museum

Expense Category	2017	Percent to Total
<i>Operating Costs</i>		
Salaries & taxes	\$120,159	27%
Office & Supplies	88,194	20%
Program Expense	50,042	11%
Insurance	32,972	7%
Fund Balance Transfer	30,000	7%
Advertising	22,492	5%
Mortgage	21,733	5%
Repairs and Maintenance	21,187	5%
Fundraising	12,653	3%
Accounting	10,835	2%
Printing	9,494	2%
Travel	8,255	2%
Grant Expense	7,310	2%
Bank Charges	6,179	1%
Postage	4,978	1%
Contract Labor	2,349	1%
Total Operating Costs	\$448,832	100%
<i>Project and Capital Expenditures</i>		
Project Expense	\$324,968	97%
Capital Expenditures	8,901	3%
Total Project and Capital Expenditures	\$333,869	100%

Source: Friends of the North Carolina Maritime Museum and ConsultEcon, Inc.

Summary

The operation of the North Carolina Maritime Museum in Beaufort and campus is a public private partnership, involving the State of North Carolina that owns the land and facility, and operates the museum and partner organizations, the Friends of the NC Maritime Museum, the NC Museum of History Associates. The museum drew 148,000 visitors in 2017. (Because 2018 attendance was impacted by Hurricane Florence, 2017 is used as a baseline for annual attendance.) The museum offers free admission with donations requested and most programs at the museum are free as well. The museum is funded by state appropriations. Additional earned and contributed revenues are currently generated through its supportive organizations, the Friends of the NC Maritime Museum, the NC Museum of History Associates.

Section III

PROJECT DESCRIPTION AND SITE REVIEW

This section describes the new North Carolina Maritime Museum and Maritime Campus and reviews the proposed Gallants Channel site:

Background and Description

The project vision is to establish the Gallants Crystal Coast Gateway Campus including the North Carolina (NC) Maritime Heritage Center, transforming a historic industrial site located in Beaufort, NC into a coastal-town gateway, rich in history and full of promise for scientific research, education, recreation, and historical appreciation. The nearby discovery of pirate Blackbeard's flagship, *Queen Anne's Revenge*, off Beaufort's coast is an important catalyst to the site's revitalization. The time is now to realize an ambitious vision, evolving for over 20 years of local effort to leverage the asset for the benefit of the eastern North Carolina.

The current vision statement of the stakeholders is the following:

"The Maritime Heritage Campus at Gallants Channel will be a fusion of marine history, education, and science combining the intriguing artifacts from Blackbeard's flagship, the Queen Anne's Revenge, with the fascinating story of Eastern North Carolina's maritime past, present, and future. It will be an unparalleled tourist attraction that will also be an asset to residents providing a coastal setting and facility for education, community events, environmental research, performances, and conferences."

Carteret County includes eleven towns with Beaufort, founded in 1709, as the third oldest. Beaufort has about 90 square miles of land and around 1.7 square miles of water surface. At one point, the Port of Beaufort was the state's third largest trade and commercial fishing center, but these critical economic drivers have largely disappeared. The commercial fishing staple was menhaden, an oily, bony fish processed for various uses such as lamp oil, lipstick,

food ingredients, animal feed, paint and fertilizer.³ Such processing occurred in large, legacy fish processing facilities, akin to the textile mills and furniture factories elsewhere in NC – symbols of by-gone eras, with the last facility in Beaufort closing in 2005. This economic impact study focuses on one such former industrial site that operated for over a half-century until the 1970s. The effects of the industry’s decline continue to impact the community.

Beaufort’s economy is in transition from its traditional economic base to an emerging economy. One asset to build upon is to unlock the rich potential of the Gallants Channel site whose economic impact to the town and region will be a “tide that raises all boats” for the community, yet embracing its past, present and future maritime heritage.

Site Description

The Gallants Channel site is 31 acres located on the waterfront of US Route 70, a new bridge bypass highway in Beaufort, NC. The site is underutilized with temporary uses, including office/laboratory and boating infrastructure and a vacant, unrehabilitated historic home that was relocated to the site.

The Gallants Channel waterfront site is a high priority for assessment and redevelopment. For over two decades, planning has occurred towards reclaiming this former industrial property with potential legacy environmental impact into an economically beneficial asset to the community and region. Redevelopment planning and funding plans are in place. The realization of the Gallants Crystal Coast Gateway Campus, including a Maritime Heritage & Activities Center and an additional location of the NC Maritime Museum, Beaufort (NCMB) on the Gallants Channel site, is within reach.

The approximately 37-acre Gallants Channel site is an irregularly shaped, flat, site possessing approximately ***1,500 feet of waterfront along Gallants Channel*** with docks located at the

³ [1] *The New York Times*, “A Fish Oil Story,” December 2009:
<https://www.nytimes.com/2009/12/16/opinion/16greenberg.html>

southern end of the property. The site is highly visible from the new US 70 bridge, a new gateway into Beaufort and Gallants Channel.

From the early 1900s until operations ceased in the late 1970s, the site was home to the Fish Meal Company, a large, legacy fish processing facility. At one time, the company employed 600-700 and was one of the state's largest processing facilities in the 1950s and 1960s. The property was fully developed and included many buildings and other structures associated with plant processing operations such as bulkheads, docks and petroleum aboveground storage tanks. The site included a Beaufort & Morehead Railroad rail spur. Documented historical uses included fish processing and boat maintenance.

By 1987, the old structures were razed, although some building foundations remained. Presently, grass covers the open central portion of the site and vegetation covers remaining areas. Work has been undertaken to stabilize the waterfront bulkheads and renew transient dockage. The NC Department of Transportation uses six acres for materials storage at the foot of the new US 70 bridge. The NCDNCR manages thirty-one acres of this, ten acres is leased to the MHF to facilitate accelerated infrastructure through private and philanthropic funding. The property offers numerous natural areas. Several temporary structures are located on the property for temporary boat and marine artifact storage.

Cumulative state and private investments in stabilizing and recovering the site total \$8,500,000 in addition to the funds invested to recover and preserve the *Queen Anne's Revenge* artifacts in anticipation of a permanent museum on site to showcase this important chapter in local history.

Figure III-1 shows a 1947 historic view of the site and area **Figure III-2** shows a more current aerial view of the site.

Figure III-1
Gallants Channel Site and Area - 1947



Source: Friends of the North Carolina Maritime Museum

Current Site Programming

The current site is underutilized, and current site programming is largely seasonal in nature with use of parking, docks and natural areas. The Bonehenge Center is a newly developed non-profit that supports the North Carolina Maritime Museum program. The current office / lab space at the Gallants Channel Site will be relocated to a new building directly adjacent to the site. The Bonehenge Center will continue to generate site activity. Boating and maritime temporary uses are supported by the Friends of the North Carolina Maritime Museum, primarily on a seasonal basis.

Figure III-2
Current Aerial Photograph of Gallants Channel Site and Area

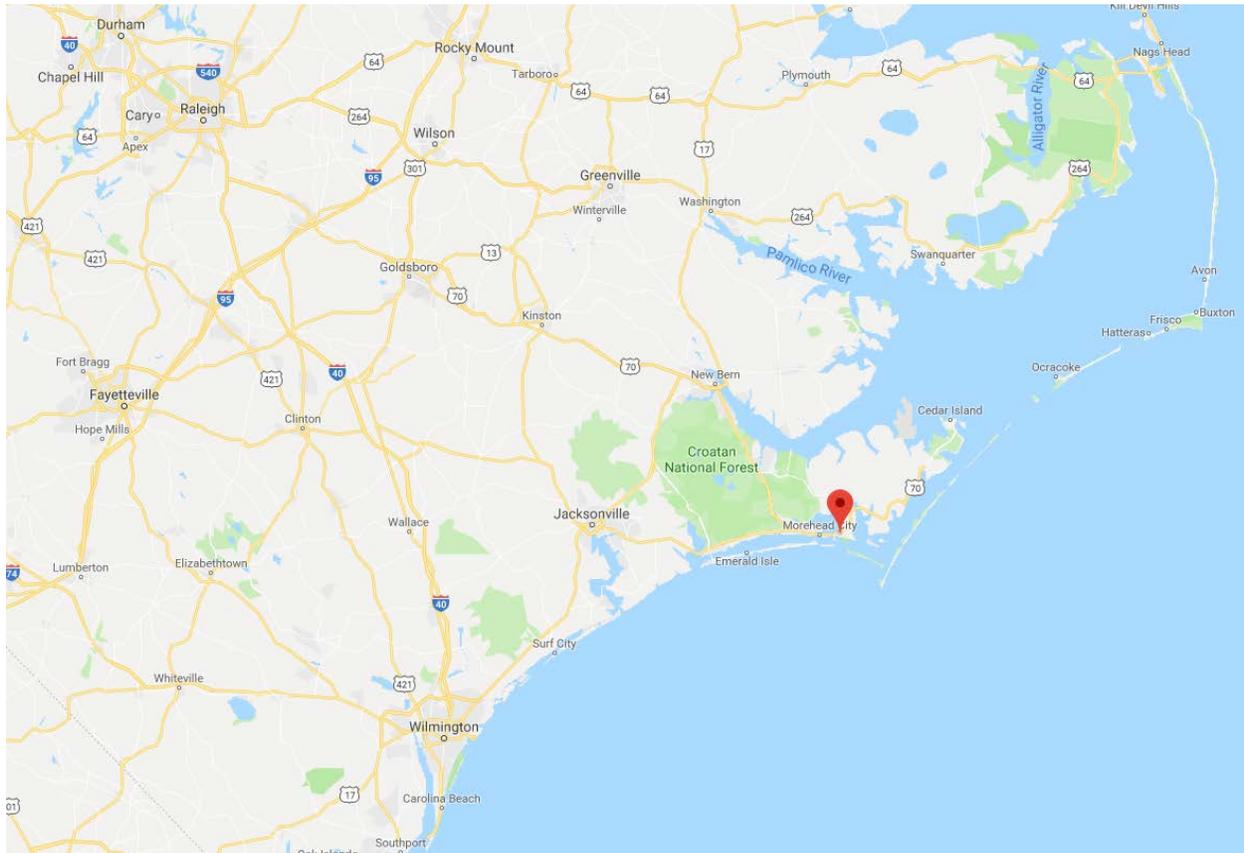


Source: Google Maps and ConsultEcon, Inc.

Location and Regional Context

Figure III-3 shows the site location in a regional context. In 2018, Beaufort had an estimated 4,400 residents. Carteret County had an estimated 79,000 residents. The area is characterized as having a small regional population with a largely seasonal tourist population estimated at 2.25 million visitors annually. Most of the travel to the area is during the summer with the area's beaches and natural resources as a primary trip purpose. In addition to permanent resident housing, ocean and beachfront seasonal homes and vacation rentals are prevalent in the area and support long stays by overnight visitors and seasonal residents. Many tourists are repeat visitors, on their annual vacation, with long term affinity for the area and the quality of life offered. Seasonal homes also support Carteret County attraction for retirees that relocate seasonally or permanently.

Figure III-3
Regional Map Showing Location of Gallants Channel Site



Source: ESRI and ConsultEcon, Inc.

Drive Time Areas

In 2018, there were an estimated 94,000 residents within a 45-minute drive time of the Gallants Channel site. However, most of the population in Carteret County is located within the 30- to 45-minute drive time distance of the site. Within a 45-90-minute drive time area, there are 347,000 residents. **Figure III-4** shows a 15-30-45-minute drive time map and **Figure III-5** shows a 30-60-90-minute drive time map.

Figure III-4
15-30-45 Minute Drive Time Map Showing Town of Beaufort

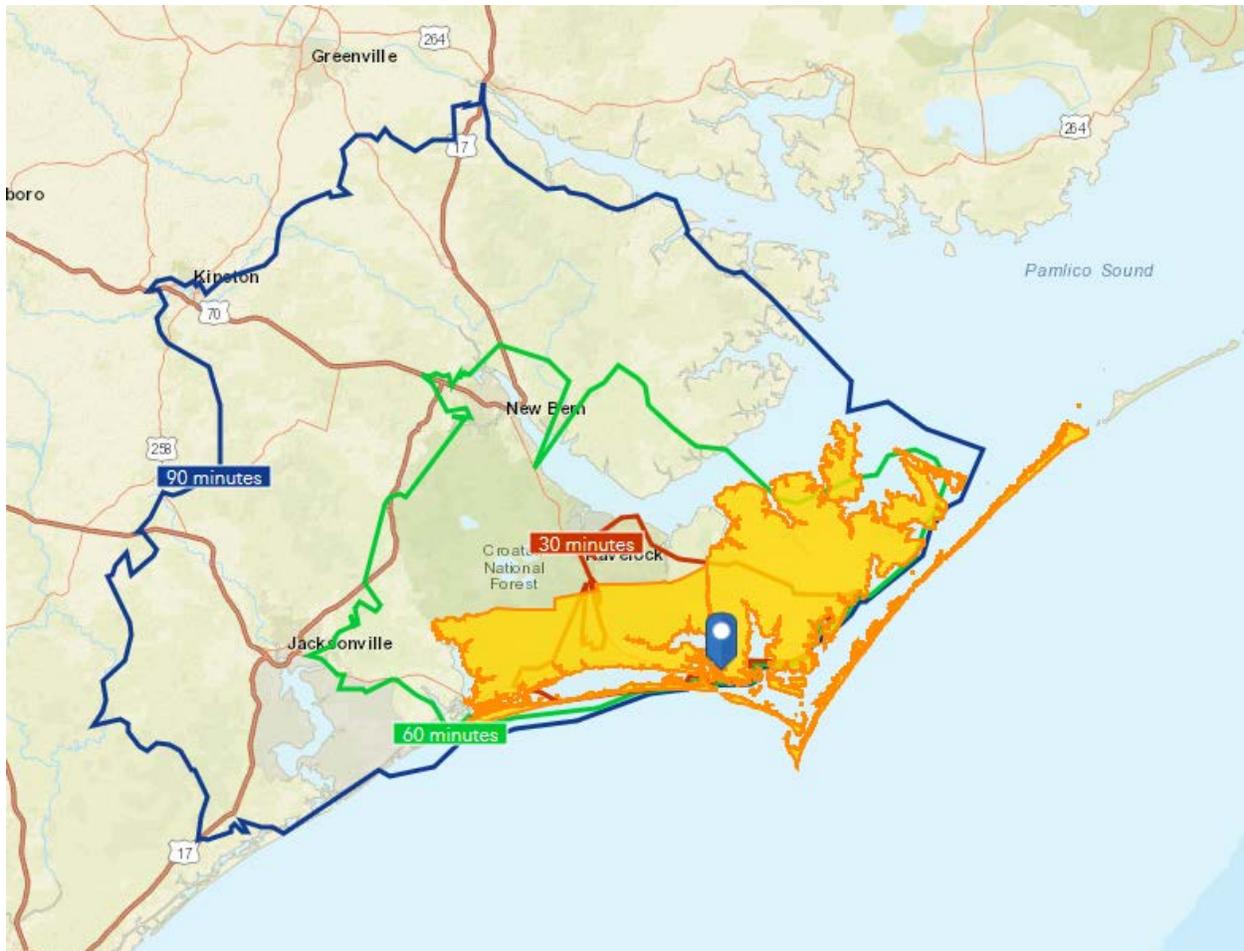


Map key:

- 0-15 Minute Drive Time
- 15-30 Minute Drive Time
- 30-45 Minute Drive Time

Note: Yellow area denotes Town of Beaufort.
Source: ESRI and ConsultEcon, Inc.

Figure III-5
30-60-90 Minute Drive Time Map Showing Town of Beaufort



Map key:

- 0-30 Minute Drive Time
- 30-60 Minute Drive Time
- 60-90 Minute Drive Time

Note: Yellow area denotes Carteret County.

Source: ESRI and ConsultEcon, Inc.

Adjacent Uses

Adjacent uses encompass low density residential property as well as vacant land on the waterfront bordering the Michael J. Smith Airport, which operates general aviation, air taxi, and military operations. The new bridge is a landmark feature that facilitates the vehicular approach to the site. The Gallants Campus site entrance is at the base on the bridge, immediately on the left when driving over the bridge heading east. Improvements to the

signalization, and connections to the city's trail network are needed to rationalize the site's vehicular and pedestrian connectivity.

Accessibility

The site is highly accessible locally in Beaufort. As a destination, Beaufort can be accessed largely via limited access highway and high-speed roads. Many other coastal destinations have superior highway access. However, looking ahead proposed for a five to six-year period is a terminus for I-42 proposed for the Gallants Channel site location. This new interstate connection is being built to provide improved connections to U.S. Route 70. The local area and the site will become much more accessible to visitors from Carteret County and coastal counties and from elsewhere in North Carolina and beyond. Shortened commute times will increase access to a larger market of potential residents, employment and tourists. The I-42 highway project is considered one of the most important economic development projects in southeast North Carolina. The North Carolina Maritime Museum and Maritime Campus will benefit directly from the much-improved accessibility, particularly in that it is located at the U.S. Route 70 bridge.

Local Visibility

The site is visible from either direction on U.S. Route 70. As traffic and travel increases on this new road (particularly with the I-42 highway project) the new Museum and Campus will have increased visibility to local travelers. The site is a new gateway to Beaufort. Development at the Gallants site has the potential to be character defining and an important contributor to Beaufort's local identity and will enhance the "sense of place" that distinguishes Beaufort.

On-site Parking

There is plentiful space on the Maritime Campus site for parking to support the new Museum and Campus activities as well, possibly for overflow remote parking for other local areas including downtown Beaufort. Parking needs will be driven by demand for festivals and events onsite, programmed by the NC Maritime Museum, and by other partners. Museum and partnership programming will generate more regular visitation and will be oriented towards

group activities, museum admissions, community recreation and educational programming with local partner organizations.

Public Transportation

Carteret County public transportation consists of pre-scheduled point to point paid trips available to all citizens and guests of Carteret County. The National Park Service concessions include ferry service to the Cape Lookout National Seashore. Local independent contractors provide an array of transportation on land and on the water for residents and visitors.

Waterfront Infrastructure

With dock infrastructure available at the Maritime Campus site with easy access to the Intracoastal Waterway and the Atlantic Ocean, there is the potential to substantially increase existing waterfront activity with ferry service, charters and transient dockage. The site could offer parking that can support half and full day dwell times that will support visitation in coastal and ocean destinations.

Local and Regional Community Planning and Economic Development

There are a number of ways that the Gallants Channel site and changes in the area's infrastructure development and economic development initiatives will support the long-term market opportunity for the proposed new Maritime Museum and Campus. The city has plans for parks and recreational development in Beaufort. Regional planning and economic development initiatives support long term county resident population growth. In addition, the new I-42 highway connection to US Route 70 that will create greater accessibility to tourist markets within a day trip of Beaufort and is anticipated to be an underpinning of long-term employment growth and development for the community including nearby Marine Corps Air Station Cherry Point and Camp LeJune.

Rationale for Change of First Phase Plan

Existing conceptual plans for the development of the Gallants Channel site—for a 10,000 square foot Maritime Heritage Center and a 2,500 Boating Education Center—were reviewed

and evaluated for their potential for ongoing operational sustainability. The business plan to generate net revenue with an initial 10,000 square foot Maritime Heritage Center and a 2,500 Boating Education Center did not generate sufficient net revenue to warrant the investment. Therefore, it is recommended to adjust the plan as outlined in this report. Education and event facilities associated with museums are useful because of their adjacency to and integration with museum facilities. The consolidation of the Maritime Heritage Center and the Boating Education Center into a new Maritime Center focused on maritime and boating education, waterside and landside events and activities will be more efficient use of space. Emphasizing outdoor areas and educational interpretation through the use of temporary installations to grow seasonal use of the site. Future planning should explore additional site activation opportunities through museum and private partnership programming and a robust schedule of outdoor events and festivals that is implemented over time before and after project opening. Overall, museum and other site programming plans for the future development of the site need further definition through the next steps of master planning and design development.

Project Description

The recommended plan for the new Maritime Museum at Gallants Channel is an +/-80,000 square foot museum to be developed after an initial phase of improvements to the Maritime Campus and development of a new Maritime Center. The +/- 4,000-5000 square foot facility will support expansion of maritime and marine science programming and promote more public use of the Gallants Channel site. The Maritime Campus will be a well programmed outdoor space that is a destination in its own right, complementing the new museum and other attractions in Beaufort and Carteret County.

Phase One – Site Development

Overall site and museum development will begin with master planning and improvements to the Maritime Campus and development of a new Maritime Center that will support expansion of maritime and marine science programming and promote more public use of the Gallants

Channel site. The first phase of development will include improvements to the following spaces:

- ◆ **Maritime Campus** – Walking interpretive trails, public art, a possible outdoor event area(s) for small groups and larger gatherings up to 1,000 or 2,000 persons on the site, and other facilities to support both use of the site as a signature public park and recreational area. Potential to co-host partner maritime and marine science programs and public events. There are also possibilities for portions of the site to serve as remote and overflow parking for Beaufort downtown.
- ◆ **Maritime Center** – A building that would enable and support boating education, museum and partnership programming, and community event held on the Maritime Campus is envisioned to be +/- 4,000 – 5,000 SF. This size will accommodate interior spaces to include offices, meeting space for programs, public restroom facilities, and storage. As planning and design moves forward, additional spaces may be added to the preliminary Boating Center plan that support programming delivered by the state, the Friends of NC Maritime Museum, and marine sciences partnerships to be established. The Maritime Center might include a catering kitchen and campus operations office to support active public use of the Maritime Campus; and, additional spaces to support current museum office and storage space needs, and its programs and events. The Maritime Center will support growing junior Sailing School on Gallants Channel's protected waters, Coast Guard approved adult boater education, management of waterfront docks supporting year-round boater visitation and serve as a launch point for maritime activities and marine sciences programs. It can also support the transition from the existing museum to the new museum building at the Gallants Channel site.
- ◆ **Docks** – Improved and expanded docks to accommodate sailing programs, transient boaters, site visitors and a variety of other uses, such as boat and eco tours, tourist ferries, water taxis, boat and kayak rentals.

Phase Two – New NC Maritime Museum

The new +/-80,000 square foot museum building program areas will include space for exhibits, collections, museum offices, classrooms, meeting rooms, auditorium, as well as other visitor amenities to support activity within the Maritime Museum and on the Maritime Campus. In addition, museum spaces would be made available for community use. The core visitor experiences in the museum exhibit areas will include pirate history tied to *Queen Anne's Revenge* archeology, local maritime history and culture, marine sciences research and industry, and a changing exhibits gallery.

Development Costs

The preliminary and conceptual cost allowance for the new museum ranges from \$50 to \$60 million provided by North Carolina Maritime Museums. The midpoint of this range \$55 million plus \$4.5 million for the Maritime Center and Campus, including construction and design costs, is used for the purposes of this analysis.

These sizing and cost parameters are within museum industry norms and will be refined based on future project planning. This analysis assumes that the site will be built out with adequate ingress and egress and internal circulation for vehicles, buses, bicycles and pedestrians. Connection to Beaufort's existing trail system is assumed for the purposes of this analysis, these connections are necessary to support the future attendance, operations and economic impacts estimated in this report

Recommended Next Steps in Gallants Campus site Master Planning

In the next phase of the project planning and development, we recommend the development of a master plan for the Gallants Channel Campus to refine the project description, including interpretive, site and building planning.

This master plan should:

- ◆ Advance plans for vehicular and pedestrian connections to the site,
- ◆ Undertake appropriate environmental studies to address prior industrial use of the site and to address the site's location in the floodplain; undertake remediations as appropriate,
- ◆ Locate facilities and landscape areas as well as internal circulation flow patterns and infrastructure for site uses,
- ◆ Refine key interpretive themes, topics, and exhibit concepts,
- ◆ Advance the planning for activities that can occur on the campus,
- ◆ Refine facility space needs and prepare initial building plans for programs and spaces,
- ◆ Create conceptual site and building plans,
- ◆ Integrate operating plan requirements into master plan,

- ◆ Provide preliminary capital cost estimates.

As importantly, concurrent to the master plan, develop and implement a business and operations organization, and a planning process and protocol to reflect the advancement of the financing, site planning, physical planning, museum programming, and partnerships to be encouraged and initiated for the site.

Summary

The Gallants Channel site is 31 acres located on the waterfront of US Route 70, a new bridge bypass highway in Beaufort, NC. The site is highly accessible with the potential to be a highly visible and character defining gateway to Beaufort. The current site is underutilized, and current site programming is largely seasonal in nature with use of parking, docks and natural areas.

There are a number of ways that the Gallants Channel site and changes in the area's infrastructure development and economic development initiatives will support the long-term market opportunity for the proposed new NC Maritime Museum and Campus. The city has plans for parks and recreational development in Beaufort that can connect to the Gallants Channel site. Regional planning and economic development initiatives support long term county resident population growth. They include the new I-42 highway connection to US Route 70 that will create greater accessibility to tourist markets within a day trip of Beaufort and is anticipated to be an underpinning of long-term employment growth including at Marine Corps Air Station Cherry Point.

The current plan for the new Maritime Museum at Gallants Channel is an +/-80,000 square foot museum to be developed after an initial phase of improvements to the Maritime Campus and development of a new Maritime Center. The +/- 4,000- 5000 square foot facility will support expansion of maritime and marine science programming and promote more public use of the Gallants Channel site. The Maritime Campus will be a well programmed outdoor

space that is a destination in its own right, complementing the new museum and other attractions in Beaufort and Carteret County.

Other complementary facilities that may be developed in conjunction with the Gallants site include coordination and expansion of airport facilities, launch point and shore base for National Parks, on site marine science lab-facilities complementary to existing capability, enticing Eastern Carolina University lab into county, and shore base for remaining QAR artifact removal. Future outreach and engagement during master planning will further qualify potential future opportunities for economic development.

Section IV

MARKET ANALYSIS

The following section reviews the characteristics of the resident and tourist market context for the new North Carolina Maritime Museum and Maritime Campus as input to the attendance potential analysis. The North Carolina Maritime Museum and Maritime Campus will serve both resident and tourist markets in Beaufort, North Carolina and surrounding areas. Ultimately, the geographic reach and available markets for a visitor attraction depend on: facility size and the quality and type of products and services offered; its location, accessibility, visibility and adjacent land uses; the competitive context, regional transportation network and the quality and scale of museum operations and marketing efforts.

RESIDENT MARKET

The Resident Market Area is defined as the area whose residents would visit North Carolina Maritime Museum and Maritime Campus as a primary purpose or as an important part of a day trip. Resident Markets are analyzed within a “gravity model” context, which means that the closer residents live to an attraction; the more likely they are to visit. On its periphery, the resident market changes over to the visitor/tourist market.

Resident Market Area Definition

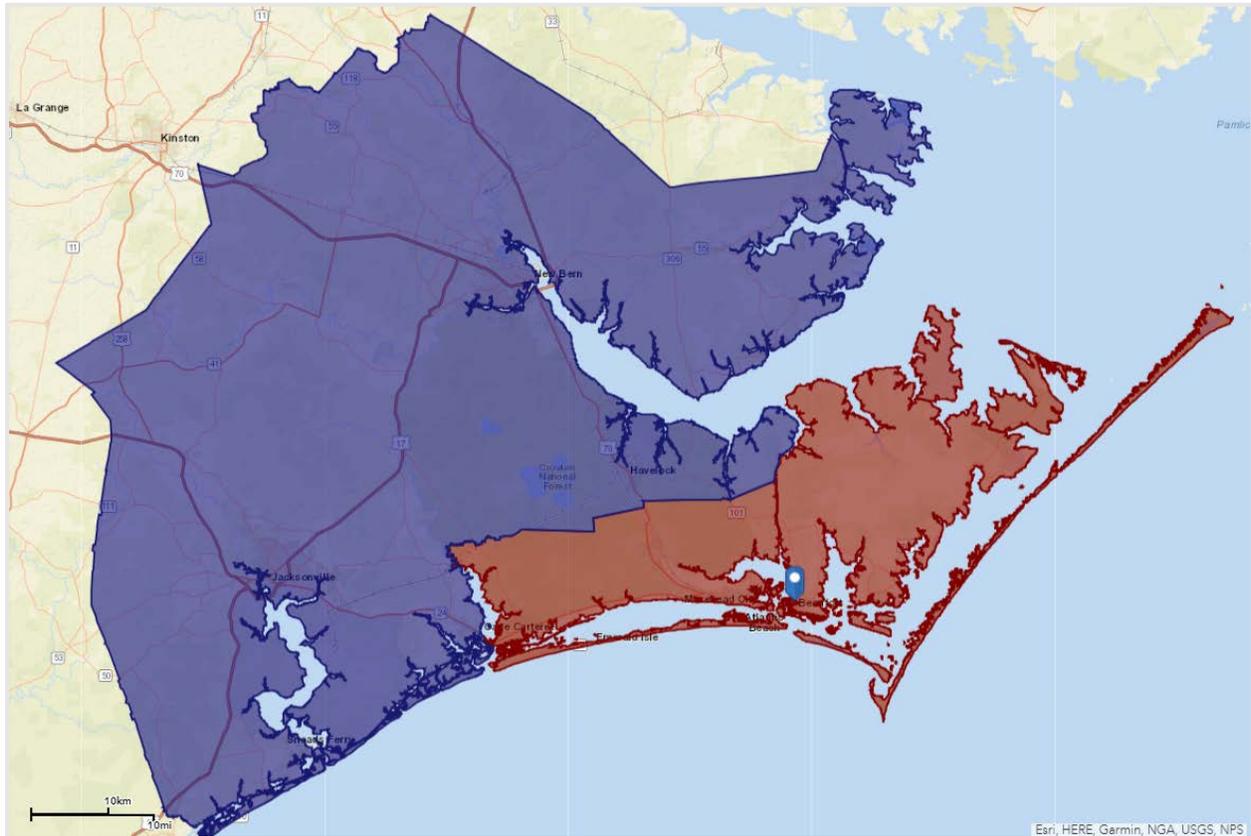
The total Resident Market Area for the North Carolina Maritime Museum and Maritime Campus is defined as the population living within the following counties, Carteret, Craven, Jones, Onslow, and Pamlico Counties; and is subdivided as follows:

- ◆ Primary Market Area: Carteret County
- ◆ Secondary Market Area: Craven, Jones, Onslow, and Pamlico Counties

The population within the Total Resident Market Area live within an approximate 1.5-hour drive to the new North Carolina Maritime Museum and Maritime Campus site. Visitors from

beyond the defined Resident Market Area are considered as part of the “tourism” market. **Figure IV-1** shows the extent of the Resident Market Area as defined.

Figure IV-1
Resident Market Area
North Carolina Maritime Museum and Maritime Campus



Source: ESRI and ConsultEcon, Inc.

Primary Market Area (Carteret County)	
Secondary Market Area (Craven, Jones, Onslow, and Pamlico Counties)	

Population

Data in **Table IV-1** provide information on the populations in the Resident Market Areas defined for the North Carolina Maritime Museum and Maritime Campus. As of 2018, there are 371,000 people residing within the five-county area near Beaufort. The resident market population is projected to grow in the next five years at 3.6 percent which is slightly below the population growth of the State and U.S. as a whole.

Table IV-1
Population Trend in the Resident Market Area
North Carolina Maritime Museum and Maritime Campus

Resident Market Areas	2010	2018	2023	Percent Change 2018 to 2023
Primary Market	66,469	70,998	73,055	2.9%
Secondary Market	304,574	329,997	342,317	3.7%
Total Resident Market Area	371,043	400,995	415,372	3.6%
<i>State of North Carolina</i>	<i>9,535,483</i>	<i>10,455,604</i>	<i>11,061,202</i>	<i>5.8%</i>
<i>United States</i>	<i>308,745,538</i>	<i>330,088,686</i>	<i>343,954,683</i>	<i>4.2%</i>

Source: U.S. Census Bureau, Census Summary File, ESRI Forecasts for 2018, 2023, and ConsultEcon, Inc.

Age Profile

Data in **Table IV-2** show the age profile of the population living within the Resident Market Area. The total Resident Market population—especially the secondary market area—has a high percentage of children and middle-aged adults, which suggests that families are prominent in the area. Therefore, educational programs and family experiences that appeal to these age groups will be important for the long-term success of the new North Carolina Maritime Museum and Maritime Campus.

Table IV-2
Median Age and Percent of Population by Age Group in the Resident Market Area, 2018
North Carolina Maritime Museum and Maritime Campus

Resident Market Areas	Median Age					
		0 to 17	18 to 24	25 to 34	35 to 54	55+
Primary Market	48.4	16.8%	6.7%	11.4%	24.2%	40.9%
Secondary Market	31.6	24.7%	13.5%	17.0%	21.0%	23.7%
Total Resident Market	34.6	23.3%	12.3%	16.0%	21.6%	26.8%
<i>State of North Carolina</i>	<i>38.7</i>	<i>22.1%</i>	<i>10.5%</i>	<i>13.3%</i>	<i>25.6%</i>	<i>28.5%</i>
<i>United States</i>	<i>38.3</i>	<i>22.1%</i>	<i>10.6%</i>	<i>13.7%</i>	<i>25.0%</i>	<i>28.6%</i>

Source: U.S. Census Bureau, Census Summary File, ESRI Forecasts for 2018, 2023, and ConsultEcon, Inc.

School Age Population

Data in **Table IV-3** show the total school-aged population living within the Resident Market Area.⁴ As noted, the resident market areas have a relatively strong mix of students in the population. There will be strong population growth in the 10-12 years and 13-17 years cohorts for children. This indicates an opportunity to create strong school programs at new North Carolina Maritime Museum and Maritime Campus that reach a wide age range that would expose middle and upper schoolers to more experiential, hands on and career-oriented education programs.

**Table IV-3
Number of School-Aged Children in Resident Market, 2018 and 2023
North Carolina Maritime Museum and Maritime Campus**

	Ages 0-4	Ages 5-9	Ages 10-12	Ages 13-17	Total Ages 0-17
2018					
Primary Market	3,130	3,329	2,115	3,430	12,004
Secondary Market	26,318	22,839	12,458	17,720	79,335
Total Resident Market	29,400	26,200	14,600	21,200	91,300
<i>State of North Carolina</i>	<i>629,753</i>	<i>653,456</i>	<i>401,533</i>	<i>629,112</i>	<i>2,313,854</i>
<i>United States</i>	<i>19,968,445</i>	<i>20,460,473</i>	<i>12,584,111</i>	<i>20,302,721</i>	<i>73,315,750</i>
2023					
Primary Market	3,131	3,304	2,184	3,574	12,193
Secondary Market	27,241	23,576	13,731	19,824	84,372
Total Resident Market	30,400	26,900	15,900	23,400	96,600
<i>State of North Carolina</i>	<i>654,000</i>	<i>667,551</i>	<i>421,801</i>	<i>675,580</i>	<i>2,418,932</i>
<i>United States</i>	<i>20,712,703</i>	<i>20,686,037</i>	<i>12,863,458</i>	<i>20,929,437</i>	<i>75,191,635</i>
Percent Change 2018-2023					
Primary Market	0.0%	-0.8%	3.3%	4.2%	1.6%
Secondary Market	3.5%	3.2%	10.2%	11.9%	6.3%
Total Resident Market	3.4%	2.7%	8.9%	10.4%	5.8%
<i>State of North Carolina</i>	<i>3.9%</i>	<i>2.2%</i>	<i>5.0%</i>	<i>7.4%</i>	<i>4.5%</i>
<i>United States</i>	<i>3.7%</i>	<i>1.1%</i>	<i>2.2%</i>	<i>3.1%</i>	<i>2.6%</i>

Note: Total population numbers are rounded to nearest hundred.

Source: U.S. Census Bureau, Census Summary File, ESRI Forecasts for 2018, 2023, and ConsultEcon, Inc.

⁴ For the purposes of this report, “school-aged” is defined as children ages 5 to 17.

Households

Data in **Table IV-4** show characteristics of households within the Resident Market Area for the new North Carolina Maritime Museum and Maritime Campus. There is a high percentage of families to total households in the Total Resident Market. The household and family characteristics of the area are similar to the state and the nation. The new North Carolina Maritime Museum and Maritime Campus is in a position to be a local family attraction and will have a strong market of families to cater to.

Table IV-4
Resident Market Area Households and Average Household Size, 2018
North Carolina Maritime Museum and Maritime Campus

Comparison Areas	Estimated Number of Households	Estimated Family Households	Percent of Families to Total Households	Average Household Size
Primary Market	30,766	20,005	65.0%	2.28
Secondary Market	120,261	85,612	71.2%	2.58
Total Resident Market	151,027	105,617	69.9%	2.52
<i>State of North Carolina</i>	<i>4,087,430</i>	<i>2,692,584</i>	<i>65.9%</i>	<i>2.50</i>
<i>United States</i>	<i>124,110,001</i>	<i>81,631,156</i>	<i>65.8%</i>	<i>2.59</i>

Source: U.S. Census Bureau, Census Summary File, ESRI Forecasts for 2018, 2023, and ConsultEcon, Inc.

Household Income

Data in **Table IV-5** show household income distribution in the Resident Market Areas for the new North Carolina Maritime Museum and Maritime Campus. This households in the resident market area are slight less affluent than households throughout the state or the U.S. as a whole.

**Table IV-5
 Resident Market Area Households by Income Group, 2018
 North Carolina Maritime Museum and Maritime Campus**

Residential Market Areas	Per Capita Income	Median Household Income	Less than \$25,000	\$25,000 to \$49,999	\$50,000 to 74,999	\$75,000 to \$99,999	\$100,000+
Primary Market	\$30,307	\$51,585	22.6%	25.6%	18.4%	14.6%	18.7%
Secondary Market	\$24,515	\$49,932	22.0%	28.1%	21.4%	12.9%	15.7%
Total Resident Market	\$25,541	\$50,225	22.1%	27.6%	20.8%	13.3%	16.3%
<i>State of North Carolina</i>	<i>\$28,752</i>	<i>\$51,844</i>	<i>23.2%</i>	<i>24.8%</i>	<i>18.6%</i>	<i>12.4%</i>	<i>21.1%</i>
<i>United States</i>	<i>\$31,950</i>	<i>\$58,100</i>	<i>20.6%</i>	<i>22.1%</i>	<i>17.6%</i>	<i>12.5%</i>	<i>27.2%</i>

Source: U.S. Census Bureau, Census Summary File, ESRI Forecasts for 2018, 2023, and ConsultEcon, Inc.

Resident Market Summary

The overall Resident Market Area for the new North Carolina Maritime Museum and Maritime Campus is defined as the population living within the five-county area—Carteret, Craven, Jones, Onslow and Pamlico. The Primary Market Area consists of the population living in Carteret County the Secondary Market Area is the population living in Craven, Jones, Onslow and Pamlico counties. There are currently 371,000 people residing within these five counties near to the site. The resident market population is projected to grow 3.6 percent in the next five years, which is slightly below the population growth rates of the State and U.S. as a whole. In the total Resident Market Area, there are a high proportion of vacancies of seasonal and recreational use housing, suggesting that the population grows substantially during peak visitor season and contracts during the off-season.

TOURIST MARKET

The following section reviews the characteristics of the tourist, or visitor, market in Carteret County, North Carolina. Tourist market segments in the county include:

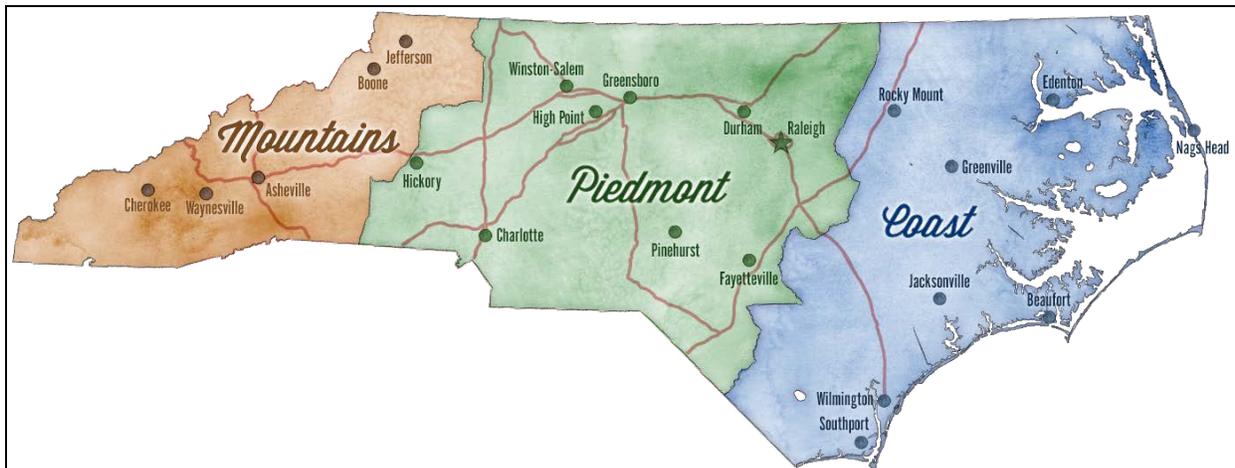
- ◆ Overnight destination visitors to Carteret County, including:
 - Visitors staying in area hotels and motels, inns and beds and breakfasts
 - Visitors staying in rental homes and condominiums
 - Visitors staying with friends and relatives (VFRs) in private homes. VFRs are important segment that is informed by resident awareness and affinity for the maritime museum.
- ◆ Day trip tourists, including:
 - North Carolina residents from outside of the defined Resident Market Area.
- ◆ Seasonal residents of second homes not used as vacation rentals.

Information presented in this section is based on data collected from the Carteret County Convention and Visitors Bureau (CVB), and the North Carolina Division of Tourism, Film, and Sports Development.

State and Regional Travel

According to the North Carolina Division of Tourism, Film & Sports Development, the state had an estimated 46.0 million person-trips in 2017. Carteret County – and Beaufort – are located on the coast of North Carolina. From a tourism perspective, the State of North Carolina has included Carteret County in the Coastal Tourism Region. The Coastal tourism region is one of the three State tourism regions along with the Piedmont Region and the Mountains Regions, as shown in **Figure IV-2**. Thus, state tourism statistics used in this report are presented at the Coastal region level or for the state as a whole.

Figure IV-2
North Carolina Tourism Regions



Source: North Carolina Department of Commerce, Division of Tourism, Film and Sports Development

Coastal Region Travelers

Of the trips to North Carolina in 2017, about 23.0 percent or 10.8 million occurred in the Coastal Tourism region.⁵ Data in **Appendix B** show charts with Coastal Tourism Region travel party characteristics. Findings from this study relevant to the new North Carolina Maritime Museum and Maritime Campus in Beaufort include:

- ◆ **Visitor Origin:** 43.0 percent of survey respondents were from in-state, with other visitors originating from Virginia (15%), New York (6%), Ohio (4%), and Maryland (4%) and Pennsylvania (4%). The remaining 24 percent of visitors originated in states that each made up 3.0 percent or less of the total responses.
- ◆ **Trip Purpose:** 92.0 percent of respondents were in the Coastal Region for leisure purposes, with the remaining 6.0 percent visiting for business purposes. The most popular activities that respondents participated in included going to the beach (57%), shopping (34%), and visiting relatives (29%). Visiting historic sites or churches was an activity for 18.0 percent of survey respondents, and museum going was an activity reported for 16.0 percent of respondents.
- ◆ **Seasonality of Visitation:** There is a trend of seasonality in the Coastal Region—approximately one-third (37%) of respondents visited the Coastal Region in the summer months (June to August). Spring (March to May) and fall (September to

⁵ The North Carolina Division of Tourism, Film & Sports Development divides the State into three tourism regions: the Coastal, Mountain, and Piedmont regions. The Coastal Region comprises North Carolina's 28 eastern-most counties, including Carteret County where Beaufort is located.

November) had 26.0 and 20.0 percent of coastal visitors respectively, and the winter season (December to February) had the least with 17.0 percent of visitors.

- ◆ **Length of Stay and Visitation:** 87.8 percent of respondents were on an overnight trip and 12.2 percent visited the area for a day trip. The Coastal Region was most popular as a longer vacation with the average overnight visitor staying for 4.2 nights. The majority of overnight coastal visitors are still repeat, and frequent, visitors—majority (62%) of have visited three times or more within the past five years, as opposed to only 17.0 percent being first time visitors.
- ◆ **Accommodation Type:** 39.0 percent of respondents staying overnight stayed in hotels or motels when visiting the Coastal Region. Of the Coastal Region travelers on overnight trips, about 30.0 percent stayed in private homes, 39.0 percent stayed in hotels or motels, 16.0 percent stayed in rental homes, and 5.0 percent stayed in personal second home or condo, and approximately 4.0 percent lodged in a shared-economy property. ⁶
- ◆ **Trip Budget:** On average, household trip expenditures in the Coastal Region was \$1,075. The average household trip expenditure for overnight visitors to the Coastal Region was \$1,242, and daytrip parties spent approximately \$124 per visit.

These data suggest that the Coastal Region of North Carolina is destination for vacationers in the northern states, in addition to being a popular destination for North Carolinians. Of the visitors to the area, just under half (43%) were from North Carolina, with an additional ten percent coming from the neighboring states of Virginia and South Carolina. Visitors were frequently repeat visitors, coming for a longer leisure stay of four nights or more in hotels or with friends and relatives. Overnight trips were much more common than day-trips, the ratio is nearly 10 overnight trips to one day-trip.

Carteret County and Beaufort Area Travel and Tourism

Following is a summary of Carteret County area travel and tourism based on data from the Crystal Coast Tourism Development Authority, and are estimates for the most recent year:

- ◆ There are an estimated 2.25 million travelers to Carteret County on average, and 92.0 percent are leisure travelers and the other 8 percent are on business.

⁶ Shared economy properties are accommodations that are rented out by the owners on platforms like Airbnb or VRBO. Accommodations can be shared with the owner or the property rented out in its entirety without the owner around.

- ◆ The vast majority of travelers to Carteret County are overnight visitors—the breakout is 90.0 percent overnight and 10.0 percent day-trippers. Overnight visitors tend to have longer vacations, with an average stay of 4.2 days.
- ◆ Most travelers are from North Carolina, Virginia, South Carolina, Ohio and Maryland.

Economic Impacts of Tourism in Carteret County

According to the Visit North Carolina⁷ domestic tourism in Carteret County generated an economic impact of \$362.4 million in 2017. This was a 3.1 percent increase over 2016. In 2017, Carteret County ranked number 13 in travel impact among North Carolina's 100 Counties. More than 3,510 jobs in Carteret County were directly attributable to travel and tourism. State and local tax revenues from travel to Carteret County amounted to approximately \$37.9 million.

Beaufort, North Carolina Tourism

Tourism is an important component of the Beaufort area economy; and it is targeted as an economic development opportunity going forward. Beaufort already has substantial tourism infrastructure based on several factors:

- ◆ Beaufort is a small beach town that already has several attractions, events, and a picturesque harbor walk adjacent to downtown shops. The town population triples in the summer due to the increase in visitors.
- ◆ Beaufort is billed as a family vacation destination and offers a variety of activities that are catered to families. In addition, the town has access to many beaches, water sports and other outdoor activities that cater to travelers of all ages.
- ◆ The Nearby Cherry Point Marine Corps Air Station and Camp LeJune provide a flow of visitors from traveling military personnel, stationed Marines' families and friends, and other military related contractors.
- ◆ Beaufort has just completed construction on the Gallants Channel Bridge in early 2018. The new bridge improves traffic flows for US Route 70.
- ◆ Beaufort Historical Association, Beaufort Wine and Food, Pirate Invasion, Beaufort Music Festival, and a large number of community events provide activities to increase tourism development in Beaufort.

⁷ Source: Visit North Carolina Economic Impact Studies—Impact of Tourism Spending
<https://partners.visitnc.com/economic-impact-studies>

Despite its in-place tourism assets and infrastructure, Beaufort has few ticketed attractions. The North Carolina Maritime Museum is the primary attraction and it offers free admission. Other attractions and recreational offerings are focused on excursions, tours and outdoor activities. Therefore, the new North Carolina Maritime Museum and Maritime Campus creates an opportunity to address this unsaturated market and act as an anchor attraction for the area.

Seasonal Residents

The data in **Table IV-6** shows the trends for vacant recreational and seasonal use housing in the Primary Resident Market, Carteret County, and the Secondary Resident Market, Craven, Jones, Onslow, and Pamlico Counties. Carteret County has the largest proportion of vacant seasonal/recreational housing in the entire resident market. The vacancy rate for recreational housing out of the total housing supply is 30.7 percent for 2016, which has decreased slightly from 2010 and 2000. Pamlico County also has a high proportion of vacant seasonal/recreational houses to total houses. Craven, Jones, and Onslow County have minimal seasonal/recreational housing vacancies, suggesting that there are fewer recreational houses in the respective counties as compared to Carteret and Pamlico County. The influx of part-time residents will increase the Total Resident Market population during the peak visitor season and will return to projected population numbers during the off-season.

**Table IV-6
 Changes in Seasonal/Recreational Housing Vacancies in Primary and Secondary
 Market Counties, 2000, 2010, 2016
 North Carolina Maritime Museum and Maritime Campus**

	Carteret County	Craven County	Jones County	Onslow County	Pamlico County
<i>2000</i>					
Vacant seasonal/ recreational house	13,333	433	52	2,906	903
Total Vacant	15,743	3,568	618	7,604	1,603
Total Housing Units	40,947	38,150	4,679	55,726	6,781
% to Total Vacant seasonal/recreational house	32.6%	1.1%	1.1%	5.2%	13.3%
<i>2010</i>					
Vacant seasonal/ recreational house	15,402	737	77	3,914	1,202
Total Vacant	19,309	4,703	671	8,134	7,534
Total Housing Units	48,179	45,002	4,838	68,226	7,534
% to Total Vacant seasonal/recreational house	32.0%	1.6%	1.6%	5.7%	16.0%
<i>2016</i>					
Vacant seasonal/ recreational house	15015	1092	101	3419	1345
Total Vacant	19369	5337	722	12955	2273
Total Housing Units	48932	45946	4863	75588	7581
% to Total Vacant seasonal/recreational house	30.7%	2.4%	2.1%	4.5%	17.7%
<i>% Change 2000 to 2010</i>	<i>13.4%</i>	<i>41.2%</i>	<i>32.5%</i>	<i>25.8%</i>	<i>24.9%</i>
<i>% Change 2010 to 2016</i>	<i>-2.6%</i>	<i>32.5%</i>	<i>23.8%</i>	<i>-14.5%</i>	<i>10.6%</i>

Source: U.S. Census Bureau, 2000, 2010; American Community Survey Estimates 2012-2016, and ConsultEcon, Inc.

According to the Carteret County Tourism Development Authority, there are approximately 5,000 vacation rental units in the county. Based on approximately 15,000 total units vacant for seasonal use, this would indicate that there are approximately 10,000 housing units occupied by second home owners or seasonal residents, who do not rent their property for vacation rentals. Assuming an average of 2.5 persons per second home, there are an estimated 25,000 seasonal residents in Carteret County.

LOCAL ATTRACTIONS

The primary attractions of Carteret County are the beaches and the scenic coastline of North Carolina. The region also offers a number of museums, historic sites, natural areas, and recreational attractions.

Data in **Table IV-7** show an inventory of attractions in Carteret County as well as in surrounding counties in the nearby market areas. Carteret County single largest attractions are its beaches.

**Table IV-7
 Carteret County, NC Attractions**

Attraction/Location	Attendance	Admission	Description
Museums/Aquariums			
North Carolina Aquarium at Pine Knoll Shores	407,000 (FY2017-2018) 60% of visitation during those months	\$12.95 adult (13-61) \$11.95 senior (62-plus) \$10.95 child (3-12)	Interactive 93,000 square foot aquarium featuring touch pools, a submarine tank & local creature from otters to sharks. Total budget is \$4 million with 45% of revenue from state appropriation and 55 from earned revenues and private support. 30,000 school group visitations. Over 6,000 memberships sold at aquarium.
North Carolina Maritime Museum, Beaufort	148,000 (2017)	No charge; donations accepted	The North Carolina Maritime Museum is a system of regional museums within the North Carolina Museum of History, which is turn part of the North Carolina Department of Natural and Cultural Resources. There are several branches of the Maritime Museum located in Beaufort, Southport and Hatteras.
Beaufort Historic Site	65,000 (OMD)	No charge for visitor center, shop, & self-guided walking tours – see “tours” below	Historical & Preservation Society featuring historic buildings with period furniture.
Core Sound Waterfowl Museum, Harkers Island	25,000 (OMD)	\$5.00 suggested donation	Nature/history museum offering hands-on demonstrations of decoy carving and quilting, touchable community exhibits, outdoor experiences and field trips.

Table IV-7 (continued)
Carteret County, NC Attractions

Attraction/Location	Attendance	Admission	Description
History Museum of Carteret County, Morehead City	5,000 (OMD)	\$3.00 adult \$1.00 child 5-18	Small museum presenting objects & exhibits tracing local history, plus a gift shop & cafe.
Cape Lookout/ Lighthouse & Light Station Visitor Center and Keepers Quarters Museum	NA	\$8.00 adult \$4.00 child 12-plus & seniors (ferry transportation not included in fees)	Historic lighthouse built in 1859, with collections of historic, photos, nautical artifacts.
Children's/Family			
Salty Pirate Waterpark, Emerald Isle	NA	\$20.00 6 years & older \$15.00 child 3-5	Compact outdoor waterpark offering tube & mat slides, a children's area & deck area.
Parks & Recreation Areas			
Fort Macon State Park	1.3 million annually (Wikipedia) 1.25 million (OMD)	No charge – except for bathhouse.	In addition to the fully restored fort, the park offers visitors both sound side and surf fishing, nature trails, ranger guided tours, a protected swim area, a refreshment stand, and a bathhouse.
Cape Lookout/ Harkers Island	400,000 (approx. NPS) 150,000 (Ferries)	No charge for Park – there is a fee to use Ferry, but the Park is also reachable by car	Cape Lookout National Seashore preserves a 56-mile long section of the Southern Outer Banks, or Crystal Coast, of North Carolina, USA, running from Ocracoke Inlet on the northeast to Beaufort Inlet on the southeast.
Rachel Carson Reserve, Beaufort	NA	Public programs and visitation are free; reservations required for boat travel.	Coastal nature reserve featuring several islands, salt marshes, wild horses & other wildlife. Accessible by private watercraft or ferry service.
Theodore Roosevelt Natural Area	NA	(252) 726-3775	A 265-acre nature preserve adjacent to the NC Aquarium, showcasing the Barrier Island ecosystem, including maritime forest and marsh habitats. The marine habitat is a rich area for shellfish and abundant birdlife. Self-guiding nature trail.
AB Town Park, Atlantic Beach, NC	NA	No charge except for Mini-golf	Park with a seasonal 18-hole mini-golf course (fee) & splash pad, plus skateboarding & picnic areas.

Table IV-7 (continued)
Carteret County, NC Attractions

Historic/Heritage Sites and Tours			
Old Burying Ground, Beaufort	NA	Charge for Tour: \$10.00 adult \$5.00 child (6-12)	Old Burying Ground is a historic cemetery located at Beaufort, Carteret County, North Carolina. It was established in 1724. There are approximately 200 stones from the pre-American Civil War era, approximately 45 from the war period, about 150 from 1865 to 1900, and a few 20th-century markers.
Historic District Double-Decker Bus Tour, Beaufort	NA	\$12.00 adult \$6.00 child 6-12	1967 English double-decker bus tour of Beaufort, featuring local narrators telling tales of Beaufort's rich past of pirates, star-crossed lovers, and Confederate spies.
Historic Buildings Tour, Beaufort	NA	\$12.00 adult \$6.00 child 6-12	Historic Buildings Tour includes three building tours (which might include Carteret County Jail c.1829, the Apothecary Shop and Doctor's Office c.1857. among others) given by experienced docents in period dress.

Source: Carteret County Tourism Dev. Authority/crystalcoastnc.org, individual attraction websites, official museum directory online (Oct. 2018), Wikipedia, and ConsultEcon, Inc.

The local attractions in Carteret County are reasonably priced, ranging from free to \$20 for adult admission, and the priciest attraction is the Salty Pirate Waterpark. The average price of adult tickets to attractions is \$5.50, and this is largely because the majority of attractions in Carteret County are free or by donation. Of the paid attractions, the average adult ticket price is \$10.40.

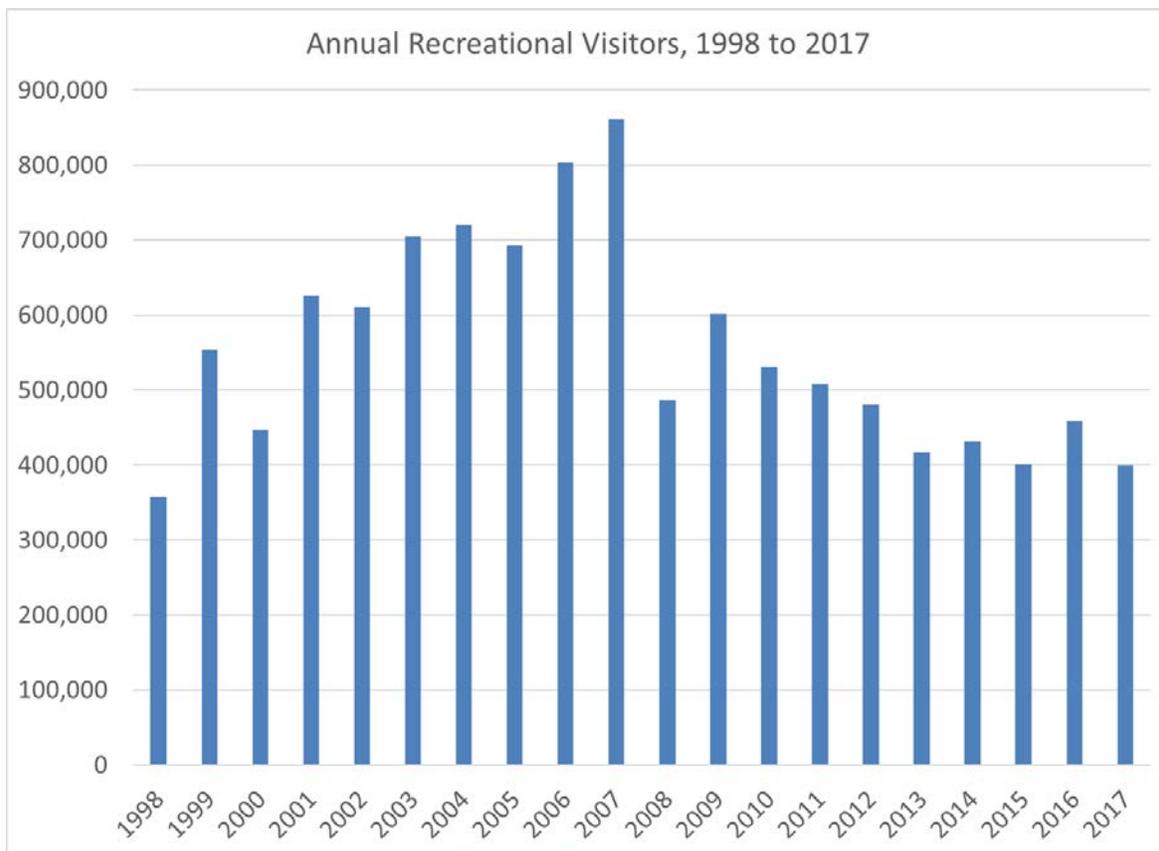
Cape Lookout National Seashore

Cape Lookout National Seashore consists of 56 miles of undeveloped beach stretched over 3 to 4 barrier islands from Ocracoke Inlet on the northeast to Beaufort Inlet on the southeast. A visit to the islands can be very enjoyable and requires the better part of a day trip. There are four ways to access the park. One, ride a ferry and explore on foot. Two, ride a ferry with a four-wheel drive vehicle or all-terrain vehicle to explore. Three, canoe or kayak from the mainland. Four, take a tour with a privately-operated tour service.

Annual Recreational Visitors

Data in **Figure IV-3** show the annual trend to Cape Lookout National Seashore. The number of recreational visitors peaked in 2007 at approximately 850,000. Since 2007, recreational visitation has declined more than 50 percent and stood at 400,000 in 2017. The ferry service in Beaufort reportedly transports 60,000 visitors to the islands.

Figure IV-3
Annual Recreational Visitors, 1998 to 2017



Source: National Park Service Visitor Use Statistics and ConsultEcon, Inc.

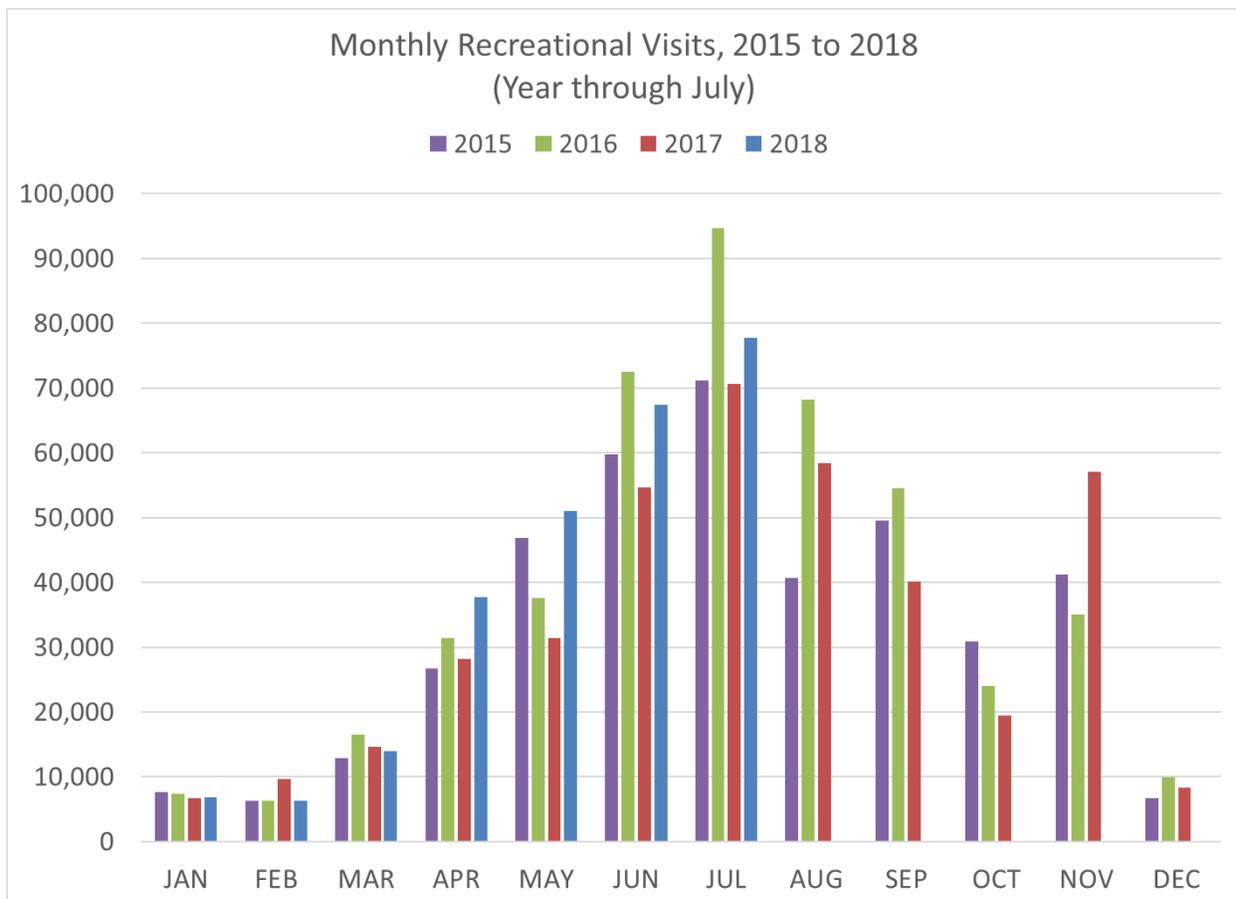
Monthly Recreational Visitors

As shown data in **Figure IV-4**, which shows the monthly trend in visitation since 2015.

Cape Lookout NS is a seasonal destination.

- ◆ **Peak Months** – Five months—June through September and November—are peak months of the year with 69 percent of annual visitation on average between 2015 and 2017.
- ◆ **Shoulder Months** – Three months—April, May and October—are “shoulder” months between peak and low months with 22 percent of annual visitation on average between 2015 and 2017.
- ◆ **Low Months** – Four months—December through March—with 9 percent of annual visitation are low months on average between 2015 and 2017.

Figure IV-4
Monthly Recreational Visitors, 2015 to 2018 (Year through July)



Source: National Park Service Visitor Use Statistics and ConsultEcon, Inc.

EVENT VENUES

Because of the focus of preliminary plans for Gallants Channel site on generating event rental revenue, additional research into event venues that accommodate private event rentals by large groups was included. There are a large number and diverse variety of event venues that are available for rent in Carteret County. These event venues accommodate private rentals such as wedding parties and meetings most frequently and a few also accommodate conferences, retreats, children's parties. The following categorizes Carteret County event venues by their type, as defined by the Carteret County Tourism Development Authority, which was the primary source of information in this section.

Boats

There is one boat rental service cited by the Tourism Development Authority—the Crystal Coast Lady Cruises. The fleet runs traditional boat tours in addition to being available for private function rentals. The ship can carry up to 265 seated passengers which allows for larger functions like weddings and parties. This is an example of a large cruise boat that serves the local area. There are of course many other boats for hire for different purposes and targeted to different markets.

Camps

There are two camps cited by the Tourism Development Authority, and another camp in the area that has facilities for rental events. These are examples of the many camps that operate in the area. The profiled camps are:

- ◆ Camp Albemarle
- ◆ Trinity Center
- ◆ Camp Caroline

Camp Albemarle, Camp Caroline and the Trinity Center are religiously affiliated camps, with large, secluded campuses that can host many visitors. Venues are useful for meetings, retreats, and conferences. Camp Albemarle has six cabins and a seven-bedroom lodge, and the base rental price for the camp from Friday to Sunday is \$3,100. The Trinity Center is

similar, this service can accommodate up to 225 guests on the grounds in dormitory style cabins, private rooms and a retreat house. Camp Caroline has cabins and other accommodations for approximately 150 people, as well as picnic areas, meeting rooms, kitchens, dining rooms and a 260-person waterfront chapel.

Civic Sites

Civic sites were categorized by meeting and event spaces that are held in community buildings like civic centers, senior centers, club halls and town halls. Below are the seven civic centers that accommodate private rentals as cited by the Tourism Development Authority:

- ◆ Beaufort Depot at Town Hall
- ◆ Beaufort Elks Lodge #1710
- ◆ Crystal Coast Civic Center
- ◆ Fort Benjamin Recreation Center
- ◆ Leon Mann Senior Enrichment Center
- ◆ VFW Post #8986
- ◆ Western Park Community Center

The median capacity for the seven sites is 132 people, with a range of 70 people to 500+ people. The Crystal Coast Civic Center has the largest capacity size of the surveyed sites, with capacity of up to 1,000 people standing, 850 people banquet-style, or 500 people reception. Civic centers can host a variety of events rentals—all on the list can do weddings and most will rent for meetings. The Crystal Coast Civic Center is the only center capable of renting out for tradeshow and conferences.

Country Clubs/ Misc. Businesses

There are two country clubs, two beach Clubs and two businesses that rent out their facilities for private rentals, as cited by the Tourism Development Authority. They are listed below:

- ◆ Carolina Home and Garden
- ◆ Star Hill Golf Club
- ◆ Dunes Club
- ◆ Coral Bay Club
- ◆ The Boathouse at Front Street Village
- ◆ Country Club of Crystal Coast

These venues have capacities of 150-250 guests, and the pricing varies but is usually quoted per each individual event. None have lodging except for the County Club of Crystal Coast which has condos available for rental.

Event Venues Sites

There are six event rental sites that are solely for the event rental industry, as defined by the Tourism Development Authority. These event venues cater to the party planning industry and are capable of accommodating a variety of parties like weddings, reunions, birthday parties, and some meetings. The event venues have capacities varying from 100 guests to 500 guests at large facilities, and these are estimates based on seated parties. Pricing varies by venue and type of party. Butterfly Kisses Pavilion reported their base pricing structure, which starts at \$2,926 for up to 114 guests, and goes up to \$5,119 for up to 240 guests.

- ◆ Bluewater Weddings and Events
- ◆ Butterfly Kisses Pavilion
- ◆ Celebration Cottage
- ◆ Emerald Isle Realty
- ◆ The Octagon House
- ◆ The Watson House and Gardens
- ◆ The Boathouse at Front Street <https://frontstreetvillage.com/>

Historic Sites

There are three historic sites that are available for rental as defined by the Tourism Development Authority. These three sites can be rented out for private parties, meetings

and weddings. The sites do not provide any on-site accommodations. The 1905 Train Depot has a capacity of 75 seated guests, and the Beaufort Historic Site up to 400 guests. The Beaufort Historic Sites costs \$1,500 to rent the grounds but rentals are only available to Beaufort Historical Society members.

- ◆ 1905 Train Depot
- ◆ Beaufort Historic Sites
- ◆ Boathouse at Fort Macon State Park

Hotels/Motels/Inns

Hotels, Motels and Inns are common venues to hold weddings, meetings and other private events. The Tourism Development Authority identified six hotels/inns and motels in the county that provide private rental services. The following are listed below:

- ◆ Beaufort Inn
- ◆ Double Tree by Hilton Atlantic Beach Oceanfront
- ◆ Hampton Inn Morehead City
- ◆ Islander Hotel and Resort
- ◆ Oceana Family Resort, Motel and Fishing Pier
- ◆ The Inn at Pine Knoll Shores

A new facility, the 133 room Beaufort Hotel will be completed this spring with large indoor and outdoor event facilities.⁸ The Beaufort Inn does not hold large events, but it does have the capacity to accommodate meetings of up to 15 people in the boardroom and has 44 rooms on site. The Double Tree at Atlantic Beach Oceanfront can host up to 800 guests for weddings or meetings in 10,000 square foot ballroom and has 200 rooms on-site. The Hampton Inn at Morehead City has 756 square feet of event space and has 118 rooms on-site. The Islander Hotel has a 3,000 square feet ballroom that can host 200 guests, and it has 1,000 square foot conference center that can host 50 guests. The Islander Hotel has a total of 100 guest rooms on-site. The Oceana Family Resort and Motel has the capacity to

⁸ <https://www.bizjournals.com/triangle/news/2017/07/21/raleighs-concord-hospitality-starts-work-on-133.html>.

host up to 100 guests either on the beach, lawn or pier. The Inn at Pine Knoll Shores can accommodate 125 guests for a ceremony or reception, and 120 guests in a classroom style meeting, or 15 guests in a boardroom style meeting, and the inn has 102 rooms available on-site.

Museums/ Public Attractions

There are four museums and public attractions that were identified by the Tourism Development Authority that provide rentals for private events. The following are listed below.

- ◆ Core Sound Waterfowl Museum
- ◆ North Carolina Aquarium at Pine Knoll Shores
- ◆ North Carolina Maritime Museum
- ◆ The History Museum of Carteret County

The four attractions have a capacity range of 140 to 400 for a reception; 115 to 200 for seated dinners, and 100 to 170 for meetings in auditoriums/theaters and meeting rooms. The North Carolina Aquarium at Pine Knoll Shores has 68,000 total square feet, and an 1,850 square foot hall for party receptions. The Aquarium can accommodate 130 guests for meetings and up to 300 for evening functions.

The county has a wide variety of places to hold events that can accommodate varying sizes and styles of parties. The competitive context for a Maritime Heritage Center operations as a rental facility indicates a large number of competitors, many that are co-located with accommodations. **The economic potential for a self-supporting indoor events center without accommodations is low and so the business model for the new Maritime Heritage Center that relies on event rental income is risky.** The current county civic center operates at a loss annually and is at a competitive disadvantage because it does not have overnight accommodations attached or within walking distance of the facility. Lodging facilities are a prerequisite for sustainable event rental operations that support selling rooms overnight. The current Gallants Channel site is somewhat isolated because of its location in

Beaufort by the airport and is not currently in a traditional commercial area, although there is potential for long term growth and development nearby.

In **Appendix C** there are floor plans of facilities profiled and tables which show the metrics for the venues. Overall, many of the museums and the similar attractions provide rental space for events. Since there is an existing market the new North Carolina Maritime Museum and Maritime Campus proposed rental space should be competitive with similar venues in the area, whether it is the value of the rental services provided, space or another factor that affects consumers' decisions in selecting a facility for their event. The aquarium and historic society have robust rental service programs and could serve as a comparison site for the center.

Summary

There are currently 371,000 people residing within these five counties near to the site. Carteret County is the Primary Market Area. Its population is projected to increase from 71,000 to 73,000 between 2018 and 2023, approximately 3 percent growth rate. The Secondary Market Area—consisting of Craven, Jones, Onslow, and Pamlico Counties – had a population of 401,000 in 2018, projected to grow 4 percent to 415,000 in 2023. In addition, there are an estimated 25,000 seasonal residents, people for which Carteret County is not their usual place of residence but they own a home in the county. Seasonal residents are often retirees that can support the maritime museum with visitation, volunteerism and philanthropy.

Carteret County's beaches and vacation homes are tourism drivers in Carteret County. There are an estimated 2.25 million visitors to Carteret County annually. There are 5,000 vacation rental units, that support weeklong family summer time (mostly) stays, and over 1,600 hotel rooms. Under construction in Beaufort, the Front Street Village will add 133 rooms and over 30,000 square feet of restaurant and meeting space. Next to the beaches, the most popular destinations include the North Carolina Aquarium at Pine Knoll Shores which attracts over

400,000 visitors annually, with over 50 percent from outside of the county, and the Cape Lookout National Seashore, which also has a reported 400,000+ visitors.

The market analysis indicates that the North Carolina Maritime Museum has potential to increase attendance across both resident and tourist market segments, with more educational programming, community events, festivals and recreational opportunities for residents and seasonal residents and can induce additional person days of tourist visitation to Carteret County and the state as a whole.

Section V

INDUSTRY TRENDS / CASE STUDIES

This section provides an overview of the museum industry with a focus on maritime heritage and marine sciences museums and attractions in order to inform the analysis of the market, operations, and economic impacts of the proposed New North Carolina Maritime Museum and Maritime Campus.

Maritime Museum Industry Review

Maritime museums as a segment of the museum industry have traditionally been focused on maritime heritage and historical preservation. Increasingly, to appeal to new audiences and diversify their exhibitions and programming, they also incorporate interpretive themes and topics in marine sciences and environmental issues. Maritime heritage topics encompass regional and local maritime history, underwater archeology, marine sciences, weather and lake and ocean ecology, contemporary coastal issues, and the impact of new technologies.

An inventory of 73 maritime museums was prepared based on searches of the Official Museum Directory and the Council of American Maritime Museums for museums with over 25,000 visitors. The inventory also includes attendance, metropolitan area or county population, and ticket price in order to identify the market characteristics of museums with comparability to the proposed new NC Maritime Museum.

Following are findings relevant to the market and economic potential analysis of the new NC Maritime Museum.

- ◆ Attendance – There are relatively few maritime museums with over 100,000 in annual visitation. 14 museums, including the NC Maritime Museum at Beaufort, had between 100,000 and 200,000 visitors and 12 had over 200,000 visitors. Some of the most visited maritime museums are historic naval ships, which have proven to be popular attractions in many locations.
- ◆ Metropolitan Area Population – Maritime museums are found in metropolitan areas with both large and small populations.

- ◆ Ratio of Attendance to Market Area Population – Maritime museums in metropolitan areas with small market populations tend to have a higher ratio of attendance to market area population than those located in large markets. Often these are locations with substantial tourism activity.
- ◆ Admission Fees – Most maritime museums have an admission charge. Besides the NC Maritime Museum, all of the other maritime museums with free admission are part of the U.S. Navy’s system of nine museums.

Survey of Maritime Museum Industry

Data in **Table V-1** summarize the ranges of attendance for 73 maritime museums reviewed, as well as the median and average attendance among the maritime museums.

Table V-1
Maritime Museums by Attendance Range

Attendance Range	Number of Organizations
25,000 - 49,999	22
50,000 - 99,999	28
100,000 - 199,999	17
200,000 - 499,999	14
500,000 or more	3
Unknown	3
Total	87
<i>Average Attendance</i>	<i>181,432</i>
<i>Median Attendance</i>	<i>80,000</i>

Note: Data were only collected for organizations with annual attendance greater than 25,000.

Source: ConsultEcon, Inc.

Data in **Table V-2** summarize the distribution of the maritime museums across metro area population ranges.

Table V-2
Maritime Museums by Metro Area Population Range

Metro Area Population Range	Number of Organizations
Less than 99,999	18
50,000 - 99,999	22
100,000 - 199,999	8
200,000 - 499,999	9
500,000 or more	16
Total	73
<i>Average Metro Pop</i>	<i>1,700,193</i>
<i>Median Metro Pop</i>	<i>446,170</i>

Source: Esri and ConsultEcon, Inc.

Data in **Table V-3** summarize the distribution of maritime museums by the ratio of attendance to metropolitan area population across percentage ranges.

Table V-3
Maritime Museums by Attendance to Metro Area Population Ratio Range

Ratio of Attendance to Metropolitan Area Population Range	Number of Organizations
Less than 5.0%	18
5.0% to 9.9%	13
10.0% to 19.9%	8
20.0% to 49.9%	13
50.0% to 99.9%	7
100.0% or More	14
Total	73
<i>Average Attendance to Metropolitan Area Population</i>	<i>76.5%</i>
<i>Median Attendance to Metropolitan Area Population</i>	<i>15.7%</i>
<i>Weighted Average Attendance to Metropolitan Area Population</i>	<i>9.6%</i>

Source: ConsultEcon, Inc.

Data in **Table V-4** summarize the distribution of comparable organizations across ticket price ranges.

**Table V-4
 Comparable Organizations by Ticket Price Range**

Adult Ticket Price Range	Number of Organizations
Free	10
Less than \$5.00	1
\$5.00 to \$9.99	22
\$10.00 to \$14.99	21
\$15.00 to \$19.99	14
\$20.00 to \$24.99	4
\$25.00 to \$30.00	2
\$30.00 or more	2
Not Available or Applicable	11
Total	87
<i>Average Ticket Price</i>	<i>\$12.44</i>
<i>Median Ticket Price</i>	<i>\$12.00</i>

Source: ConsultEcon, Inc.

Maritime Museum Case Studies

The experience of existing museums informs the market potential for the proposed new NC Maritime Museum at Beaufort. Existing museums are located in a wide variety of situations and in different market contexts. The museums themselves vary widely in terms of exhibits and programs, visitation, operating budgets and overall organizational scale. Nonetheless, important insights and lessons can be gained from reviewing the development and operations of existing museums.

Based on this maritime museum industry review, several museums were selected for further investigation. There are a number of types of museums and attractions that that have elements of comparability to the proposed new NC Maritime Museum at the Gallants Channel site for one or more of the following reasons:

- ◆ Market Context, such as within 2 hours of a large metropolitan area, and/or in a seasonal destination with a lot of second home owners; the museum is a “rainy day” destination.
- ◆ Interpretive Context, such as maritime heritage, archeology and marine sciences, hands-on experiential learning in indoor and outdoor environments.
- ◆ Location Context, such as in a park like setting, water adjacency and use, and trail network integration, parking.
- ◆ Development and Operating Context, such as a new museum at an existing institution; a focus on community events and private rentals; public-private partnership context.

Profiles of selected characteristics and images of three maritime museums selected as case studies follow:

- ◆ St. Augustine, FL Lighthouse and Maritime Museum
- ◆ Columbia River Maritime Museum, Astoria, Oregon
- ◆ Mel Fisher Maritime Museum, Key West, Florida

St. Augustine, FL Lighthouse and Maritime Museum

Following are key characteristics of the museum.

- ◆ 6.5-acre site, adaptive reuse of historic structures.
- ◆ Focus on hand on maritime history and marine sciences.
- ◆ Preservation of historic lighthouse, resources of more museum educators, added visitor center in 2000 and in 2016 a maritime archaeology and education center (2,500 square feet of building space).
- ◆ 225,000 total attendance, with 53,000 school kids
- ◆ Free docent led tours on the hour and climb up historic lighthouse.
- ◆ Partnerships with schools, summer camps and donor support for needy families to participate.
- ◆ Nations only museum organized underwater archaeology field schools.
- ◆ \$12.95 adult ticket price
- ◆ 66 employed and 246 volunteers in 2016

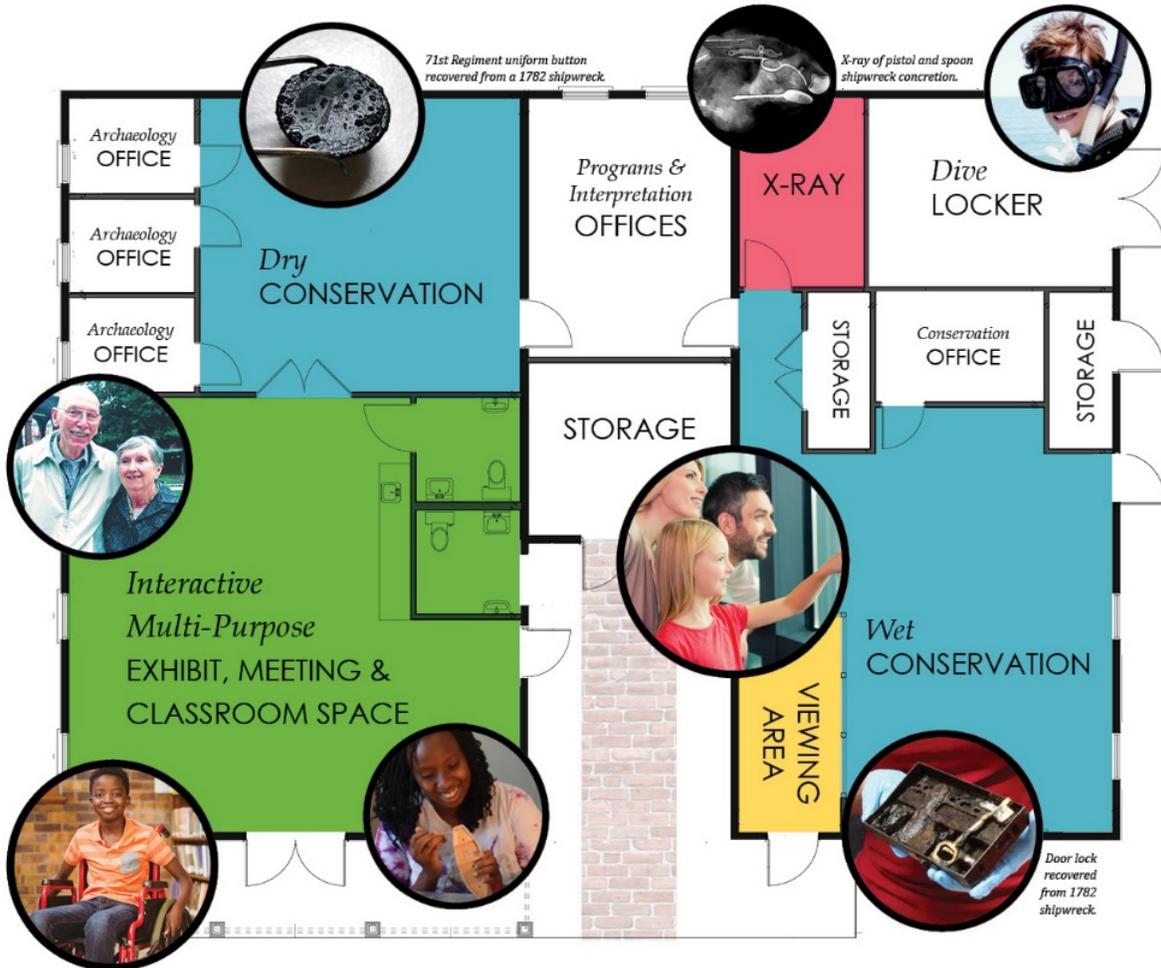
- ◆ \$3.2 million revenue in 2016
 - \$1.8 million in program services
 - \$543,000 in sales
- ◆ \$2.7 million expenses in 2016

Figure V-1
Photographs of the St. Augustine Lighthouse and Maritime Museum



Source: St. Augustine, FL Lighthouse and Maritime Museum.

Figure V-2
Plan for New 2,500 Square Foot Archeology and Education Center
St. Augustine, FL Lighthouse and Maritime Museum



Source: St. Augustine, FL Lighthouse and Maritime Museum.

Columbia River Maritime Museum, Astoria, OR

Following are key characteristics of the museum.

- ◆ Most recent remodel and expansion in 2002.
- ◆ Interactive exhibits combine history and technology and numerous Museum artifacts.
- ◆ 16-acre campus with 1,820 feet of waterfront and five buildings.
 - Main Building - 44,200 SF – exhibits, library store, collections, offices
 - Workshop – 1,800 SF
 - Maritime Center – 6,500 SF for events, boat building and programs
 - Collections storage – 2 buildings with 30,000 SF
 - Parking – 200 cars and 10 RVs/buses
- ◆ 110,000 visitors
- ◆ \$14.00 adult ticket price
- ◆ 29 employed and 60 volunteers in 2016
- ◆ \$3.2 million revenue in 2016
 - \$1.1 million in program services
 - \$506,000 in gross retail sales, \$273,000 in net retail sales
- ◆ \$2.4 million expenses in 2016

Figure V-3
Photograph of Columbia River Maritime Museum



Source: Columbia River Maritime Museum.

Figure V-4
Photograph of Columbia River Maritime Museum



Source: Columbia River Maritime Museum.

Mel Fisher Maritime Museum, Key West, Florida

Following are key characteristics of the museum.

- ◆ Focus on underwater archeology and artifacts in exhibits
- ◆ Located in historic building, includes tours of its archeological conservation lab
- ◆ Programming for adults and summer camp sessions for children
- ◆ Over 200,000 annual visitors
- ◆ 28 employed in 2016
- ◆ \$1.5 million revenue in 2016
 - \$1.1 million in program services
 - \$223,000 in gross retail sales, \$123,000 in net retail sales
- ◆ \$1.4 million expenses in 2016

Figure V-5
Photograph of the Mel Fisher Maritime Museum



Source: Mel Fisher Maritime Museum.

Figure V-6
Photograph of the Conservation Lab at the Mel Fisher Maritime Museum



Source: Mel Fisher Maritime Museum.

Summary of Industry Review and Case Studies

The North Carolina Maritime Museum is uniquely positioned among maritime museums nationally due to its offer of free admissions its state-run operations and substantial collections and offerings. Most maritime museums are operated by non-profit organizations and charge for admission. The industry and case study experience indicate that maritime museums are popular attractions in tourist communities, which is an important market segment, especially for museums in small resident market areas. While tourists comprise a large majority of attendance, resident markets support programming and visitation in non-peak seasons. The case studies indicate a higher level of operations is achievable for the North Carolina Maritime Museum but would be dependent on increased state and private partner financial resources for ongoing operations.

Section VI

MARINE SCIENCES, EDUCATION AND OTHER AND PARTNERSHIP OPPORTUNITIES

This section reviews potential partnership opportunities for programming and activity on the Gallants Site. It is based on review of economic impact assessment of the Carteret County's marine sciences cluster, as well as interviews with marine sciences agencies, economic development representatives, and educational institutions. The vision for the development of the Gallants site explicitly incorporates marine sciences and education and community engagement that can be broadly interpreted with multiple programming and partnership opportunities.

The inclusion of marine sciences in the programming of the Gallants Campus site expands the audiences for activities and programming onsite beyond the traditional approach to maritime heritage that the NC Maritime Museum has taken. Because of the wide array of marine sciences research, education and public outreach in Carteret County, there is a wide variety of future partnership opportunities.

The programming and partnership opportunities identified herein are intended to illustrate the potential for related development on the site that expands the traditional interpretive and programmatic focus of the NC Maritime Museum. Future programming and partnerships are contingent upon developing agreements between the potential partners as to roles and responsibilities, and successfully implementing the activities, programs, events and classes.

In order to inform this analysis, interviews were conducted with the following organizations, including tourism and marine sciences organizations:

- ◆ Carteret Community College
- ◆ Carteret County School District
- ◆ Carteret County Tourism Development Authority
- ◆ NCSU Center for Marine Sciences and Technology (CMAST)

- ◆ UNC Institute of Marine Sciences (IMS)
- ◆ NC Aquarium at Pine Knoll Shores (APKS)
- ◆ Big Rock Foundation
- ◆ National Park Service (NPS)

A complete list of interviewees appears in Appendix A.

Marine Sciences Economic Impacts

The marine sciences industry is an important part of Carteret County's economy. Carteret's eight major marine science agencies constitute one of the county's largest sources of jobs, income and revenues. According to an economic impact assessment report published in May 2018 and commissioned by the Carteret County Economic Development Department, eight marine science research and education agencies (MARSCI) located in the county have direct impacts from a collective annual budget of \$54 million and 542 employees.

Collectively, including direct and leveraged economic impacts, the MARSCI agencies generated total economic impacts of \$83 million in economic activity, \$64 million in salary and investment income, and the employment of 1,063 Carteret residents. (Because it limited its review to marine science-related activities, the study did not include the tourism effect of spending by visitors to the NC Aquarium at Pine Knoll Shores.)

MARSCI agencies profiled in the economic impact analysis include:

- ◆ Carteret Community College Aquaculture & Marine Trades (CCC A&MT)
- ◆ Duke University Marine Lab (DUML)
- ◆ National Oceanic and Atmospheric Administration (NOAA)
- ◆ NC Aquarium at Pine Knoll Shores (APKS)
- ◆ NC Division of Coastal Management (DCM)
- ◆ NC Division of Marine Fisheries (DMF)
- ◆ NCSU Center for Marine Sciences and Technology (CMAST)
- ◆ UNC, Institute of Marine Sciences

Marine Sciences Environmental and Educational Benefits

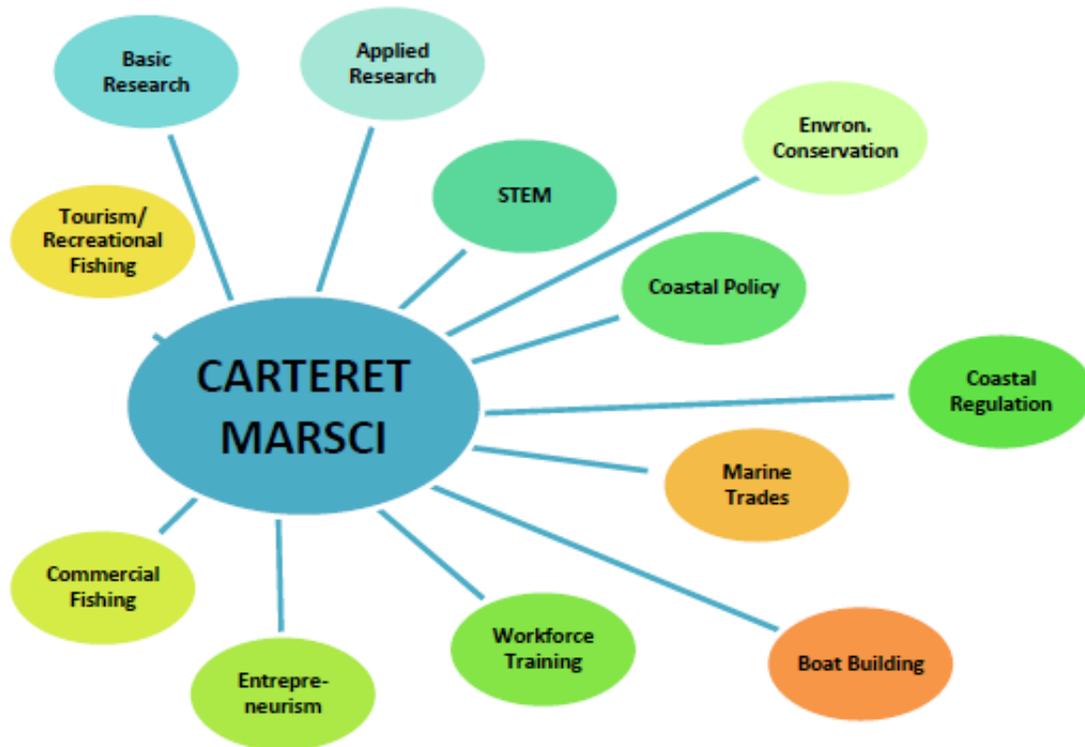
Beyond the economic significance of its spending, jobs and tax revenues, the economic impact assessment identifies other aspects of the industries significance including its environmental benefits and its educational, workforce, and human capital development benefits. According to the study, “the nature of MARSCI research and education activities provides for both high-value and sustainable use of Carteret’s natural resources, thus creating economic benefits while simultaneously preserving assets essential to other economic drivers, such as tourism. In addition to their quantifiable economic impacts, the MARSCI agencies make long-term and transformative contributions to Carteret County’s future through a variety of activities – from K-12 STEM education to workforce development to knowledge worker retention and attraction – that enhance the county’s human capital resources and enliven community vitality.”

Perspectives on the Marine Sciences Cluster

The findings of interviews with marine sciences leaders indicate programming and partnerships that might be developed to support the development of the Gallants site. Overall, the economic impact assessment indicated that Carteret County is an important location with unique natural resources that are a competitive advantage and support the development of the marine sciences industry. The Gallants site has deep water access, sufficient land area, proximity to natural resources, excellent highway accessibility, and proximity to the airport that could support the development of marine science activities onsite. The airport to port access afforded by the Gallants channel site promotes direct airport, land and water access, lying at a nexus of transportation modes that may develop more direct connections between Carteret County’s marine sciences cluster and other marine sciences and maritime suppliers that may be advantageous to research and/or commercialization.

The marine sciences industry has a broad scope of activities, as shown by the vectors of impact schematic in **Figure VI-1**.

Figure VI-1
Carteret Marine Science Cluster: Vectors of Impact



Source: Carteret County Marine Sciences Economic Impact Assessment, 2018, Carteret County, NC.

It was noted that marine sciences activities while broad-based are of limited scale and so leveraged collaboration would have commensurately small impact in nature. Further, “examples of research collaboration were identified but as described are opportunistic rather than strategic and are as likely to involve collaboration with their home institutions as with other local entities in the Carteret marine science cluster. Barriers resulting from local facilities being branches of remote administrative headquarters were cited as one impediment to collaboration. A *Center of Excellence* model was suggested as a potential vehicle to promote collaboration across disciplines and institutions. Such a center could incentivize collaboration by providing resources (monetary and physical) needed to change the prevailing model of stand-alone efforts.”

Another objective identified in the impact study was to “broaden the economic and educational benefits of marine science in Carteret County by developing and expanding experiential opportunities that more closely link the tourism and heritage sectors to the basic and applied research elements of the cluster. Suggestions included creating citizen science and ecotourism offerings that embed visitors into field and ocean research events, boat building, etc.” Many of these types of activities may be opportunities for programming of the Gallants Channel site. The local presence of the Marine Science community creates a major opportunity for the New North Carolina Maritime Museum and Maritime Campus.

Linking Marine Sciences to Maritime Activities

Maritime activities are a natural extension of the marine sciences cluster and vice versa. The North Carolina Maritime Museum programs and activities can be included in the vectors of impact identified in Figure VI-1, such as Tourism/Recreational Fishing, Marine Trades, and Boatbuilding. Moreover, many of the research, education and conservation vectors of impact in marine sciences, such as marine archaeology and coastal conservation, among others, are appeal to both marine sciences and maritime heritage audiences and are the basis for interpretive exhibits and public programming at the NC Maritime Museum.

Colleges and Universities

There are many opportunities to engage with Colleges and Universities with facilities in Carteret County. Examples include:

- ◆ The university marine science laboratories in Carteret County have a constant influx of graduate and undergraduate students. These students may be able to demonstrate and present their respective laboratory’s research at the North Carolina Maritime Museum and Maritime Campus and through offsite experiences.
- ◆ For instance, CMAST may be able to use the site as a staging area for a marine mammal stranding program. The community college and CMAST are discussing the creation of an educational track in which students begin with a two-year educational program at Carteret Community College.

- ◆ The SciREN⁹ program developed by graduate students at UNC has potential applicability to new marine science programs at the Gallants site.

To fully engage the marine science laboratories in identifying needs and opportunities for potential marine sciences programming at the Gallants site, outreach to the marine sciences institutions beyond lab directors is required. Engagement with other faculty, staff, and undergraduate and graduate students is needed. Such outreach and engagement can be a part of future master planning for the Gallants Campus site.

Bonehenge Whale Center

One specific example of a cross cutting program is the development of the Bonehenge Whale Center currently under construction adjacent to the Gallants site proper. Bonehenge is a facility from which to base research, exhibit preparation and display, marine conservation, educational programming, outreach, publications, and stranded specimen collection/maintenance that focus on NC cetaceans (whales, dolphins, and porpoises), past and present. Bonehenge is working to represent the impressive cetacean diversity of North Carolina – 34 cetacean species have been documented in the waters off NC as of 2016.

North Carolina Aquarium at Pine Knoll Shores

Of the existing marine science organizations in Carteret County -- the North Carolina Aquarium at Pine Knoll Shores -- is most directly involved in presentation of marine sciences to the general public through its onsite and offsite programs. Any marine science programs developed at the new North Carolina Maritime Museum and Maritime Campus would need to be differentiated from the aquarium's programming to avoid repetition and a competitive situation, as well as to increase the overall educational and community benefits. Marine science programming by the aquarium at the Gallants Channel site has the potential to cross promote with the aquarium visit. The North Carolina Aquarium does not

⁹ "SciREN is a graduate student-led network that connects educators and researchers. The strength of the network builds on the passion of educators and researchers, the generosity of sponsors, and the commitment of the SciREN leadership team." From <https://sciren.org/about-sciren/>

have any space for building expansion at its existing site. Moreover, it cannot expend state funds for expansion on private property. Because it is publicly owned, the state property at Gallants site could well be an opportunity as an expansion site for the North Carolina Aquarium at Pine Knoll Shores. The North Carolina Aquarium has a need for rehabilitation facilities that are both closed from view and open to the public. While financial support for such a project has not been a focus of the aquarium, it may be an opportunity for inter-department collaboration with the North Carolina Department of Natural and Cultural Resources, which governs both the state's maritime museums and aquariums.

MaST Early College High School

According to MARSCI, their experience with youth engagement is noteworthy. A recent example of the expansion of youth engagement is the community collage collaboration with the school district creating the MaST Early College High School, a cooperative innovative high school on the community college's campus with a curriculum focus on marine science and technology. This recent school district collaboration has begun with a first cohort of 50 9th grade students. The school's programs reflect the offerings at the community college with courses of study in marine propulsion and aquaculture. The Gallants site might be used as a demonstration area for high school and community college programs in partnership with the maritime museum's programming.

School District School Trips

The school district uses both the aquarium and the maritime museum for school field trips because of the proximity to schools in the county. Due to transportation costs, the school district would rather students stay in county rather than travel out of it. At the Gallants site, a newer facility that offers interdisciplinary educational components will be attractive to the school district. The North Carolina Maritime Museum will need to introduce rotational learning opportunities in order to generate more school group trips and hands on activities focused on career exploration to draw middle school trips. Conversely, offering only the current learning opportunities would not attract additional school trips.

An example of proactive successful educational programs is at the North Carolina Aquarium which has developed rotational learning opportunities. While the aquarium itself does not change, the aquarium education programs include new and different lessons, such as a program focused on dinosaurs.

With a focus on historical exhibits, the existing maritime museum provides educational opportunities in North Carolina history, which is taught in 4th grade. For students in middle school and high school the museum should implement more hand on, science-based activities that focus on skills development, applied learning and exposure to different types of jobs. These types of activities can then be feeders for students to the new MaST Early College High School.

Science Camp/Youth Programs

The North Carolina Maritime Museum's existing science camp and other educational programs can be broadened and expanded in order to offer a diverse array of programmatic activities that take advantage of the outdoor environment. Because the current NC Maritime Museum's exhibits and public programming are largely indoors, the Gallants Channel site offers new opportunities for outdoor and fair-weather programming. The popularity of the Harborside Park since opening may be indicative of the potential for new outdoor programming and events. While the Gallants Channel site offers larger open spaces than Harborside Park for large events, defined spaces for educational programs are typically in the 30 to 50 participant range. Creating such spaces at Gallants Channel will support growth in science camp/youth programs and educational groups.

Teacher Professional Development

The new North Carolina Maritime Museum and Maritime Campus provides a good opportunity for ongoing teacher professional development. This important opportunity has been reportedly degraded for state level curriculum. Relevant interviewees for this report cited history books and science books as old and outdated; interviewees stated that hands-on learning at the museum offers opportunity for professional development to help address this

situation. If implemented, teacher development initiatives would allow local educators to connect with locally important, world-class, leading edge research in marine sciences and maritime industries.

Carteret Community College Linkages to Gallants Channel

There are partnership opportunities with Carteret Community College, in aquaculture and marine propulsion programs that would also support the previously mentioned MaST Early College High School. Carteret Community College is in the process of becoming designated as a federal Maritime Center of Excellence in the Maritime Industry, which may offer potential linkages to the Gallants Channel site, for instance when visiting training vessels dock at the site. Potential joint programming and partnerships may be achieved including between NC Maritime Museum and Carteret Community College. Examples include:

- ◆ Linkages and collaborations between the Maritime Museum and Carteret Community College boat building programs.
- ◆ Carteret Community College is raising funds for a new hospitality and culinary program. This new program has the potential to provide student training and hands-on experience at the new facilities at the Gallants site in hospitality, food services and events management. For example, staff and students from Carteret Community College could participate in an ocean-to-table event that demonstrates to participants how to harvest oysters and then how to prepare them. Such an event would cross cut aquaculture and hospitality curricula. There are many other such opportunities.
- ◆ Carteret Community College is starting a horticulture technology program that could assist with site landscape planning and programming. Students could be able to use the site as a living laboratory by monitoring the landscape or developing test sites for plant materials. These activities could demonstrate which crops or landscape materials could be raised in this coastal environment.
- ◆ Marsh restoration and living shoreline demonstration projects represent additional opportunities.

Big Rock and Other Events and Festivals

Stakeholder interviews indicate that the Gallants Channel site has good potential for outdoor events, festivals and programming. The Big Rock Tournaments Pig Pull event, which has over 1,000 participants, can be held at the site with temporary equipment brought in. Outdoor event spaces can be created without significant investment in infrastructure and can help draw attention to the site's development. Other events and festivals in Beaufort and Carteret County may be targeted for expansion if held at the Gallants Channel site.

Summary

The North Carolina Maritime Museum and Maritime Campus has the potential to include marine science interpretation and programming in support of Carteret County's marine sciences industry, and well as many opportunities for engaging students, teachers, and members of the broader community. Interviews with marine science, tourism and educational stakeholders indicate positive interest among potential partners to develop programming at the site. In the next phase of project planning, working relationships with all key stakeholders will need to be established in order to develop appropriate on-site programming.

Section VII

VISITATION AND OPERATING POTENTIAL

This section evaluates the visitation potential and operating expenses of the new North Carolina Maritime Museum in Beaufort, North Carolina to as inputs into economic impact analysis.

VISITATION POTENTIAL

The evaluation of visitation potential is based on a number of factors: the size and characteristics of the resident and tourist markets; the Gallants Channel location in Beaufort; the experience of local attractions and similar educational attractions and museums; the competitive context in the region as a whole; the proposed building plan, site and project description in Section III; and, the consultant's industry experience. As project planning and design is advanced, this visitation analysis may warrant adjustment, especially given the preliminary and conceptual nature of planning prior to building, exhibit and interior building design.

Attraction Success Factors

Planning, creating and operating a new educational attraction that offers both on-site and off-site programs and services is a substantial challenge in today's environment; but a challenge that communities achieve throughout the United States on an on-going basis. Audiences today are exposed daily to extremely high-tech, high quality media at work, school and home. Compelling story telling and creation of compelling public spaces occurs in a variety of locations, spaces and media. Due to high audience standards and expectations, those developing new projects that rely on on-site visitors or program attendees have adopted those same high-quality techniques to sustain attendance. As the expectations by audiences of leisure time products are very high, a successful project must meet audience expectations of value provided in terms of both money and time spent. In addition to meeting the high standards of today's visitors is forcing start-up projects to think creatively about long-term

financial sustainability, with an emphasis on earned revenue, and partnerships that reduce operating risk.

To achieve its goals for interpretive and economic success, a project such as the new North Carolina Maritime Museum should fulfill the following criteria:

- ◆ **Strong Mission** – A mission statement needs to be concise and communicative of the essence of the non-profit attraction.
- ◆ **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.
- ◆ **Excellent Site and Location** – The accessibility and visibility of the location is critical to the facility's market success. Facilities in outstanding locations, from an accessibility and visibility perspective, naturally have the greatest market opportunity.
- ◆ **Strong Community Support** – The project must meet the needs of the community broadly defined and have a broad base of support.
- ◆ **Appeals to a Broad Audience Mix** – There must be sufficient attraction content to appeal to a diverse audience with a degree of subject interest, ages and education. There must be a variety and quantity of experiences for the visitor to feel they have visited a special place.
- ◆ **Critical Mass of Attraction Elements/Length of Stay/Attraction Content** – The project must have sufficient quality and quantity of content to warrant a special trip, and to possibly forego alternative/competitive activities.
- ◆ **Repeatability** – For most projects, the resident market is an important part of their total market. In order to bring this audience back repeatedly, the project must have program, service, exhibit and site qualities that justify repeat visits. Dynamic changing and interactive interpretation and exhibits, consistently new and innovative programming and special/annual events are successful ways for projects of this type to encourage repeat visitation.
- ◆ **Serves Resident and Visitor Markets** – Most successful projects serve both resident and visitor markets. Planning for and marketing to both groups ensures both maximum and year-round visitation.
- ◆ **Earned Revenue Opportunities** – Today's economic climate demands that new cultural and educational projects consciously build earned revenue opportunities into their operations. Thinking creatively about earned revenue through collaborations and other non-traditional opportunities will help to ensure long-term financial success.
- ◆ **Sound Financial Basis and Appropriate Scale** – Appropriate project scale for the potential audience is important so that revenues can support both operations and the

physical infrastructure of the facility. Program fees and facility rental charges as applicable, must be set to maximize revenues while maintaining optimum visitation levels. Operations and marketing must sustain the audience size and the physical infrastructure and drive philanthropic giving. Operations must be scaled to the particular attributes of the facility, including staffing, seasonality and other factors.

Preliminary Visitation Potential

Based on the assumptions in this report, a range of visitation potential for the proposed project has been established. Data in **Table VII-1** provide a range of stable year visitation potential for the new North Carolina Maritime Museum. Stabilized visitation levels are assumed to be achieved in the third year after project opening. To achieve and sustain stabilized attendance, it is assumed that the North Carolina Maritime Museum will offer changing exhibits and a robust calendar of regular education and public programs, special events, and community activities.

The annual visitation potential of the new North Carolina Maritime Museum is estimated at 187,000 to 283,000, with a mid-range estimate rounded to 234,000 in a stable year of operation. The evaluation of visitation potential represents a range of market response, but it also reflects the site, building, proposed project concept, and its location; and free admission. The mid-range visitation potential assumes that an estimated 15 percent of its visitors will come from the resident market (including school children) and 85 percent of visitors will come from the tourist market.

As planning and design for the new North Carolina Maritime Museum and Maritime Campus evolve, or changes in plans for programming, partnerships and operations occur, refinement of the visitation potential analyses may be warranted.

**Table VII-1
Preliminary Visitation Potential in a Stable Year of Operations
North Carolina Maritime Museum**

	Estimated 2023 Market Population	Market Penetration Rates		Visitation Range			Percent of Mid Range Visitation
		Low	High	Low Range Visitation	Mid Range Visitation	High Range Visitation	
Resident Market							
Primary Market Area	73,055	15%	22%	10,958	13,515	16,072	6%
Secondary Market Area	342,317	5%	8%	17,116	22,251	27,385	9%
Total Resident Market	415,372	6.8%	10.5%	28,074	35,766	43,457	15%
	Estimated Tourist Population	Tourists as a Percent of Total Visitation		Low Range Visitation	Mid Range Visitation	High Range Visitation	
Carteret County Tourists and Seasonal Residents ^{1/}							
Overnight Leisure Tourists	1,863,000	8%	12%	149,040	186,300	223,560	79%
Day Leisure Tourists	207,000	3%	5%	6,210	8,280	10,350	4%
Seasonal Residents ^{2/}	25,000	15%	22%	3,750	4,625	5,500	2%
Total Tourist Market	2,070,000	7.7%	11.6%	159,000	199,205	239,410	85%
Total Stabilized Visitation Potential Range				187,074	234,971	282,867	100%
Rounded Visitation ^{3/}				187,000	235,000	283,000	

1/ Estimated 2.25 million total tourists from the Crystal Coast Tourism Development Authority. Includes day and overnight leisure tourists which accounts for most tourists. Tourists stay in hotels, vacation rentals, private homes and other accommodations.

2/ According to the U.S. Census Bureau, there were an estimated 15,000 housing units in Carteret County that were vacant for seasonal, recreational or occasional use. According to the Crystal Coast Tourism Development Authority, there are at least 5,000 units available as vacation rentals. Thus, there are approximately 10,000 units that are used as second homes by seasonal residents. Assuming an average of 2.5 persons per unit, there are an estimated 20,000 seasonal residents.

3/ Visitation totals rounded to the nearest 1,000.

Source: Esri, Crystal Coast Tourism Development Authority, U.S. Census Bureau, and ConsultEcon, Inc.

Other Site Visitation

Museum visitation is foundational and requires expanded Museum operations. Other visitation to the site has the potential to add +/-54,000 visitors to the Gallants Channel site. As shown by data in **Table VII-2**, the “Other Site Visitation” estimate is based on partnership activities and operations that include future Friends programs and events; marine science programs; community use of facilities for meetings and events; outdoor events and festivals; and, general site use for recreation.

Table VII-2
Museum and Other Site Visitation by Type in a Stable Year
New North Carolina Maritime Museum and Maritime Campus

Type of Visitation	Percent to Total Visitation	Mid-Range Visitation By Type
Museum Visitation		
Walk In Visitation	88.0%	206,800
School and Other Group Programs	5.0%	11,750
Other Museum Programs ^{1/}	1.0%	2,350
Museum Events ^{2/}	6.0%	14,100
Totals	100.0%	235,000
Other Visitation		
Friends Group Programs and Events		5,000
Marine Science Programs ^{3/}		2,500
Community Use of Museum for Meetings and Events ^{4/}		6,250
Outdoor Events and Festivals Onsite ^{5/}		4,000
General Site Use for Recreation ^{6/}		36,500
Total Other Visitation		54,250
Total Facility Use		289,250
Total Facility Use (rounded to nearest 1,000)		289,000

1/ Includes fee based field programs, lecture and auditorium programs, films and other lecture programs.

2/ Includes regular special events such as the Wooden Boat Show and unique, one time events.

3/ Assumes two programs weekly for 50 weeks with an average of 25 participants.

4/ Assumes 100 small events with an average of 25 people and 25 large events with an average of 150 people.

5/ Assumes 2 outdoor events per year with an average of 1,000 people and 8 smaller events with an average of 250.

6/ Assumes an average of 100 visitors per day for recreation.

Source: ConsultEcon, Inc.

Including NC Maritime Museum attendance and Other Site Visitation, the total estimated mid-range Gallants Channel site visitation is 289,000 in a future stable year of operations.

Visitation Potential Summary

The stabilized annual visitation potential range for the project is estimated at 187,000 to 283,000, with a mid-range estimate rounded to 234,000 in a stable year of operation.

The visitation potential analysis assumes that the new maritime museum will be constructed with building interior and exhibit spaces offering a high quality and repeatable visitor experience. The analysis assumes new museum will be aggressively marketed, competently operated, maintained in such a way to achieve a high level of customer satisfaction, and it will receive full community support in the public and private sectors.

Because of its location at Beaufort, available resident and tourist markets, and the appeal of its pirate subject, the new North Carolina Maritime Museum will rely heavily on the tourist market for visitation. Under a mid-range visitation potential, approximately 15 percent of visitation is estimated to be from the resident market areas and 85 percent due to tourist and seasonal resident visitation.

Other visitation to the site has the potential to add +/-54,000 visitors to the Gallants Channel site. The "Other Site Visitation" estimate is based on partnership activities and operations that include future Friends programs and events; marine science programs; community use of facilities for meetings and events; outdoor events and festivals; and, general site use for recreation. Including NC Maritime Museum attendance and Other Site Visitation, the total estimated mid-range Gallants Channel site visitation is 289,000 in a future stable year of operations.

Visitation patterns at the site will be seasonal with peaked visitation during summer months that follows a pattern of tourist visitation to Beaufort and the school calendar in the shoulder seasons. Residents, school and other tour groups will be important audiences during non-peak periods and during shoulder seasons. Building education and other community-based programming within the local context will appeal to multiple niche resident and seasonal resident audiences and build awareness and local affinity, membership and community support for the project. Attracting new day trip and overnight tourists from outside of the area will mean for the most part being an additional activity for the existing market of

travelers to the area that is more than is offered by the current museum. The new museum and campus experience at the Gallants Channel site are assumed to appeal to existing audiences served by the current museum and to capture new audiences. Thus, the new maritime museum and campus has the potential to extend length of stay of current travelers and draw new visitors to Beaufort that would not otherwise visit the area.

Operating Assumptions

The new North Carolina Maritime Museum and Maritime Campus will operate under the norms of such organizations/facilities nationally, adjusted for local conditions. Operating assumptions used in this analysis are as follows:

- ◆ For analytic purposes, the Maritime Museum and Maritime Campus are assumed to operate as a public-private partnership, with state operations of the museum and site, as well as support from 501(c)(3) not-for-profit corporations (Friends of NC Maritime Museum and NC Museum of History Associates (for retail operations)) and a to be determined private food service operator. As such, this analysis does not include any property or corporate taxes, nor does it include depreciation, bond or mortgage payments, or management fees. It focuses on estimating operating expenses in a future stable year of operations for combined public and private operations. Any other public or private partners that operate onsite may affect future operating results and business plans would need to be adjusted accordingly.
- ◆ The new North Carolina Maritime Museum and Maritime Campus and the facilities it contains will be well-constructed and operated. The Museum and Maritime Campus and its facilities will be of a scale in size and in quality to be recognized as a facility of excellence nationwide. For analytical purposes, this operations analysis assumes that new Museum is completed with an estimated +/- 80,000 square feet of building area. The Maritime Center and the existing downtown Waterfront Center square footage total an additional 10,000 square feet of space. Any design or program changes that occur after this report may affect future visitation and operating results.
- ◆ Visitation potential to the new North Carolina Maritime Museum and Maritime Campus is a function of the available markets and the size and scope of the project, its location, and its marketing profile and free admission. The mid-range visitation potential for a stable year is used as a basis for the mid-range operating scenario in this operating expense analysis.
- ◆ The new North Carolina Maritime Museum and Maritime Campus will be open year-round, seven days per week during peak summer season, and close one or two days per week during non-peak periods, with some closures due to significant holidays. In addition, special events and facility rentals could occur after-hours at the facility when

they do not disrupt regular visitation or programs. The grounds will be open when the museum is closed from dawn to dusk.

- ◆ The new North Carolina Maritime Museum and Maritime Campus will be well managed and will have the appropriate staff, management and leadership infrastructure to support a project of this nature. The structures, exhibits, fixtures and finishes, mechanical equipment and support systems will be well-maintained to minimize insurance risks and unexpected repair and maintenance expenditures. Maintaining the exhibits, program materials, grounds, and facility in excellent condition is central to customer satisfaction. The new North Carolina Maritime Museum and Maritime Campus will continue to build a compelling organizational vision, with strong and distinguished advisors and staff, and the project will have a strong base of community and weather industry and educational institution support. Educational groups will be encouraged to visit and will receive a worthwhile and enjoyable educational experience. Community outreach and partnering / collaborations with other public and private organizations particularly in Beaufort and throughout eastern North Carolina, including cultural, community, and tourism organizations, state and local governments, and especially local marine science education organizations.
- ◆ The North Carolina Maritime Museum and its partners will develop a proactive marketing and promotional programs to achieve and maintain visitation and interest in the evolving program. Building cross-promotional programs with other area assets, particularly within downtown Beaufort, Morehead City, North Carolina Aquarium and other attractions and businesses will be important to building awareness of the North Carolina Maritime Museum on an ongoing basis. Pricing for paid programs, events and services will be attractive and commensurate with overall experience and value delivered. The project will also be managed to provide dynamic, repeatable and effective educational programs that meet and exceed educational standards and engaging, entertaining and continually evolving interpretive content. Changing exhibits, programs and events and are essential to attracting new visitors and members and to maintaining repeat visitation.
- ◆ Proposed operating expenses are in current dollars in a future stable year of operation. The opening year has yet to be determined and so future inflation are not included as a part of this analysis.

Operating Expense Profile

Educational attractions, such as the NC Maritime Museum, have fixed costs including utilities, insurance, personnel, exhibits and collections care, basic marketing, and maintenance.

However, there is some variability in expenses for visitor services, changing exhibits, education programs, marketing, and so forth based on visitation levels and hours of operation

per week. In this analysis, the expense profile was developed to reflect the site, building, and program plans as developed with the client, and the experience of other projects of this type, adjusted for local conditions. Inputs to the operating expenses analyses include the experience of similar facilities nationally and the “metrics” of the new facility – its proposed size, program of spaces, type of exhibits, visitation potential, and site factors. Increasingly detailed operating expense plans should be developed in subsequent planning during the construction phases and pre-opening of the project. The expenses reflect a tightly-operated project with a “bottom line” orientation. The preliminary operating profile does not reflect the capitalized reinvestment in new NC Maritime Museum and Maritime Campus that will be necessary over time for the physical structures and other infrastructure onsite.

Museum Employment

Data in **Table VII-3** provide illustrative staffing schedules for new NC Maritime Museum based on facility size and program, projected visitation patterns, and operating scenario. Compensation levels for the project were developed based on current state museum operations. These salary levels are for comparative and analytical purposes only and are not meant to be used to set the compensation levels for any given individual. A fringe rate for taxes and benefits of approximately 42 percent is used in this analysis. The staffing profile prepared for this analysis is appropriate for a facility of this size and a mid-range visitation scenario. The staffing profile assumes that the organization will be very active in educational programming both on and off site, as well as collaborations with other community organizations and partners throughout the region, state and nation.

The staff required to operate the new Maritime Museum under this operating profile is 26.0 full time equivalent (FTE) positions, including 24 full-time and 4 part-time state workers.

Private Partner Employment

Partner organizations add an additional 4 full time employees and 23 part time and seasonal employees for a total of additional 9.5 FTE positions. Volunteers supplement operations and have duties associated with education, boat building, facility and collections care, special

events, visitor services, and other important functions. As funding and operating experience allow, additional staff positions could enrich the offerings and operations of North Carolina Maritime Museum and the Maritime Campus.

**Table VII-3
 Illustrative Personnel Positions and Personnel Costs
 North Carolina Maritime Museum**

Position	Number of Full Time Positions	Number of Part Time Positions	Full Time Equivalent (FTE) Positions	Total Salary Budget	Average Salary per FTE ^{1/}
Existing Staff Positions	20	2	21.0	\$674,072	\$32,099
New Staff Positions					
Communications		1			
Educator	2				
Curator/Exhibits	1				
Maintenance	1	1			
Total New Staff Positions	4	2	5.0	\$160,493	\$32,099
Total	24	4	26.0	\$834,565	
Taxes, Fringe & Benefits as a percent of Total Salaries ^{2/}	@	42%		\$348,825	
Total Salaries, Taxes, Fringe & Benefits				\$1,183,390	

1/ Salaries for new staff positions assumed to be the same on average per FTE as the salaries for existing staff.

2/ Based on museum's fiscal year 2018-2019 budget.

Source: ConsultEcon, Inc.

Data in **Table VII-4** provide illustrative stable year operating expenses for the new North Carolina Maritime Museum.

**Table VII-4
Illustrative Stable Year Operating Expenses in 2018 Dollars Under a
Mid-Range Visitation Scenario
New North Carolina Maritime Museum**

Project Parameters				
Building Gross Square Footage (SF)	90,780	Buildings include new museum and education center at		
Site Acreage	31	Gallants Channel site, and downtown waterfront center		
Museum Visitation	235,000			
Total Site Visitation	289,000			
Employees (FTEs)	26.0	See Personnel Schedule		
Budget Category ^{1/}	Annual Amount	Expense Factors ^{2/}		Percent of Total
Personal Services				
Salaries (FTE, PTE)	\$834,565	See Personnel Schedule		47.8%
Overhead and Benefits	348,825	See Personnel Schedule		20.0%
Purchased Services				
		Future	Current	
Janitorial, Waste Removal and Pest Control	18,156 @	\$0.20	\$0.18 per SF	1.0%
Utilities (Electrical, Nat Gas/Propane, Water & Sewer)	181,560 @	\$2.00	\$1.64 per SF	10.4%
Repairs (Buildings and Other)	68,085 @	\$0.75	\$0.09 per SF	3.9%
Maint Agreement (Equip and Other)	27,234 @	\$0.30	\$0.21 per SF	1.6%
Rent / Lease -Bldgs / Office	23,900 @	FY 2018-2019 budget		1.4%
Travel (incl. Transportation, Lodging, Meals)	5,200 @	\$200.00	\$186.38 per FTE	0.3%
Postage and Printing	2,600 @	\$100.00	\$99.38 per FTE	0.1%
Motor Vehicles (Repairs, Gasoline, Insurance, and Registration Fees)	7,150 @	\$275.00	\$271.90 per FTE	0.4%
Property and Other Insurance	90,780 @	\$1.00	\$0.06 per SF	5.2%
Other Purchased (Admin Svc and Office Equip)	1,820 @	\$70.00	\$66.76 per FTE	
Supplies				
General Office Supplies	3,380 @	\$130.00	\$119.90 per FTE	0.2%
Janitorial Supplies	22,695 @	\$0.25	\$0.11 per SF	1.3%
Other (Carpentry & Hardware Sup, Other Facility & Hardware, and Other Materials and Supplies)	22,695 @	\$0.25	\$0.19 per SF	1.3%
Other Expenses & Adjust				
Other (Licenses & Permit Costs and Membership Dues & Subscriptions, Other Admin Expense	8,060 @	\$310.00	\$307.14 per FTE	0.5%
Site Maintenance ^{3/}	46,500 @	\$1,500.00	\$0.00 per Acre	
Expense contingency	34,264 @	2.0% of other Operating Expenses		2.0%
Total Operating Expenses	\$1,747,469			100.0%
Rounded to nearest \$1,000	\$1,747,000			
Selected Operating Metrics				
Expenses per Gross Square Feet	\$19.24			
Expenses per Museum Attendee	\$7.43			
Expenses per FTE	\$67,192			

1/ Budget categories are based on museum expenditures in FY 2018-2019, with selected related categories grouped together.

2/ Current expense factors are based on FY 2018-2019 museum budget divided by current FTE (22) or current square footage of museum and waterfront center (30,792). Future expense factors are adjusted based on the planned facility and site improvements, and museum industry standards.

3/ New budget category based on maintaining the larger than current site.

Source: ConsultEcon, Inc.

Data in **Table VII-5** provide stable year baseline and estimated operating expenses for the Friends of the North Carolina Maritime Museum.

**Table VII-5
 2017 Baseline and Estimated Operating Expenses in a Future Stable Year
 Friends of the North Carolina Maritime Museum**

Expense Category	2017 Baseline	2017 Inflation Adjusted	Percent Change from 2017 due to Plan	Future, Stable Year Amount	Percent to Total
Salaries	\$111,700	\$114,852	15%	\$132,080	26%
Payroll Taxes	8,588	8,830	15%	10,155	2%
Office & Supplies	88,194	90,683	15%	104,286	20%
Program Expense	50,042	51,454	25%	64,318	12%
Insurance	32,972	33,903	15%	38,988	8%
Advertising	22,492	23,127	100%	46,254	9%
Mortgage	21,733	22,346	0%	22,346	4%
Repairs and Maintenance	21,187	21,785	20%	26,142	5%
Fundraising	12,653	13,010	20%	15,612	3%
Accounting	10,835	11,141	0%	11,141	2%
Printing	9,494	9,762	25%	12,202	2%
Travel	8,255	8,488	10%	9,337	2%
Grant Expense	7,310	7,516	0%	7,516	1%
Bank Charges	6,179	6,353	0%	6,353	1%
Postage	4,978	5,118	10%	5,630	1%
Contract Labor	2,349	2,415	15%	2,778	1%
Total Operating Costs	\$418,961	\$430,785	20%	\$515,138	100%
Friends Personnel Profile		Baseline		Future, Stable Year	
Full Time Employees		2		2	
Seasonal Staff		8		16	
Full Time Equivalent Staff ^{1/}		3.0		4.0	

1/ Assumes that seasonal staff are 1/4 a full time staff.

Source: Friends of the North Carolina Maritime Museum and ConsultEcon, Inc.

Data in **Table VII-6** provide estimated retail operating expenses from the North Carolina Museum of History Associates.

Table VII-6
Estimated Retail Operating Expenses
North Carolina Museum of History Associates

Expense Category	2018 / 2019 Budget Baseline	Percent Change from 2018 due to Plan	Future Amount	Percent to Total
Salaries	\$55,800	23%	68,634	70%
Other Operating Expenses, including Taxes, Fringe and Benefits	<u>26,000</u>	15%	<u>29,900</u>	30%
Total Operating Costs	\$81,800	20%	\$98,534	100%
Full Time Employees	1		1	
Part Time Employees	<u>2</u>		<u>3</u>	
Full Time Equivalent Employees	2.0		2.5	
Attendance	114,272		235,000	
Gross Retail Sales per Capita	\$1.54		\$1.54	
Additional Retail Sales due to Other Site Visitors	NA		5%	
Gross Retail Sales ^{1/}	\$175,787		\$380,000	
Cost of Goods Sold	45%		45%	

1/ Future amount rounded to nearest \$1,000.

Source: North Carolina Museum of History Associates and ConsultEcon, Inc.

Data in **Table VII-7** provide estimated food services operating expenses. Note, as this is a future activity, there is no operator at this time.

Table VII-7
Estimated Food Services Operating Expenses
Operator To-Be-Determined

Expense Category	Future Amount	Percent to Total
Salaries ^{1/}	\$66,000	80%
Other Operating Expenses, including Taxes, Fringe and Benefits ^{2/}	16,500	20%
Total Operating Costs	\$82,500	100%
Full Time Employees	1	
Part Time Employees	4	
Full Time Equivalent Employees	3.0	
Attendance	235,000	
Gross Food Service Sales per Capita ^{3/}	\$1.50	
Additional Food Service Sales due to Other Site Visitors	10%	
Gross Food Services Sales	\$388,000	

1/ Assumes 1 full time food service manager at \$30,000 per year and 4 part time servers averaging 20 hours per week, 50 weeks per year at \$9.00 per hour.

2/ Assumed at 25% of total salaries.

3/ Assumes 25% of museum visitors purchase food at an average sale of \$6.00.

Source: ConsultEcon, Inc.

Data in **Table VII-8** provide combined operations assumptions input for economic impacts for the New Maritime Museum and Maritime Campus.

**Table VII-8
 Combined Operations Assumptions Input for Economic Impacts
 New Maritime Museum and Maritime Campus**

	State Museum	Private Partners			Combined Operations
		Friends	Retail	Food	
<i>Operating Expense Assumptions</i>					
Personnel	\$834,565	\$132,080	\$68,634	\$66,000	\$1,101,280
Other Expense	912,904	383,058	29,900	16,500	1,342,362
Total	\$1,747,469	\$515,138	\$98,534	\$82,500	\$2,443,641
<i>Staffing Assumptions</i>					
Full Time Employees	24	2	1	1	28
Part Time / Seasonal Employees	4	16	3	4	27
Total Employment	28	18	4	5	55
Full Time Equivalent Employees	26.0	4.0	2.5	3.0	35.5

Source: ConsultEcon, Inc.

Summary

Future operating expenses estimates of public and private partners have been prepared as inputs to the economic impact analysis. The NC Maritime Museum, Friends organization and North Carolina Museum of History Associates operating budget estimates are based on their current operating budgets with increases to reflect the larger museum, higher attendance potential and increased operations, programs and activities at the Gallants Channel site.

Combined operating expenses are estimated to total \$2.44 million, not including cost of goods sold in a future stable year of operations. The NC Maritime Museum operating budget accounts for 72 percent of the total and for analytic purposes is estimated at \$1.75 million, an increase of 62 percent from the FY 2018-2019 budget of \$1.1 million. The remaining 28 percent or \$700,000 reflects the estimated future budgets of three private partner organizations—the Friends of the North Carolina Maritime Museum, the North Carolina Museum of History Association and a to-be-determined food service operator. The largest

budget among the three private partners is the Friends of the North Carolina Maritime Museum, at \$515,000 which is a 20 percent increase over its 2017 baseline operating budget.

Total combined direct employment generated by the new North Carolina Maritime Museum and Maritime Campus is estimated to include 28 full time employees and 27 part time and seasonal employees. Total full-time equivalent employment is estimated to be 35.5 employees of which 73 percent would be at the Museum.

The personnel and expense factors used in this analysis conform to industry norms for facilities of this size and scale. As design, program, and business plans advance, operating expense estimates and factor assumptions will need to be re-evaluated and updated accordingly. Other partner operations (for marine science programs) requirements are nominal and contingent on partner program objectives and funding. Therefore, any marine science partnership operations onsite are assumed to be borne by existing budgets and are not reflected in the combined operating analysis.

Section VIII

ECONOMIC IMPACTS

This economic impact evaluation includes impacts associated with development and construction and then operation of the proposed North Carolina Maritime Museum and Maritime Campus to the local economy of Carteret County and the regional economy of the State of North Carolina.

OVERVIEW OF ECONOMIC IMPACTS AND METHODOLOGY

Economic impact is the measure of economic activity that will occur in a defined geographic region, i.e., State or county, as a result of the development of the project. Net new activity excludes any activity associated with the project that replaces other economic activity in the area. The increased economic impacts is the difference between the economic impacts of the existing museum operations and the economic impacts of the future stable year of operations after the project has been completed. Direct economic impacts are a result of the initial spending or investment for construction or operations, while the multiplier effect (indirect and induced economic activity) is a result of the recirculation of the initial direct spending within the defined geographic region.

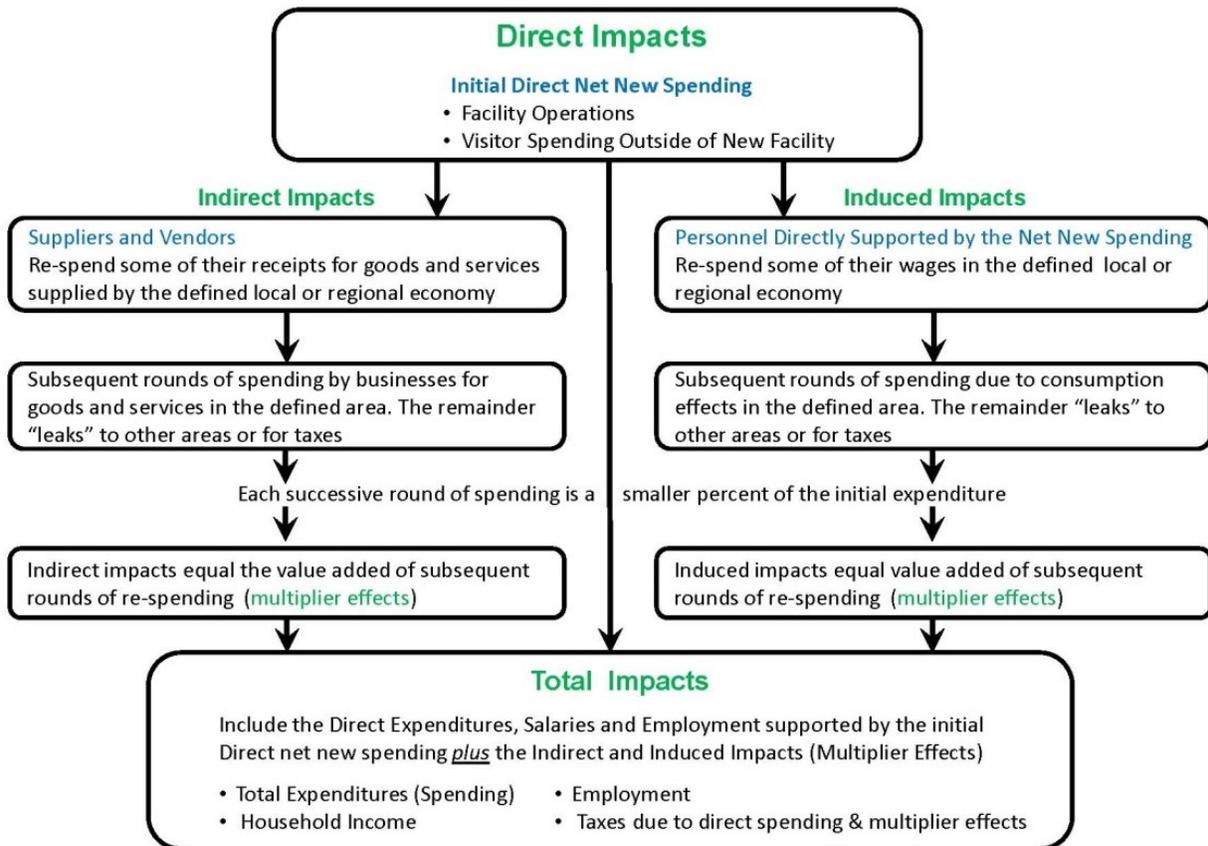
As the direct spending due to operation of the North Carolina Maritime Museum and Maritime Campus flows to local businesses, the money is, in turn, re-spent by the businesses for personnel, business expenses, and the costs of goods sold that originate in the local economy. The portion of operations spending for wages and salaries (employment) is also in-turn re-spent by the employees for housing, retail, services, and other categories in the local economy. Subsequent rounds of spending occur, with the total effect on an area's economy of the initial round of new direct spending estimated through a "multiplier" analysis. The U.S. Department of Commerce's Bureau of Economic Analysis provides mathematical factors for discrete geographies for an array of spending types that result in an estimate of total economic impacts from new spending due to an economic unit. For this analysis, economic impacts have been modeled and calculated using economic multipliers from a customized computer

run of the RIMS II Input-Output Model to the specific impact areas (Carteret County and the State of North Carolina) analyzed in this analysis. This includes direct, indirect and induced economic activity. Categories of measurement include expenditures, earnings, and employment. **Figure VIII-1** depicts the flow of spending due the development of the North Carolina Maritime Museum and Maritime Campus in Beaufort and Carteret County.

Note that “induced impacts” are those impacts (expenditures) made by employees directly supported by the North Carolina Maritime Museum and Maritime Campus or other direct spending due to the North Carolina Maritime Museum and Maritime Campus, whereas, “indirect impacts” are those created through the purchase of goods and services made by non-personnel suppliers to the North Carolina Maritime Museum and Maritime Campus.

Figure VIII-1
Diagram of Economic Impacts Expenditure and Employment Flows

Economic Impacts Diagram



Source: ConsultEcon, Inc.

While the development of a substantial project such as the North Carolina Maritime Museum and Maritime Campus could have far ranging impacts in the State of North Carolina, the locus of direct economic impacts will be Beaufort and Carteret County. This project will serve to further strengthen North Carolina’s Crystal Coast as a leading tourism destination, create new reasons to visit Beaufort, and increase the repeatability of a visit to the area, benefiting Beaufort’s downtown with new visitors and more parking opportunities. The project would enhance Beaufort and Carteret County as a place to live, and to visit, thus improving all aspects of the local and regional economy.

The economic impact analysis includes the following data and analyses:

- ◆ **One-Time Construction Period Impacts** – An evaluation of the one-time economic impacts of project construction. The direct spending estimates are analyzed for their indirect and induced “multiplier” effects to estimate the total economic impacts due to development. This includes the one-time total economic activity (expenditures); total employment (full-time and part-time person-years of employment); and total earnings.
 - ◆ **Annual Economic Impacts of Ongoing Operations** – An evaluation of the annual direct spending by the North Carolina Maritime Museum and Maritime Campus for operations and the spending by North Carolina Maritime Museum visitors outside the North Carolina Maritime Museum and Maritime Campus, but in conjunction with their visit, which include a mix of day and overnight trips for purposes of business, leisure or to visit a friend or relative (VFR). The economic impacts for the project are based on combined expenditures by partners or by visitors in conjunction with museum-only attendance. (Other museum visitation is excluded because it is largely local in nature and therefore would not generate new economic impacts.) The portions of visitor spending are then analyzed using economic multipliers specific to Carteret County and to the State of North Carolina to estimate total economic impacts. This includes total economic activity (expenditures); total employment (full-time and part-time); and total earnings.

The economic impacts to Carteret County and the State of North Carolina are separate analyses specific to the County and State. The County economic impacts reflect economic impacts from direct economic activity due to facility operations and in-County spending attracted from outside of County borders due to the project and the subsequent economic multiplier effects within the County. The State economic impacts reflect economic impacts from direct economic activity due to facility operations and in-State spending attracted from outside of the State due to the project and the subsequent economic multiplier effects within the State.

- ◆ **Fiscal Revenues Due to Ongoing Operations** – An evaluation of the annual fiscal revenues generated in selected categories due to the project, including state sales, hotel, and income taxes.
- ◆ **Qualitative Assessment of Economic Impacts** – An assessment of the quality of life and general economic development benefits that the North Carolina Maritime Museum and Maritime Campus will create for Beaufort, Carteret County and the State.

Direct Expenditures

The economic impacts resulting from the construction and operations of the North Carolina Maritime Museum and Maritime Campus will be based on the following direct economic expenditures in the local (Carteret County) and regional (State of North Carolina) economies:

- ◆ **Direct Construction Employment and Construction Expenditures.** Construction of the North Carolina Maritime Museum and Maritime Campus will result in a positive impact on the regional (State) economy during its construction period. The impacts will include direct employment during the construction period for construction and expenditures in the State economy due to construction. In turn, these direct expenditures in the State economy will “multiply” to create indirect and induced employment, wages, and output. This is a one-time impact of the project.
- ◆ **Direct Spending by the North Carolina Maritime Museum.** As a “business” in Beaufort, the North Carolina Maritime Museum and Maritime Campus will play an active role in the local economy and help create jobs for local residents that is both larger in impact and more attractive to tourists than the existing operation of the museum and its private partners. Combined operations of the North Carolina Maritime Museum and its private partners will generate direct expenditures in the form of salaries and wages of its employees as well as operating costs such as utilities, marketing, supplies and materials, professional services and printed materials, among others.
- ◆ **Visitor Spending in the Local Economy.** The North Carolina Maritime Museum’s ongoing operations as it attracts visitors from resident and visitor markets will form a stream of economic benefits to the local (Carteret County) economy and the regional (State of North Carolina) economy. Spending by visitors to the North Carolina Maritime Museum and Maritime Campus will include a portion of net new direct economic activity to the local area and the State. Given the scale of the facilities at the North Carolina Maritime Museum and Maritime Campus, the project will help to attract new visitors to Beaufort who would otherwise not visit, contribute to longer stays in the area, and help to retain business and leisure expenditures of residents that may otherwise be made elsewhere. As a visitor experience it is planned to be the focus of and primary activity of its visitors on the day of their visit.

In addition to the on-site spending at the North Carolina Maritime Museum and Maritime Campus (for admissions and gifts, for example), visitors will also spend for goods and services off-site in conjunction with their day or overnight trip. Associated off-site spending on the day of their visit to the North Carolina Maritime Museum and Maritime Campus would include overnight accommodations for some, food and beverage, transportation and retail purchases, as well as other entertainment, recreational, and cultural activities. In this regard, the North

Carolina Maritime Museum and Maritime Campus serves as a facilitator of the local economy by providing a destination for residents and visitors that supports business activity proximate to the facility, such as hotels and restaurants.

Basis for Economic Impacts

The economic impact analysis assumes the full implementation and operation of the Maritime Museum, Maritime Campus, Maritime Center and transient docks as described in this report. *All existing and increased* operational expenditures are evaluated in economic impact analysis because the project is a capital investment that is required to sustain the Maritime Museum over time and transform the visitor experience to create a higher level of visitation and operating potential. The difference between the economic impacts of the existing museum and new museum operations is the increased economic impacts in Carteret County. The economic impact analysis will need to be revisited as project planning and design advances.

Fiscal Revenue Generation

The North Carolina Maritime Museum will generate taxes for State, County and municipal governments.

Fiscal revenue impacts in selected tax categories generated include the following:

- ◆ State sales taxes from gift shop and food spending at the NC Maritime Museum.
- ◆ State sales and lodging taxes from visitor spending outside of the NC Maritime Museum in conjunction with a visit.
- ◆ State income taxes generated by the salaries and wages of employees of the NC Maritime Museum, the Friends of the NC Maritime Museum, NC Museum of History Associates, and a to be determined Food Services Operator.
- ◆ State and local sales taxes generated by the personal spending of employees of the NC Maritime Museum, the Friends of the NC Maritime Museum, and NC Museum of History Associates, and a to be determined Food Services Operator.
- ◆ State and local sales taxes generated by net new direct employee wages and salaries supported by offsite visitor spending due to the NC Maritime Museum.
- ◆ State income taxes generated by net new direct employee wages and salaries supported by offsite visitor spending due to the NC Maritime Museum.

ECONOMIC IMPACTS SUMMARY

The following summary of economic impacts due to the construction and operation of the North Carolina Maritime Museum and Maritime Campus is based on detailed analysis and assumptions provided by data in tables in **Appendix D**.

One Time Construction Period Impacts

The total development costs for the new North Carolina Maritime Museum, Maritime Center and Maritime Campus are estimated at approximately \$59.5 million in current (2018) dollars. Assuming 75 percent of total development costs are for construction and 75 percent of construction expenditures occur in the State of North Carolina, the one-time total economic impact (which includes direct, indirect, and induced effects) of construction of the New Maritime Museum and Maritime Campus is estimated for the State as a whole.

- ◆ The one-time total impacts (direct expenditures and multiplier effects) of the development project will include approximately \$107.2 million in expenditures (economic activity) in the economy of the State of North Carolina, of which approximately \$34.0 million will be wages and salaries.
- ◆ An estimated 730 total person-years of employment in the State economy, includes 214 person-years directly supported employment in construction and 516 person-years of indirect and induced supported employment in a variety of other industries could be supported due to development.
- ◆ An estimated \$1.0 million in state income tax revenue would be generated from construction wages and salaries.

Table VIII-1
Summary of One Time Construction Period Impacts to the State of North Carolina
North Carolina Maritime Museum

Estimated Development Budget ^{1/}	\$59,500,000		
Estimated Construction Costs @ 75% of Development Budget	\$44,625,000		
Estimated Construction Expenditures within the State of North Carolina	\$33,468,750		
Direct Person-Years of Development Related Employment ^{2/}	214		
Estimated Avg. Annual Construction Wages & Overhead ^{2/}	\$62,600		
	Multipliers ^{3/}		
	<u>Expenditures</u>	<u>Earnings</u>	<u>Person Years of Employment ^{4/}</u>
Applicable Construction Multipliers	2.202	0.7078	16.1933
	Total Direct, Indirect & Induced ^{5/}		
	<u>Expenditures</u>	<u>Earnings</u>	<u>Person Years of Employment ^{6/}</u>
Impacts to the State of North Carolina by Type			
Total Direct Impacts	\$33,468,750	\$10,304,923	214
Total Indirect and Induced Impacts	\$73,698,188	\$23,689,181	516
Estimated Total Economic Impacts	\$107,166,938	\$33,994,104	730
Estimated Total North Carolina Income Taxes Supported ^{7/}			
Direct Income Taxes Supported		\$303,995	
Indirect and Induced State Income Taxes Supported		\$698,831	
Total State Income Taxes Supported		\$1,002,826	

1/ Preliminary construction cost allowance for the new museum ranges from \$50 to \$60 million provided by North Carolina Maritime Museums. The midpoint of this range \$55 million plus \$4.5 million for the Maritime Activity Center and Campus is used for the purposes of this analysis. Construction Costs at 75% of total development budget. Economic impact analysis does not include design fees and other soft costs, endowment or site acquisition costs. About 75% of construction expenditures assumed to be made in-State.

2/ Construction wages and overhead are estimated to equal 40% of total construction costs. All workers are assumed to have 30% overhead costs in addition to annualized salary. Average annual wages from 2018 construction of buildings in the Southeast region of North Carolina. Wages and overhead inflated to current dollars. Source: North Carolina Department of Commerce, Labor & Economic Analysis Division, Quarterly Census of Employment and Wages (QCEW) Program.

3/ See text for discussion of multipliers. Multipliers from a custom run of the Bureau of Economic Analysis' RIMS II Input-Output Model.

4/ In jobs per million dollars of expenditures, multipliers are based on the value of the dollar, with jobs per million inflated to November 2018 value of dollar from average 2016 value of Consumer Price Index.

5/ The total effects shown include the direct spending in North Carolina for the new North Carolina Maritime Museum.

6/ For employment supported through multiplier effects, the full time and part time person-years of employment are estimated to be at a ratio similar to the mix of the economy as a whole. For direct employment, estimated as person years of employment.

7/ Marginal state income tax rate for State of North Carolina is 2.95% based on information from North Carolina Department of Revenue. This is a one-time direct and indirect tax benefit due to project construction.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Annual Economic Impacts Due to Ongoing Operations

The ongoing operations of the new North Carolina Maritime Museum and Campus, as it attracts new visitors from resident and visitor markets, will form a stream of economic benefits to Carteret County and North Carolina State as a whole. The economic impacts analysis evaluates the additional direct new spending of visitors and its total impacts (the “multiplier” effect) to Carteret County and the State of North Carolina.

Based on the planned operating expenses of new North Carolina Maritime Museum and Campus, the mix of visitors to the facility, and the profile of off-site visitor spending on the day of their visit or overnight trip, total potential economic impacts are evaluated using RIMS Type II multipliers to derive direct, indirect and induced economic impacts. Following is a summary of potential new North Carolina Maritime Museum and Campus economic impacts. It is important to note that the County and State economic impacts are not additive.

The economic impacts for the project are based on net new expenditures by partners or by visitors in conjunction with museum-only attendance. (Other site visitation is excluded because it is largely local in nature and therefore would not generate new economic impacts.)

Local (Carteret County) Annual Economic Impacts

Data in Table VIII-2 show summarize direct expenditures, indirect, induced and total annual economic impacts to Carteret County. Detailed economic and fiscal impact tables appear in **Appendix D**.

- ◆ **Net New Direct Expenditures** - \$1.7 million of the combined operating budgets are estimated to be spent annually in Carteret County. New offsite spending by visitors in Carteret County is estimated at \$19.7 million. Only spending from site visitors from outside of Carteret County is included in the direct spending estimates. Total direct expenditures therefore are estimated at \$21.4 million annually.
- ◆ **Total Annual Economic Impacts** - As the multiplier effect works its way through the Carteret County economy, the net new direct economic activity due to the North Carolina Maritime Museum and Maritime Campus has the potential to generate a total estimated annual, direct, indirect, and induced economic impact of \$46.3 million. Of

that, \$12.4 million will be wages and salaries supporting 456 total permanent jobs¹⁰ in Carteret County.

- ◆ **County Annual Fiscal Revenue Generation** –On-site and off-site expenditures would generate sales and occupancy taxes. The occupancy taxes would be used to support additional tourism advertising and to help fund beach nourishment projects that are critical to the economy of Carteret County and its municipalities. Employee direct and induced spending would generate sales taxes. Total annual tax revenues in these categories in a mid-range attendance scenario are \$1,007,000 to Carteret County and its municipalities.

¹⁰ Total jobs include full time and part time employment, assumed to be in ratio with the distribution of jobs between actual full time and part time for Carteret County. This applies to Carteret County and the State of North Carolina as a whole.

Table VIII-2
Summary of Estimated Annual Direct, Indirect, and Induced Economic Impacts of the New North Carolina Maritime Museum and Maritime Campus Stable Year Operations to the Carteret County Economy in Current Dollar Value Using Type II Multipliers

<i>Potential Mid-Range Visitors the New NC Maritime Museum</i>	235,000
	<u>Carteret County</u>
Mid-range Visitors from outside of Geographic Area	221,600
Percent to Total Museum Visitation	94%
<i>Direct Spending by the New NC Maritime Museum and Off-Site Visitor Spending</i>	
	Total Spending in Carteret County
Operating Expenditures	\$1,710,100
<i>Estimated Direct Off-Site Spending</i> ^{1/}	
Lodging	\$10,056,742
Food and Beverage/Dining	2,971,788
Gas/Transportation	3,156,066
Groceries	1,600,671
Shopping/Gifts/Souvenirs	758,457
Entertainment/Admissions/Amenities	1,056,257
Other	81,938
Total Off-Site	<u>\$19,681,917</u>
Total Direct On-Site and Off-Site Expenditures ^{1/}	\$21,392,017
Direct Earnings	\$6,096,654
Direct Employment (permanent) ^{3/}	229
<i>Total Direct, Indirect and Induced Effects of Visitor Spending on Expenditures, Earnings and Employment on the Geographic Areas Evaluated</i>	
	Carteret County ^{2/}
Total Direct, Indirect and Induced Expenditures	\$46,314,956
Total Direct, Indirect and Induced Earnings	\$12,360,531
Total Direct, Indirect and Induced Employment (permanent) ^{3/}	456

Note: All estimates in current dollars for a stable year.

1/ Not all off-site spending is net new. Some spending would occur in other locations without the influence of the New NC Maritime Museum and campus.

2/ At the statewide level, the economic impact effects overlap the support of jobs and economic activity within and outside of Carteret County. The economic impacts for Carteret County and the State of North Carolina are NOT additive. The statewide impacts are lower than the spending in the Carteret County because less of the direct offsite spending would be net new to the State as compared to Carteret County.

3/ Employment includes full-time and part-time jobs.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Regional (State of North Carolina) Annual Economic Impacts

Data in **Table VIII-3** show summarize direct expenditures, indirect, induced and total economic impacts to the State of North Carolina. Detailed economic and fiscal impact tables appear in Appendix D.

- ◆ **Net New Direct expenditures** - \$2.2 million of the combined operating budgets are estimated to be spent annually in North Carolina. New offsite spending by visitors in the State is estimated at \$9.2 million. Only spending from site visitors from outside of the State of North Carolina is included in the direct spending estimates. Total direct expenditures therefore are estimated at \$11.4 million annually.
- ◆ **Total Annual Economic Impacts** - As the multiplier effect works its way through the North Carolina State economy, the net new direct economic activity due to North Carolina Maritime Museum has the potential to generate a total estimated annual, direct, indirect, and induced economic impact of \$29.9 million in expenditures. Of that, \$9.8 million will be wages and salaries, supporting 328 total permanent jobs in the State. At the statewide level, these impacts include the effects on jobs and economic activity within and outside of Carteret County. It is important to note that the Carteret County and North Carolina State impacts are not additive.
- ◆ **Annual State Fiscal Revenue Generation** –On-site and off-site expenditures would generate sales taxes, and employment directly and indirectly supported by combined operations would generate sales and income taxes. Total annual tax revenues in these categories in a mid-range attendance scenario are \$819,000 to the State of North Carolina.

Table VIII-3
Summary of Estimated Annual Direct, Indirect, and Induced Economic Impacts of the
New North Carolina Maritime Museum and Maritime Campus Stable Year Operations to
the State of North Carolina Economy in
Current Dollar Value Using Type II Multipliers

Potential Mid-Range Visitors the New NC Maritime Museum	235,000
	State of North Carolina
Mid-range Visitors from outside of Geographic Area	94,100
Percent to Total Museum Visitation	40%
Direct Spending by the New NC Maritime Museum and Off-Site Visitor Spending	
	Total Spending in North Carolina
Operating Expenditures	\$2,198,700
Estimated Direct Off-Site Spending ^{1/}	
Lodging	\$4,814,013
Food and Beverage/Dining	1,345,564
Gas/Transportation	1,434,383
Groceries	724,750
Shopping/Gifts/Souvenirs	343,414
Entertainment/Admissions/Amenities	478,251
Other	37,221
Total Off-Site	\$9,177,596
Total Direct On-Site and Off-Site Expenditures ^{1/}	\$11,376,296
Direct Earnings	\$3,865,782
Direct Employment (permanent) ^{3/}	135
Total Direct, Indirect and Induced Effects of Visitor Spending on Expenditures, Earnings and Employment on the Geographic Areas Evaluated	
	North Carolina ^{2/}
Total Direct, Indirect and Induced Expenditures	\$29,947,164
Total Direct, Indirect and Induced Earnings	\$9,829,637
Total Direct, Indirect and Induced Employment (permanent) ^{3/}	328

Note: All estimates in current dollars for a stable year.

1/ Not all off-site spending is net new. Some spending would occur in other locations without the influence of the New NC Maritime Museum and campus.

2/ At the statewide level, the economic impact effects overlap the support of jobs and economic activity within and outside of Carteret County. The economic impacts for Carteret County and the State of North Carolina are NOT additive. The statewide impacts are lower than the spending in the Carteret County because less of the direct offsite spending would be net new to the State as compared to Carteret County.

3/ Employment includes full-time and part-time jobs.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Qualitative Assessment of Economic Impacts

In addition to quantifiable economic impacts, the community development benefits of the new North Carolina Maritime Museum and Maritime Campus at Gallants Channel, however, may have the most profound and long-lasting impacts. The following provides qualitative assessment of the economic impacts of the project:

- ◆ **Primary Tourism Driver in Carteret County the Town of Beaufort** – The North Carolina Maritime Museum is already one of the most visited attractions in Carteret County. The project represents a substantial investment in the regional tourism economy and infrastructure. It will transform the Museum to a high-profile destination that brings new tourists to the community and enhances Beaufort, Carteret County and the State as a visitor destination. THIS IS AN IMPORTANT ECONOMIC DEVELOPMENT PROJECT.
- ◆ **Expansion of Public Education** – “Maritime Heritage meets Marine Science” The Museum’s exhibitions, programs and events will educate visitors about local and state history; maritime and marine sciences culture; and ocean and coastal sciences and industries -- past, present and future. More experiential and diversified programming will be offered that further enhances visitor awareness of Carteret County’s important maritime and marine sciences clusters. The project will attract more school groups and students from the county and state and will create a continuum of learning and practices of workforce development.
- ◆ **Maritime and Marine Science Partnerships** – The marine sciences cluster is a large industry in Carteret County. The NC Maritime Museum and Maritime Campus facilities have excellent highway, waterfront and airport access, and they will provide a venue that can be at the nexus of knowledge transfer. Representatives of the marine sciences cluster have indicated interest in partnership initiatives focused on public programs and training that will have numerous public educational and workforce development benefits. The vision for the development of the Gallants Campus site incorporates marine sciences, education and community engagement that can be broadly interpreted with multiple programming and partnership opportunities.
- ◆ **Multi-Purpose Site Development Opportunities** - The proposed North Carolina Maritime Museum and Maritime Campus will create potential to develop new opportunities for marine sciences programming and activities that appeal to resident education markets as well as out of county and out of state tourist markets. Campus development supports community recreation and outdoor use of the site for small and large group assemblies, events, festivals and other community use. More waterfront related activities, such as island ferry service and water taxis, boat rentals, and transient boating services at the site would further enhance the site as a multi-purpose destination. Additional use and activities planned for the site will lengthen visitor stays onsite and enhance offsite spending in Beaufort and Carteret County. The site’s adjacency to the airport offers a potential to develop transportation infrastructure that

links air, land and sea more directly than land to sea. The parking lot may be used for parking, intercepting visitors, and enabling them to take a water taxi or a bicycle to downtown Beaufort. There are many site attributes that, with appropriate investment in infrastructure will enhance the market potential of the Maritime Museum and Maritime Campus' market potential economic impacts and community benefits.

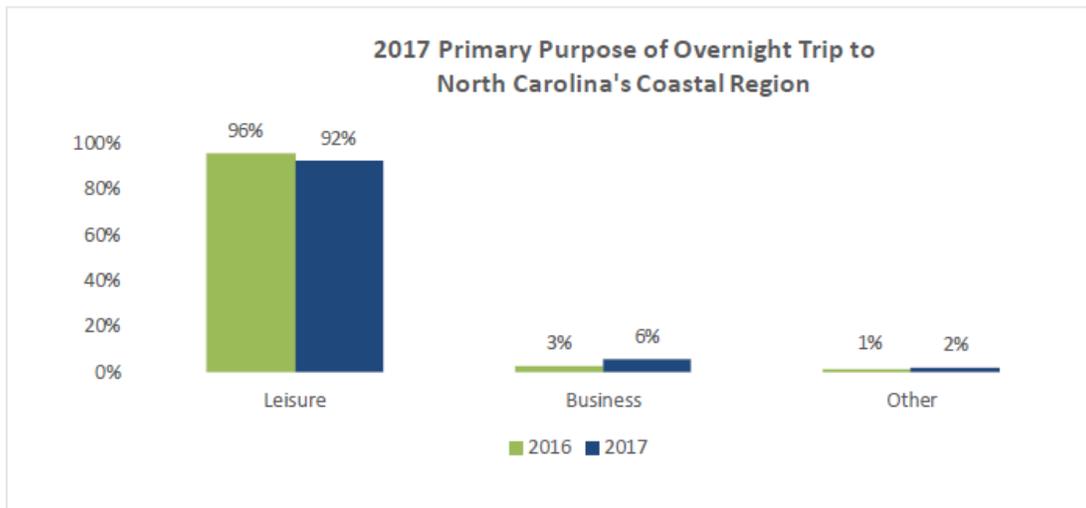
- ◆ **Expansion of Parks and Recreation** – The site will be used as a public park and waterfront, thereby enhancing the local and regional infrastructure and increasing parkland. The site's recreational use will support museum visitation and other site activities, with linked trips and cross promotion of local attractions and events. Trail connections for pedestrians, bicyclists and boaters will enhance the Town of Beaufort and Carteret County as a destination overall. Expanding the county's trail networks is an important priority of local government.
- ◆ **Downtown Benefits for the Town of Beaufort** – As a new destination attraction in Beaufort, the NC Maritime Museum will attract visitors that will take advantage of shopping, dining and other activities in downtown Beaufort. In addition, parking, land and water transportation services offered by the site may relieve congestion downtown, which has a limited supply of parking.
- ◆ **Community-Oriented Facilities** - The NC Maritime Museum and Maritime Campus will be a venue for unique public and private special events and functions in Beaufort and Carteret County. The NC Maritime Museum will provide space so that it becomes a meeting place and connector, especially for individuals working in the maritime and marine sciences industry.
- ◆ **Quality of Life** – The NC Maritime Museum and Maritime Campus will be a source of community pride and identity, enhancing Beaufort and Carteret County as a place to live, work, and recreate, and thus improving all aspects of the local economy and community. The focus on cultural and educational opportunities will enhance the quality of life for all citizens and for all visitors.

APPENDIX B
COASTAL TRAVEL REGION DATA 2017

Source for all Appendix B data: 2017 North Carolina Regional Travel Summary

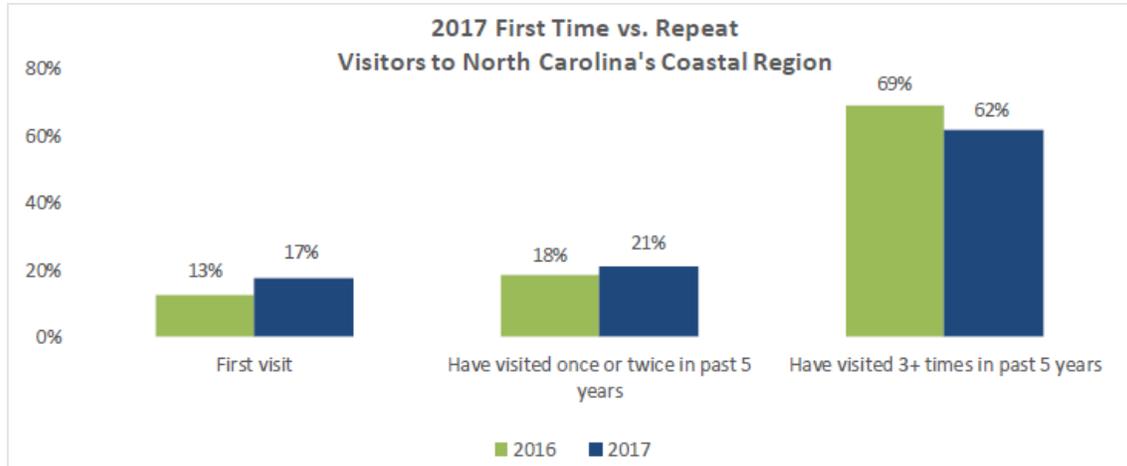
A publication of: the North Carolina Division of Tourism, Film & Sports Development

Figure B-1
2016-2017 Primary Purpose of Overnight Trip to
North Carolina's Coastal Region



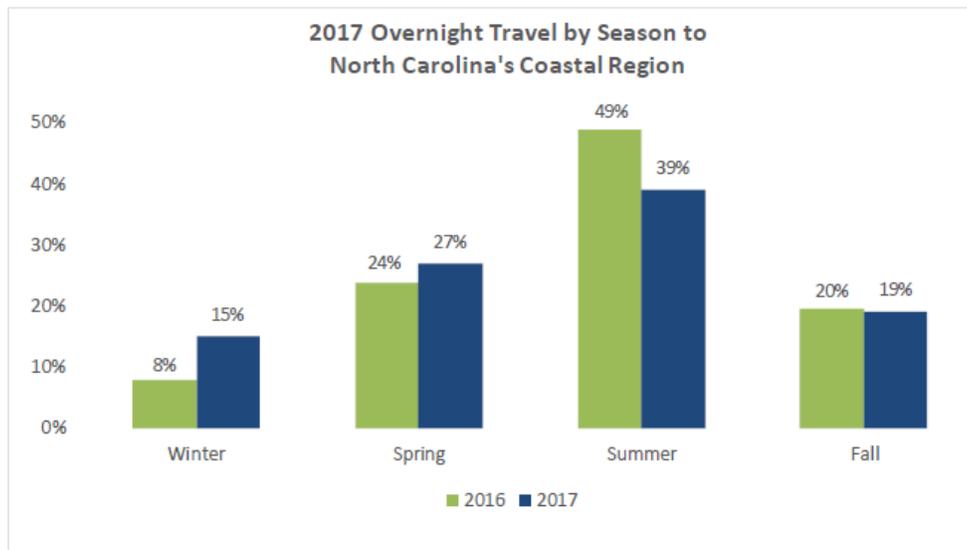
Source: North Carolina Division of Tourism

Figure B-2
2016-2017 First Time vs. Repeat Visitors to North Carolina's Coastal Region



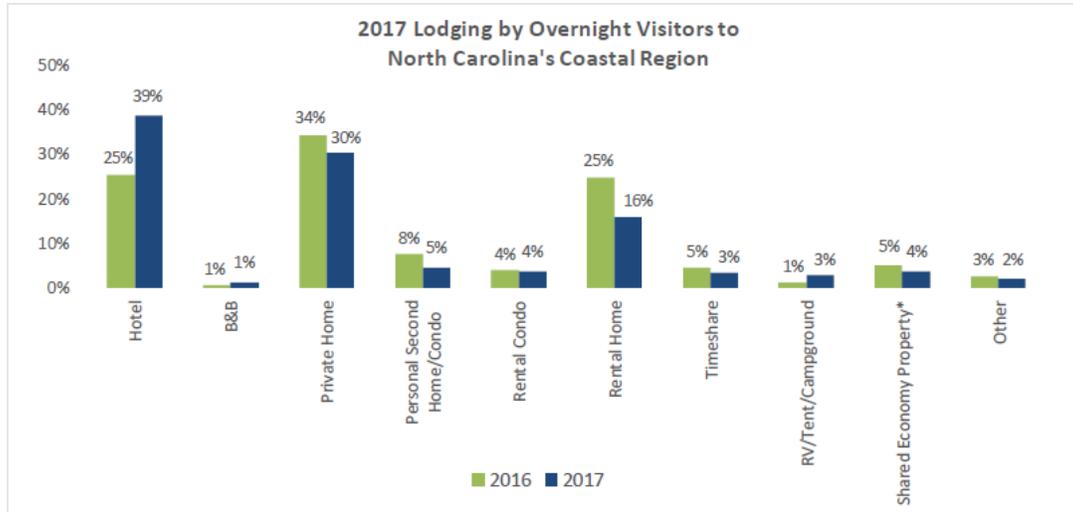
Source: North Carolina Division of Tourism

Figure B-3
2016-2017 First Overnight Travel by Season to North Carolina's Coastal Region



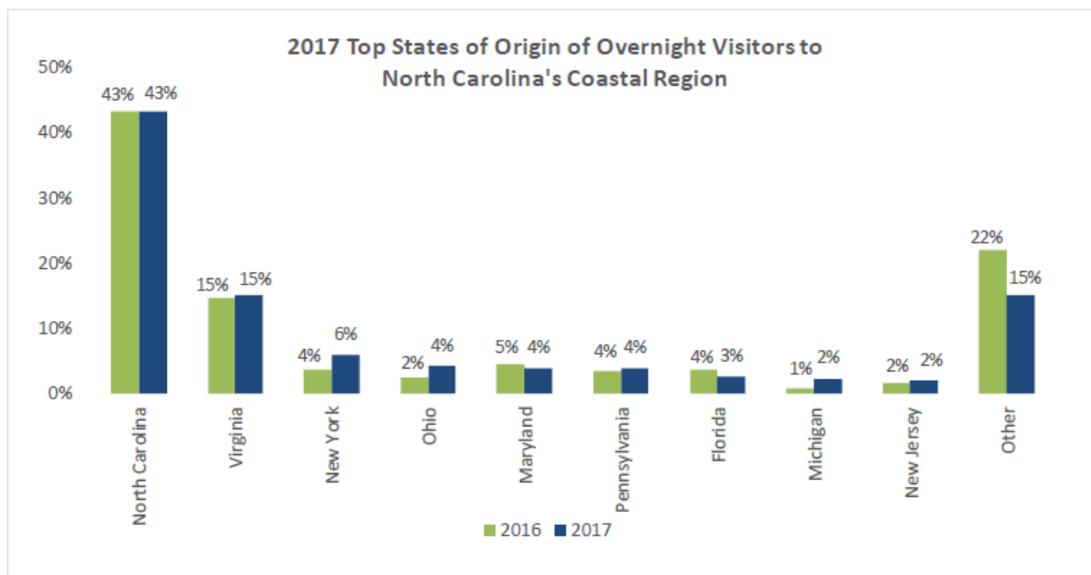
Source: North Carolina Division of Tourism

Figure B-4
2016-2017 Lodging by Overnight Visitors to
North Carolina's Coastal Region



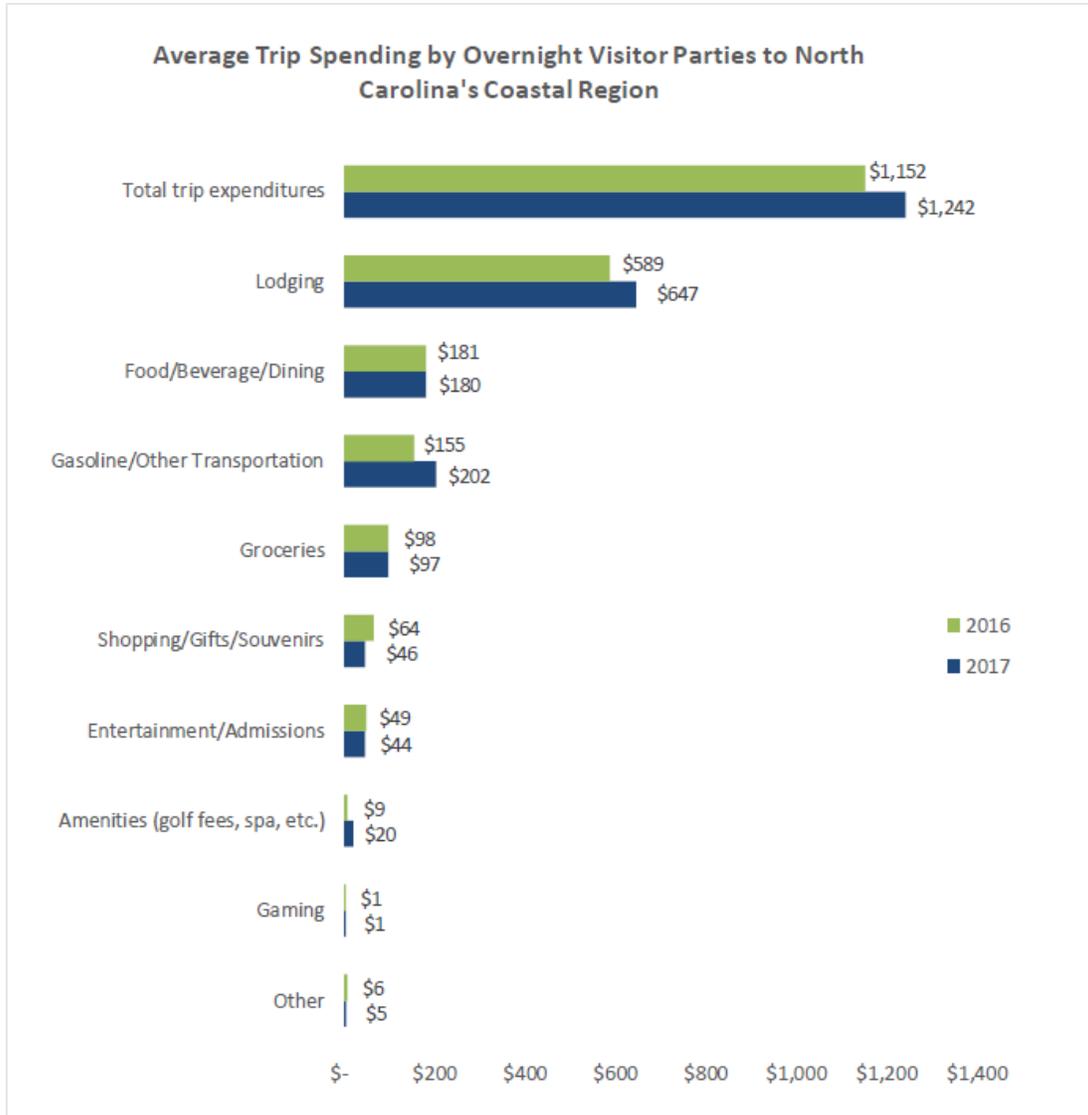
Source: North Carolina Division of Tourism

Figure B-5
2016-2017 Top States of Origin Overnight Visitors to
North Carolina's Coastal Region



Source: North Carolina Division of Tourism

Figure B-6
2016-2017 Average Spending by Overnight Visitor Parties in
North Carolina's Coastal Region



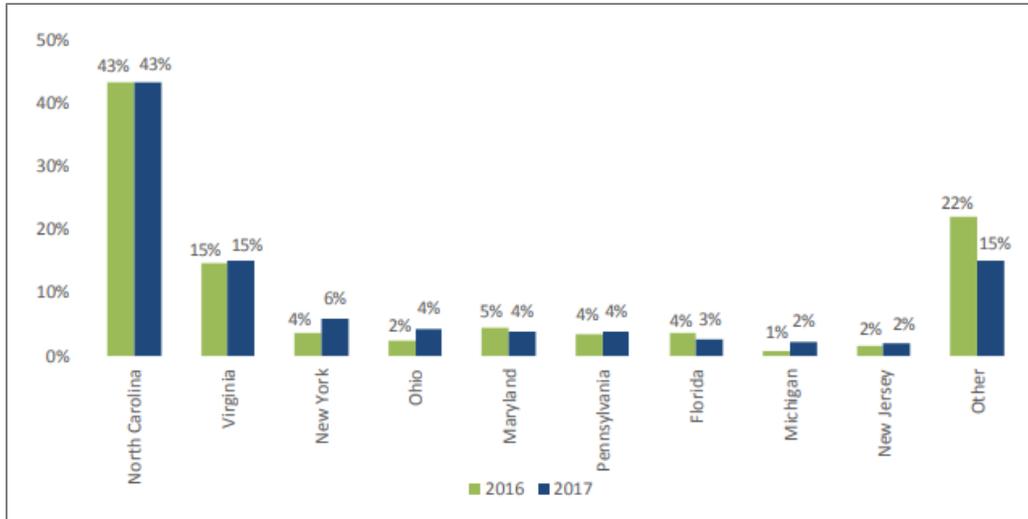
Source: North Carolina Division of Tourism

Figure B-7
2016-2017 Activities Participated in by Overnight Visitors to
North Carolina's Coastal Region

Activities Participated in by Overnight Visitors to North Carolina's Coastal Region		
Activity	2017	2016
Beach	57.3%	62.5%
Shopping	34.4%	37.3%
Visiting Relatives	29.2%	26.4%
Historic Sites/Churches	18.2%	20.3%
Rural Sightseeing	16.1%	13.5%
Museums	15.9%	11.3%
State Park/Monument/Recreation area	15.3%	13.4%
Fine Dining	15.2%	24.2%
Visiting Friends	11.9%	16.8%
Wildlife Viewing	11.7%	8.0%
Fishing (fresh or saltwater)	11.4%	16.2%
Urban Sightseeing	10.9%	9.8%
National Park/Monument/Recreation area	8.6%	9.9%
Zoos/Aquariums/Aviaries	8.2%	6.3%
Craft Breweries	5.3%	6.5%
Nature Travel/Eco-touring	5.0%	2.1%
Nightclubs/Dancing	4.8%	4.8%
Golf	4.7%	5.5%
Biking/Road Biking/Cycling	4.7%	5.6%
Wine Tasting/Winery Tour	4.3%	3.7%
Local/folk arts/crafts	3.7%	2.4%
Whitewater Rafting/Kayaking/Canoeing	3.5%	1.8%
Old Homes/Mansions	3.3%	5.5%
Other nature (photography, rockhounding, etc.)	3.2%	5.9%
Bird Watching	3.1%	3.5%
Motor boat/jet ski	3.1%	3.3%
Gardens	3.0%	4.8%
Art Galleries	2.9%	4.8%
Hiking/Backpacking	2.9%	4.4%
Special Events/Festivals	1.7%	0.9%
Musical performance/show	1.7%	4.6%
Theme Park/Amusement Park/Water Park	1.6%	4.9%
Water skiing	1.2%	1.1%
Horseback Riding	1.1%	1.0%
Area where TV show or movie was filmed	1.0%	1.6%

Source: North Carolina Division of Tourism

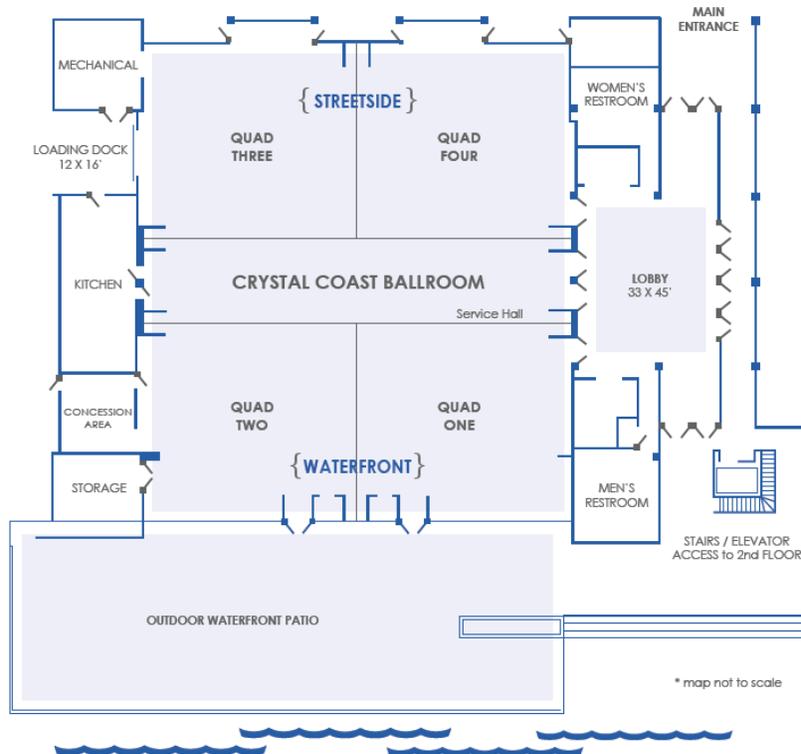
Figure B-8
2017 Top States of Origin of Overnight Visitor
North Carolina's Coastal Region



Source: North Carolina Division of Tourism

APPENDIX C
 EVENT CENTER PLANS

Figure C-1
 Crystal Coast Civic Center



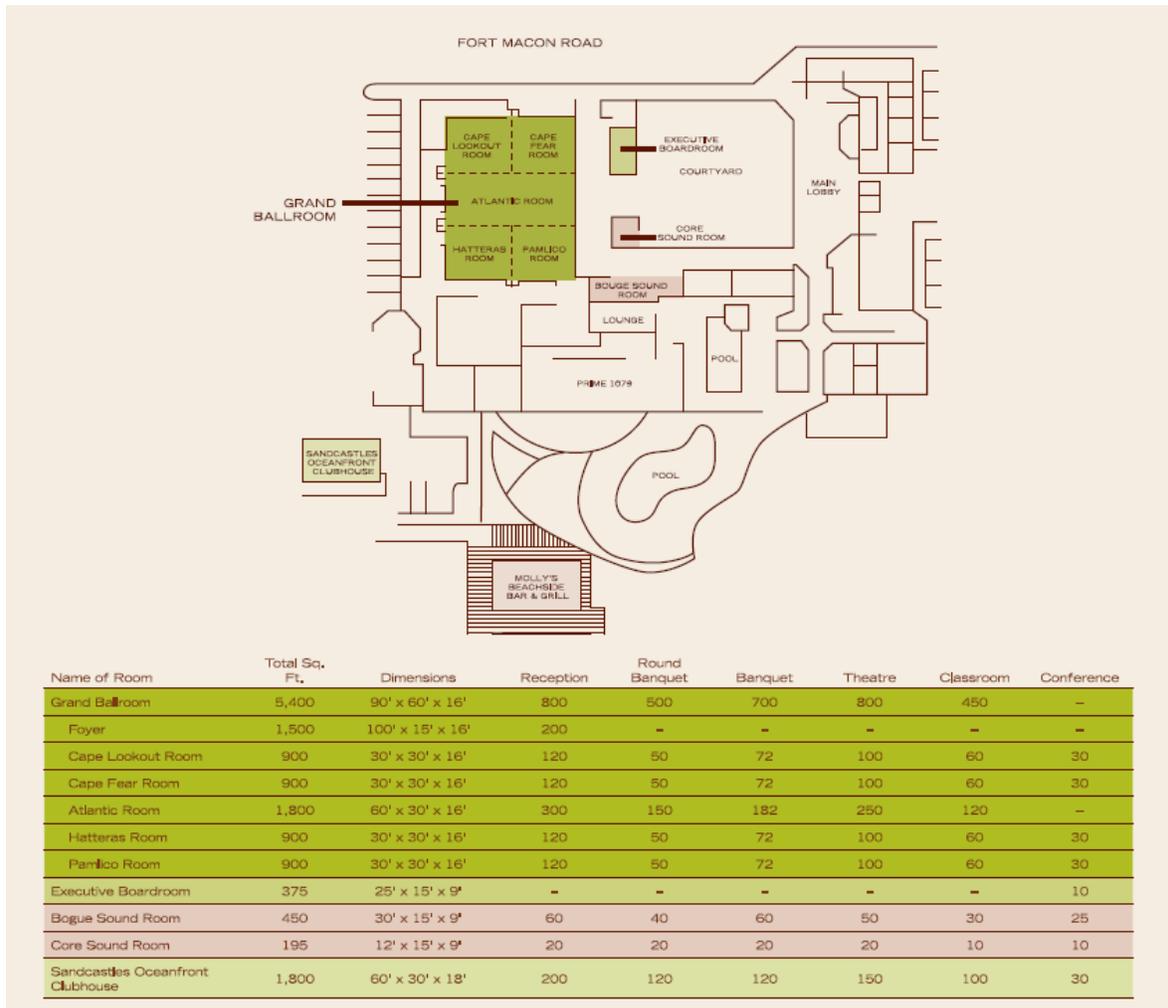
Main Floor

	Dimensions	Square Footage	Standing Reception	Theater	Rounds	Banquet	Classroom	Conference	Daily Rental Rate	Non-Profit
Crystal Coast Ballroom (MAIN HALL)	110' x 100'	11000	1200	1000	600	800	400	N/A	\$2450	\$2075
Waterfront Quad One OR Two	42' x 50'	2100	220	200	100	130	75	50	\$650	\$575
Waterfront Quad One AND Two	42' x 100'	4200	440	400	200	300	165	100	\$1200	\$1050
Waterfront One, Two AND Service Hall	65' x 100'	6500	650	600	400	450	280	175	\$1500	\$1275
Streetside Quad Three OR Four	45' x 50'	2250	220	200	125	130	75	50	\$575	\$500
Streetside Quad Three AND Four	45' x 100'	4500	440	400	250	300	175	100	\$950	\$800
Streetside Three, Four AND Service Hall	68' x 100'	6800	680	600	425	450	280	175	\$1350	\$1125
Lobby	33' x 45'	1485	150	—	—	—	—	—	\$350	\$300
Conference Room	16' x 23'	368	—	—	—	—	—	15	\$250	\$200
Outdoor Waterfront Patio	140' x 140'	19,600	1200	—	600	—	—	—	\$500	\$400
Kitchen (preferred caterers except)	—	—	—	—	—	—	—	—	\$350	\$300

LIABILITY INSURANCE \$250 per event

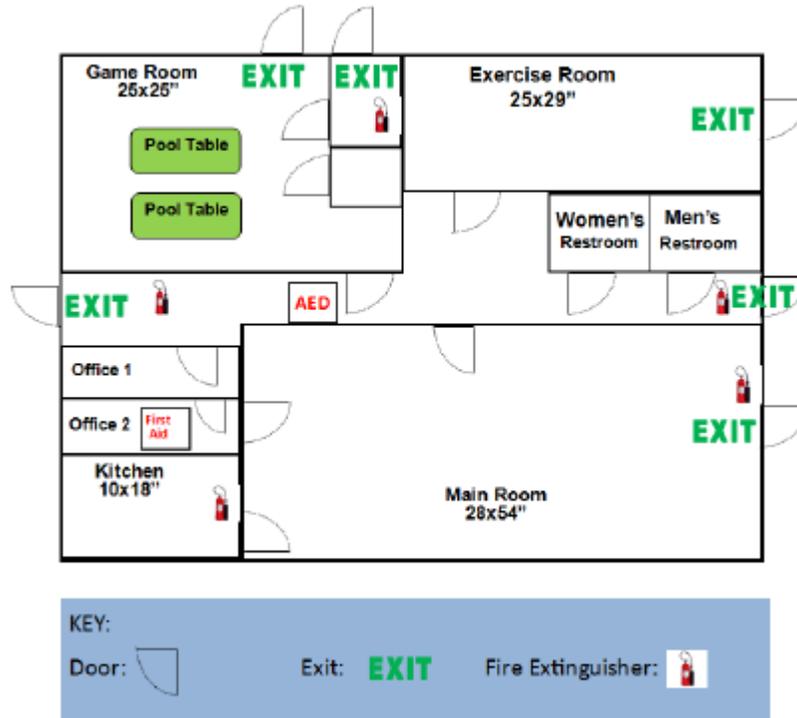
Source: Crystal Coast Civic Center

Figure C-2
Double Tree Event Center



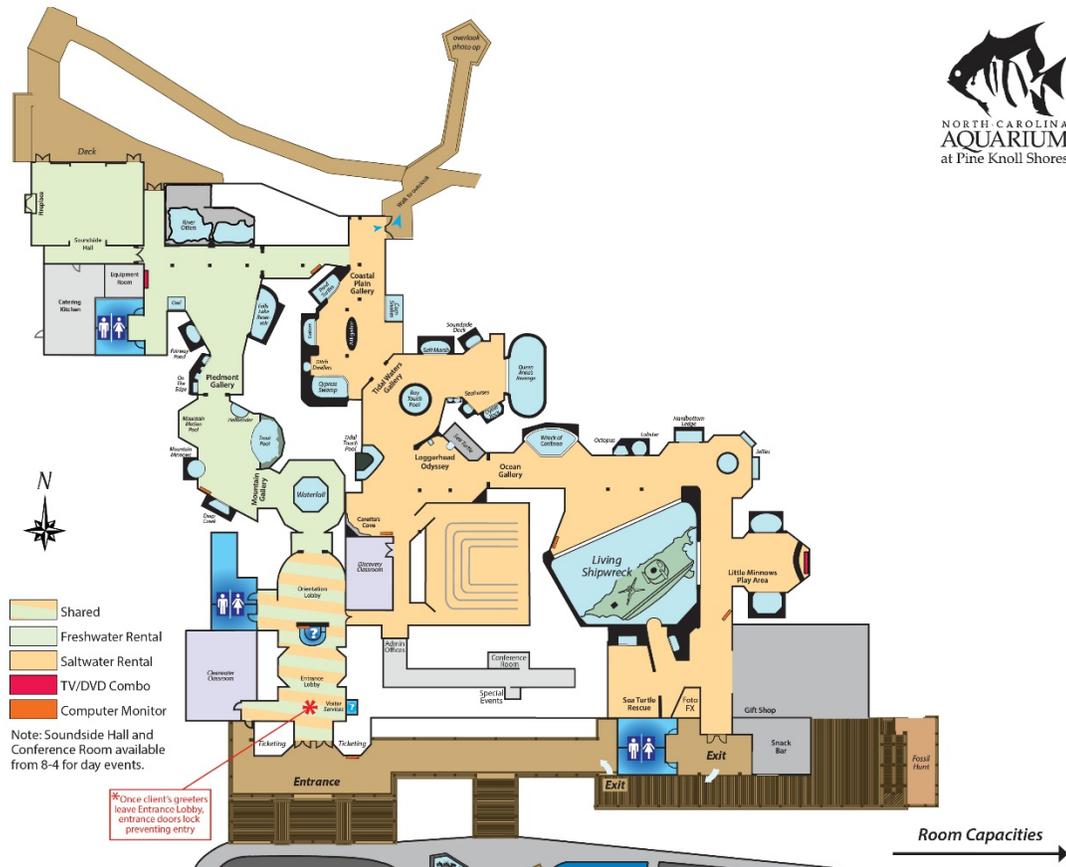
Source: Double Tree by Hilton Atlantic Beach Oceanfront

Figure C-3
Fort Benjamin Recreation Center



Source: Carteret County Parks and Recreation

Figure C-4
 North Carolina Aquarium at Pine Knoll Shores



Source: North Carolina Aquarium at Pine Knoll Shores

**Table C-1
 Boats and Camps Rentals in Carteret County**

Name	Facility Use	Type	Description	Capacity	Total Rooms	SF	Rental Rates
Crystal Coast Lady Cruises	Meetings	Boat	Daily sightseeing vessel with private fishing charter	265	0	-	-
Camp Albemarle	Weddings, Meetings	Camp	Presbyterian church operated camp with indoor and outdoor meeting spaces and cabin accommodations.	-	7 rooms in lodge; 6 cabins	-	Base: \$3,100 for Friday-Sunday
Trinity Center	Meetings	Camp	Summer camp/retreat with building compounds useful for seminars, conferences or retreats. Very secluded	225 max	44 private double occupancy rooms; 4 dorm cabins w/ 100 beds; 1 private house for 12 people	-	Per person and per night rate includes lodging, 3 meals, meeting space, equipment and refreshments

Source: Facilities Listed and ConsultEcon, Inc.

Table C-2
Civic Centers Rentals in Carteret County

Name	Facility Use	Type	Description	Capacity	Total Rooms	SF	Rental Rates
Beaufort Elks Lodge #1710	Weddings, Meetings	Civic Center	Community meeting facility with basic meeting hall	200 banquet; 350 theatre	0	4,500	-
Beaufort Depot at Town Hall	Weddings, Meetings	Civic Center	Train station with rental capacity for non-profits	70 lecture	0	-	Resident: \$15; Non-Resident: \$75 for half day, \$150 full day
Crystal Coast Civic Center	Weddings, Meetings	Civic Center	Traditional civic space with capacity to accommodate conferences, weddings, tradeshow and entertainment events	600-850 banquet, 500 reception, 1000 standing	0	13,410	-
Fort Benjamin Recreation Center	Wedding	Civic Center	Community center with kitchen on site, game and exercise room and event hall	132 max	+	1,500	-
Leon Mann Senior Enrichment Center	Weddings, Meetings	Civic Center	Senior/community center with venue rental options on weekends and week nights	-	0	-	-
VFW Post #8986	Wedding	Civic Center	Community center for veterans that has rental space for special events like parties and weddings	120 max	0	-	-
Western Park Community Center	Wedding, Meetings	Civic Center	Classroom space that is rentable for small events and meetings	125 max	0	-	-

Source: Facilities Listed and ConsultEcon, Inc.

Table C-3
Country Club and Business Rentals in Carteret County

Name	Facility Use	Type	Description	Capacity	Total Rooms	SF	Rental Rates
Carolina Home and Garden	Weddings	Business	Garden store that does indoor/outdoor event rentals	25-150 guests	0	-	Custom to the event
Country Club of the Crystal Coast	Weddings Meetings	Country Club	Golf club with restaurant and venue space. Lodging available through condo rental partnership and have packages with local hotels/resorts/inns	250 banquet	Varies	-	-
Star Hill Golf Club	Weddings Meetings	Country Club	Golf course with clubhouse that can accommodate members and public for private functions	-	0	-	Member base price: \$300 Non-member base price: \$450
The Boathouse at Front Street Village	Weddings Meetings	Business	Active boathouse and marina that accommodates wedding events, parties, corporate events, and meetings. Outdoor and indoor facility rentals	150 On East Lawn, West Lawn and Marlin Room + Lookout deck	0	-	-
Dunes Club	Weddings Meetings	Private Club	Oceanfront private members club in Atlantic Beach capable of hosting small intimate gatherings as well as large social events, from children's birthday parties to wedding receptions.	-	-	-	-
Coral Bay Club	Weddings Meetings	Private Club	The Coral Bay Clubhouse highlights include a ballroom, Ocean Room formal dining, Coral Bar formal bar, Sandbar casual bar, beautiful courtyard, and Pool complete with a cabana bar and tiki bar.	-	-	-	-

Source: Facilities Listed and ConsultEcon, Inc.

Table C-4
Event Venue Rentals in Carteret County

Name	Facility Use	Type	Description	Capacity	Total Rooms	SF	Rental Rates
Bluewater Weddings and Events	Weddings	Event Venue	Rental service for a collection of vacation rental homes	Varies	Varies	Varies	Varies
Butterfly Kisses Pavilion	Wedding	Event Venue	Versatile outdoor venue with pavilion and pergola. Solely an event venue	144-240 seated	0	-	Base weekend prices by person: 82-114: \$2926 114-176: \$4020 176-208: \$4570 208-240: \$5119
Celebration Cottage	Wedding	Event Venue	Public oceanfront beach venue on Atlantic Beach	100 seated	0	-	-
Emerald Isle Realty	Wedding	Event venue	Real estate rental	Varies	Varies	Varies	Varies
The Octagon House	Weddings, Meetings	Event Venue	60-acre riverfront estate on the White Oak River, with private event venue with gated entrance, private parking, bridal suites and scenic views	500 max	Limited on-site accommodations	-	-
The Watson House and Gardens	Wedding	Event Venue	Private site wedding venue on seven acres with views of the Bogue Sound and gardens. Waterfront ceremony site with church pews, greenhouse patio, fireplace, and outdoor terrace for reception area	250 max	On-site accommodations	-	-

Source: Facilities Listed and ConsultEcon, Inc.

Table C-5
Historic Site Rentals in Carteret County

Name	Facility Use	Type	Description	Capacity	Total Rooms	SF	Rental Rates
1905 Train Depot	Weddings, Meetings	Historic Site	Former train depot with indoor space available for events	75	0	-	-
Beaufort Historic Site	Weddings, Meetings	Historic Site	Visitor center and museum with indoor and outdoor venue for events on a 2-acre site. The indoor space is an 18 th century courthouse. There is a double decker bus available for shuttle service servicing up to 72 people at once	-	0	-	Base fee: \$1,500
Boathouse at Fort Macon State Park	Wedding	Historic Site	389-acre state park with museum preserved fort, gazebo and a boat house	-	-	-	-

Source: Facilities Listed and ConsultEcon, Inc.

**Table C-6
 Hotel, Motel and Inn Rentals in Carteret County**

Name	Facility Use	Type	Description	Capacity	Total Rooms	SF	Rental Rates
Beaufort Inn	Meetings	Hotel/ Motel/ Inn	Hotel apart of the chain Inn and Suites, does not do wedding accommodations	15 classroom	44	-	-
Doubletree by Hilton Atlantic Beach Oceanfront	Wedding, Meetings	Hotel/ Motel/ Inn	Modern oceanfront hotel with amenities, including restaurant	800 guests	200	10,000	-
Hampton Inn Morehead City	Wedding	Hotel/ Motel/ Inn	Hotel chain on Bogue Sound that accommodates meetings and wedding events, with indoor and outdoor spaces available. Basic Amenities like swimming pool, business center, complimentary breakfast and fitness center	-	118	756 SF Meeting	-
Islander Hotel and Resort	Wedding	Hotel/ Motel/ Inn	Indoor and outdoor facilities for rent. Outdoor includes patio and fire pit and is oceanfront	200 Ballroom 50 Conference Room	100	3,000 SF Ballroom 1,000 SF Conference	-
Oceanana Family Resort, Motel and Fishing Pier	Wedding	Hotel/ Motel/ Inn	Privately operated resort facility with oceanfront venues for wedding rental.	100 beach 50 lawn 75 pier	-	-	-
The Inn at Pine Knoll Shores	Wedding	Hotel/ Motel/ Inn	Independent oceanfront hotel that accommodates indoor wedding and meeting events	125 ceremony/ reception Ocean Room 120 Bogue Room classroom style 15 Board room meeting	102	-	-

Source: Facilities Listed and ConsultEcon, Inc.

**Table C-7
 Museum and Attraction Rentals in Carteret County**

Name	Facility Use	Type	Description	Capacity	SF	Rental Rates
Core Sound Waterfowl Museum	Weddings Meetings	Museum Attraction	Small heritage museum	200 seated dinner 400 reception		
North Carolina Aquarium at Pine Knoll Shores	Weddings Meetings	Museum/ Attraction	Aquarium that accommodates birthday parties, business meetings, social gatherings and weddings.	130 Meetings 300 Evening Functions	Total SF 68,000 Soundside Hall: 1,850	<p><i>Children's Events</i> Birthday Packages: \$225-\$400 for 24 Participants (max 40, additional child \$12, adult \$10) Sleepovers: \$45 per person, minimum 15 participants, max 30</p> <p><i>Day Events</i> Conference Room: \$45 per hour (max 14) Soundside Hall: Full day only, 50 participants is \$500, 51-125 participants is \$750</p> <p><i>Evening Events:</i> Big Rock Theater: \$220 per hour max 150 guests Freshwater Galleries and Soundside Hall: Base fee \$2,100, max 125 guests Saltwater Galleries: Base fee \$2,750 4-hr rental, max 175 guests Entire Aquarium: Base fee \$3,300 4-hr rental, 175+ guests</p>
North Carolina Maritime Museum	Weddings Meetings	Museum/ Attraction	Maritime museum with indoor and outdoor space for rent, and ocean access.	20 Library 100 Auditorium 140 Reception or 115 seated dinner in Watercraft Center MAX 200	10,640 SF	Library: \$30 to \$60 per hour, +deposit Auditorium and Lobby: Base fee \$750 + w/ \$150 open exhibit area Watercraft Center: Base fee \$3,500 Great Lawn: Base Fee: \$500

Table C-7 (continued)
Museum and Attraction Rentals in Carteret County

Name	Facility Use	Type	Description	Capacity	SF	Rental Rates
The History Museum of Carteret County	Weddings Meetings	Museum/ Attraction	Auditorium in local history museum that has the capacity to accommodate weddings, meetings, special events, and music performances. 15 minutes to the ocean, and 55 parking spots	120 seated 170 theatre	2,500 SF Auditorium	\$200 booking fee, and \$75 per hour charge

Source: Facilities Listed and ConsultEcon, Inc.

APPENDIX D
FUTURE STABLE YEAR ECONOMIC IMPACTS

Table D-1
Coastal Region Overnight Visitor Spending by Expenditure Category, 2017

Average Trip Spending by Overnight Visitor Parties	\$1,242	
Average Visitors per Party	2.3	
Average Nights	4.2	
	Overnight Trip Spending per Visitor Party	Daily Spending Per Overnight Visitor
Category of Expenditure ^{1/}		
Lodging	\$647.00	\$66.98
F&B	180.00	18.63
Gas/Transportation	202.00	20.91
Groceries	97.00	10.04
Shopping/Gifts/Souvenirs	46.00	4.76
Entertainment/Admissions	44.00	4.55
Amenities (golf, fees, spa, etc.)	20.00	2.07
Gaming	1.00	0.10
Other	5.00	0.52
Total of Average Per Visitor Daily Spending by Category ^{1/}	\$1,242.00	\$128.56

1/ Average Total Daily Spending per visitor does not equal the total of the Average Daily Spending per Visitor by Category of expenditure due to survey methodology.

Source: State of North Carolina, Department of Carteret County Tourism Department and ConsultEcon, Inc.

FUTURE STABLE YEAR ECONOMIC IMPACTS -Table D-2
Calculations of Estimated Visitor Spending Potential
New North Carolina Maritime Museum and Maritime Campus

Source of Visitation	Distribution of Visitation by Spending Profile		Total
	Day Trip	Overnight Trip	
Resident Markets			
Primary Market	100%	0%	100%
Secondary Market	100%	0%	100%
Visitor (Tourist) Market			
Overnight Leisure Tourists - Instate	0%	100%	100%
Overnight Leisure Tourists - Out of State	0%	100%	100%
Day Leisure Tourists	0%	100%	100%
Seasonal Residents	100%	0%	100%
			Stable Year Total (Rounded to hundreds)
Estimated Distribution Of Visitors By Origin ^{1/}			
Resident Markets			
Primary Market	13,500	-	13,500
Secondary Market	22,300	-	22,300
Visitor (Tourist) Market			
Overnight Leisure Tourists - Instate	-	93,200	93,200
Overnight Leisure Tourists - Out of State	-	93,200	93,200
Day Leisure Tourists	-	8,300	8,300
Seasonal Residents	4,600	-	4,600
Total Attendance	40,400	194,700	235,100
Total Attendance from Out of Carteret County			
	26,900	194,700	221,600
Total Attendance from Out of State			
	920	93,200	94,100
Per Person Spending (not including retail and food spending onsite) ^{2/}			
	Day Trip	Overnight Trip	Average Per Capita
Lodging	\$0.00	\$68.87	\$60.51
Food and Beverage/Dining	\$9.58	\$19.16	\$18.00
Gas/Transportation	\$10.75	\$21.50	\$20.20
Groceries	\$5.16	\$10.32	\$9.69
Shopping/Gifts/Souvenirs	\$2.45	\$4.89	\$4.59
Entertainment/Admissions/Amenities	\$3.41	\$6.81	\$6.40
Other	\$0.27	\$0.53	\$0.50
Total	\$31.61	\$132.08	\$119.88
In Carteret County by Visitors from Outside the County			
Spending Matrix (In addition to on-site spending)			
	Day Trip	Overnight Trip	Total
Lodging	\$0	\$13,408,989	\$13,408,989
Food and Beverage/Dining	257,702	3,730,452	3,988,154
Gas/Transportation	289,175	4,186,050	4,475,225
Groceries	138,804	2,009,304	2,148,108
Shopping/Gifts/Souvenirs	65,771	952,083	1,017,854
Entertainment/Admissions/Amenities	91,595	1,325,907	1,417,502
Other	7,129	103,191	110,320
Total	\$850,175	\$25,715,976	\$26,566,151
In North Carolina by Visitors from Outside the State			
Spending Matrix (In addition to on-site spending)			
	Day Trip	Overnight Trip	Total
Lodging	\$0	\$6,418,684	\$6,418,684
Food and Beverage/Dining	\$8,814	\$1,785,712	\$1,794,526
Gas/Transportation	\$9,890	\$2,003,800	\$2,013,690
Groceries	\$4,747	\$961,824	\$966,571
Shopping/Gifts/Souvenirs	\$2,249	\$455,748	\$457,997
Entertainment/Admissions/Amenities	\$3,133	\$634,692	\$637,825
Other	\$244	\$49,396	\$49,640
Total	\$29,077	\$12,309,856	\$12,338,933
Estimate of Current Dollar Stable Gross Operating Expenses ^{3/}			Future Stable Year, Current \$
Gross Expenditures			
Total Salaries			\$1,101,000
Other Operating Expenses			1,342,000
Total			\$2,443,000

^{1/} See admissions analysis in Section V. Does not include visitors in Primary Market Area.

^{2/} Spending data based on inflation adjusted overnight visitor spending reported in the 2017 North Carolina Regional Travel Summary from the Economic Development Partnership for North Carolina. Day trip spending does not include lodging and assumed at 50% of overnight trip spending.

^{3/} Operations spending by the NC Maritime Museum and the Friends of the NC Maritime Museum in Carteret County.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

FUTURE STABLE YEAR ECONOMIC IMPACTS -Table D-3
Estimated Direct Spending Potential in Carteret County and in North Carolina
New North Carolina Maritime Museum and Maritime Campus

<u>Visitors to the New Maritime Museum</u>			
	<i>Off-Site Spending</i>		Total
	Day Trip	Overnight Trip	
Lodging	\$0	\$13,408,989	\$13,408,989
Food and Beverage/Dining	257,702	3,730,452	3,988,154
Gas/Transportation	289,175	4,186,050	4,475,225
Groceries	138,804	2,009,304	2,148,108
Shopping/Gifts/Souvenirs	65,771	952,083	1,017,854
Entertainment/Admissions/Amenities	91,595	1,325,907	1,417,502
Other	7,129	103,191	110,320
Total Off-Site Spending	\$850,175	\$25,715,976	\$26,566,151
Gross Operating Expenditures			
Total Salaries	\$1,101,000		
Other Operating Expenses	1,342,000		
Total	\$2,443,000		
<u>Estimated Distribution of Off-Site Visitor Spending</u>			
	Day Trip	Overnight Trip	
Lodging			
Carteret County		100%	
Outside of Carteret County		0%	
Food and Beverage/Dining			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Gas/Transportation			
Carteret County	80%	95%	
Outside of Carteret County	20%	5%	
Groceries			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Shopping/Gifts/Souvenirs			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Entertainment/Admissions/Amenities			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Other			
Carteret County	85%	100%	
Outside of Carteret County	15%	0%	
Distribution of Operations Spending			
Carteret County	70%		\$1,710,100
Other North Carolina Counties	20%		488,600
Outside of North Carolina	10%		244,300
Total Institutional Spending	100%		\$2,443,000
<u>Estimated Direct Spending</u>			
<i>Off-Site Spending In Carteret County</i>	Day Trip	Overnight Trip	Total
Lodging	\$0	\$13,408,989	\$13,408,989
Food and Beverage/Dining	231,932	3,730,452	3,962,384
Gas/Transportation	231,340	3,976,748	4,208,088
Groceries	124,924	2,009,304	2,134,228
Shopping/Gifts/Souvenirs	59,193	952,083	1,011,276
Entertainment/Admissions/Amenities	82,435	1,325,907	1,408,342
Other	6,059	103,191	109,250
Total Off-Site Spending In Carteret County	\$735,883	\$25,506,674	\$26,242,557
Operations Spending in Carteret County			\$1,710,100.00
Total Carteret County Spending			\$27,952,657

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.
Source: ConsultEcon, Inc.

FUTURE STABLE YEAR ECONOMIC IMPACTS -Table D-4
Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends
of the NC Maritime Museum on Carteret County

<i>On-Site Spending</i>	Estimated Total Spending	Total Spending Adjusted to Retail Margin	Estimated Percent Net New to County ^{3/}	Estimated Net New Spending in Carteret County	Estimated Net New Spending in Carteret County Adjusted to Retail Margin
Total Operations Spending in Carteret County	\$1,710,100	\$1,710,100	100%	\$1,710,100	\$1,710,100
Estimated Direct Off-Site Spending in Carteret County					
Lodging	\$13,408,989	\$13,408,989	75%	\$10,056,742	\$10,056,742
Food and Beverage/Dining (Retail margin 75%)	3,962,384	2,971,788	75%	2,971,788	2,228,841
Gas/Transportation (Retail margin 25% on gasoline)	4,208,088	1,052,022	75%	3,156,066	789,016
Groceries (Retail margin 50%)	2,134,228	1,067,114	75%	1,600,671	800,335
Shopping/Gifts/Souvenirs (Retail margin 50%)	1,011,276	505,638	75%	758,457	379,229
Entertainment/Admissions/Amenities	1,408,342	1,408,342	75%	1,056,257	1,056,257
Other	109,250	109,250	75%	81,938	81,938
Total Off-Site	\$26,242,557	\$20,523,143		\$19,681,917	\$15,392,357
Total On-Site and Off-Site Spending	\$27,952,657	\$22,233,243		\$21,392,017	\$17,102,457
Economic Impacts - Carteret County					
Industry Type	Multipliers ^{1/}				
	Expenditures	Earnings	Employment		
Lodging	1.4078	0.3325	11.9228		
Food and Beverage/Dining	1.4594	0.382	16.6061		
Gas/Transportation	1.5087	0.4142	16.3312		
Groceries	1.4998	0.4416	17.9077		
Shopping/Gifts/Souvenirs	1.5087	0.4142	16.3312		
Entertainment/Admissions/Amenities	1.5841	0.411	19.6415		
Other	1.5782	0.4654	14.4631		
Operations	1.6096	0.4463	15.4957		
Indirect and Induced Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$14,157,881	\$3,343,867	114		
Food and Beverage/Dining	3,252,770	851,417	35		
Gas/Transportation	1,190,389	326,811	12		
Groceries	1,200,343	353,428	14		
Shopping/Gifts/Souvenirs	572,142	157,077	6		
Entertainment/Admissions/Amenities	1,673,216	434,121	20		
Other	123,619	33,939	1		
Operations	2,752,577	763,218	25		
Total Indirect and Induced Impacts	\$24,922,938	\$6,263,877	227		
Plus Net New Direct Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$10,056,742	\$2,375,243	81		
Food and Beverage/Dining	2,971,788	777,870	32		
Gas/Transportation	3,156,066	866,469	32		
Groceries	1,600,671	471,300	19		
Shopping/Gifts/Souvenirs	758,457	208,228	8		
Entertainment/Admissions/Amenities	1,056,257	274,049	13		
Other	81,938	22,495	1		
Operations	1,710,100	1,101,000	43	full and part time positions	
Total Direct Impacts	\$21,392,017	\$6,096,654	229		
Total Direct, Indirect & Induced Impacts	\$46,314,956	\$12,360,531	456		

1/ See text for discussion of multipliers, which are from a custom run of the Bureau of Economic Analysis' RIMS II Input-Output Model.

2/ Employment includes full time and part time positions.

3/ The NC Maritime Museum is going to be a primary activity for the same day of visitation and so only 75% of spending considered net new.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

FUTURE STABLE YEAR ECONOMIC IMPACTS -Table D-5
Estimated Direct Spending Potential in Carteret County and in North Carolina
New North Carolina Maritime Museum and Maritime Campus

Visitors to the New Maritime Museum			
	Off-Site Spending		
	Day Trip	Overnight Trip	Total
Lodging	\$0	\$6,418,684	\$6,418,684
Food and Beverage/Dining	8,814	1,785,712	1,794,526
Gas/Transportation	9,890	2,003,800	2,013,690
Groceries	4,747	961,824	966,571
Shopping/Gifts/Souvenirs	2,249	455,748	457,997
Entertainment/Admissions/Amenities	3,133	634,692	637,825
Other	244	49,396	49,640
Total Off-Site Spending	\$29,077	\$12,309,856	\$12,338,933
Gross Operating Expenditures			
Total Salaries	\$1,101,000		
Other Operating Expenses	1,342,000		
Total	\$2,443,000		
Estimated Distribution of Off-Site Visitor Spending			
	Day Trip	Overnight Trip	
Lodging			
Instate		100%	
Out of State		0%	
Food and Beverage/Dining			
Instate	95%	100%	
Out of State	5%	0%	
Gas/Transportation			
Instate	90%	95%	
Out of State	10%	5%	
Groceries			
Instate	95%	100%	
Out of State	5%	0%	
Shopping/Gifts/Souvenirs			
Instate	95%	100%	
Out of State	5%	0%	
Entertainment/Admissions/Amenities			
Instate	95%	100%	
Out of State	5%	0%	
Other			
Instate	95%	100%	
Out of State	5%	0%	
Distribution of Operations Spending			
Instate	90%		\$2,198,700
Out of State	10%		244,300
Total Institutional Spending	100%		\$2,443,000
Estimated Direct Spending			
<i>Off-Site Spending In North Carolina by Out of State Visitors</i>	Day Trip	Overnight Trip	Total
Lodging	\$0	\$6,418,684	\$6,418,684
Food and Beverage/Dining	8,373	1,785,712	1,794,085
Gas/Transportation	8,901	1,903,610	1,912,511
Groceries	4,510	961,824	966,334
Shopping/Gifts/Souvenirs	2,137	455,748	457,885
Entertainment/Admissions/Amenities	2,976	634,692	637,668
Other	232	49,396	49,628
Total Off-Site Spending In Carteret County	\$27,128	\$12,209,666	\$12,236,794
Operations Spending in North Carolina			\$2,198,700
Total North Carolina Spending			\$14,435,494

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.
Source: ConsultEcon, Inc.

FUTURE STABLE YEAR ECONOMIC IMPACTS -Table D-6
Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends
of the NC Maritime Museum on the State of North Carolina

	Estimated Total Spending	Total Spending Adjusted to Retail Margin	Estimated Percent Net New to State ^{3/}	Estimated Net New Spending in North Carolina	Estimated Net New Spending in North Carolina Adjusted to Retail Margin
On-Site Spending					
Total Operations Spending in State of North Carolina	\$2,198,700	\$2,198,700	100%	\$2,198,700	\$2,198,700
Estimated Direct Off-Site Spending					
Lodging	\$6,418,684	\$6,418,684	75%	\$4,814,013	\$4,814,013
Food and Beverage/Dining (Retail margin 75%)	\$1,794,085	1,345,564	75%	1,345,564	1,009,173
Gas/Transportation (Retail margin 25% on gasoline)	\$1,912,511	478,128	75%	1,434,383	358,596
Groceries (Retail margin 50%)	\$966,334	483,167	75%	724,750	362,375
Shopping/Gifts/Souvenirs (Retail margin 50%)	\$457,885	228,942	75%	343,414	171,707
Entertainment/Admissions/Amenities	\$637,668	637,668	75%	478,251	478,251
Other	\$49,628	49,628	75%	37,221	37,221
Total Off-Site Spending	\$12,236,794	\$9,641,780		\$9,177,596	\$7,231,335
Total On-Site and Off-Site Spending	\$14,435,494	\$11,840,480		\$11,376,296	\$9,430,035
Economic Impacts - State of North Carolina					
	<i>Multipliers ^{1/}</i>				
Industry Type	Expenditures	Earnings	Employment		
Lodging	1.8824	0.5454	17.7027		
Food and Beverage/Dining	2.0905	0.636	23.803		
Gas/Transportation	1.9924	0.6337	22.4972		
Groceries	1.9878	0.6637	24.3818		
Shopping/Gifts/Souvenirs	1.9924	0.6337	22.4972		
Entertainment/Admissions/Amenities	2.0459	0.6047	25.1987		
Other	2.1422	0.7288	21.3196		
Operations	2.0784	0.8219	27.2213		
Indirect and Induced Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$9,061,898	\$2,625,563	81		
Food and Beverage/Dining	2,109,676	641,834	23		
Gas/Transportation	714,466	227,242	8		
Groceries	720,329	240,508	8		
Shopping/Gifts/Souvenirs	342,109	108,811	4		
Entertainment/Admissions/Amenities	978,454	289,198	11		
Other	74,159	23,587	1		
Operations	4,569,778	1,807,112	57		
Total Indirect and Induced Impacts	\$18,570,868	\$5,963,854	193		
Plus Net New Direct Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$4,814,013	\$1,394,795	43		
Food and Beverage/Dining	1,345,564	409,365	15		
Gas/Transportation	1,434,383	456,218	16		
Groceries	724,750	241,985	8		
Shopping/Gifts/Souvenirs	343,414	109,226	4		
Entertainment/Admissions/Amenities	478,251	141,355	5		
Other	37,221	11,838	1		
Operations	2,198,700	1,101,000	43	full and part time positions	
Total Direct Impacts	\$11,376,296	\$3,865,782	135		
Total Direct, Indirect & Induced	\$29,947,164	\$9,829,637	328		

1/ See text for discussion of multipliers, which are from a custom run of the Bureau of Economic Analysis' RIMS II Input-Output Model.

2/ Employment includes full time and part time positions.

3/ The NC Maritime Museum is going to be a primary activity for the same day of visitation and so only 75% of spending considered net new.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

**FUTURE STABLE YEAR ECONOMIC IMPACTS -Table D-7
Estimated Tax Revenue Generation Potential
of the New North Carolina Maritime Museum in Selected Categories
in a Stabilized Year Under a Mid-Range Visitation Scenario**

	Carteret County Taxes		State Taxes	
	Room Occupancy Tax	Local Sales Tax	State Sales Tax	State Income Tax ^{1/}
Tax Rates ^{2/}	6.00%	2.00%	4.75%	2.95%
On-Site Expenditures				
Retail		\$7,600	\$18,050	
Café		\$7,760	\$18,430	
Off-Site Expenditures ^{3/}				
Lodging	\$603,405	\$201,135	\$228,666	
Food and Beverage/Dining		\$59,436	\$63,914	
Groceries		\$32,013	\$34,426	
Shopping/Gifts/Souvenirs		\$15,169	\$16,312	
Entertainment/Admissions/Amenities		\$21,125	\$22,717	
Net New Tax Revenue Generated by On-site and Off-Site Expenditures		\$947,643	\$402,515	
Taxes Generated by Employee Wages and Salaries				
Income Taxes				\$32,480
Sales Taxes ^{4/}		\$5,615	\$14,905	
Total		\$5,615	\$47,384	
Taxes Generated By Net New Employee Wages and Salaries Due to Operations (Multiplier Effects)				
Income Taxes				\$257,495
Sales Taxes ^{4/}		\$54,046	\$111,945	
Total Taxes by Category		\$54,046	\$369,440	
Total County Taxes (Rounded to nearest \$1,000)		\$1,007,000		
Total State Taxes (Rounded to nearest \$1,000)				\$819,000

1/ Average achieved income tax rate.

2/ Source of tax rates is the North Carolina Department of Revenue.

3/ Tax rates applied to the net new spending.

4/ Based on 40% of income spent on goods and services, of which 75% is in taxable categories. Direct employee taxable expenditures estimated at 95% in NC and 85% in Carteret County for museum and friends salaries and wages. Direct employee taxable expenditures estimated at 90% in NC and 80% in Carteret County for all earnings, including direct, indirect and induced impacts.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

APPENDIX E

BASELINE YEAR ECONOMIC IMPACTS

This section provides additional information and analysis to supplement the economic impact analysis presented ConsultEcon's report, *Economic Impacts of the New North Carolina Maritime Museum and Maritime Campus in Beaufort, North Carolina*.

The economic impact analysis in the report includes the total economic impacts due to the future stable year operation of the new North Carolina Maritime Museum and Maritime Campus. These economic impacts are new. They reflect an expanded museum operations and operations of three private partners. The new North Carolina Maritime Museum and Maritime Campus will be an entirely new type of destination in Beaufort. It will be a new destination attraction that supports increased museum visitation from existing markets served by the existing museum and new destination trips to Beaufort. The composition of its visitors will be different than that of the visitors to the current museum.

Because the museum is an existing operation, it has existing economic impacts. Data in tables in **Appendix E** show the economic impacts due to a baseline year of operations of the North Carolina Maritime Museum and the Friends of the North Carolina Maritime Museum.

For the purposes of analyzing the new museum, the new economic impacts include the existing impacts because the new museum will be a new type of destination that is qualitatively different than the existing museum operation. However, because the Foundation may receive questions about what the potential net new impacts after the new impacts have been adjusted for impacts due to existing operations. The *net new* economic impacts of the project are then the differences between the economic impacts in the baseline year of operations and in the future stable year, as shown by tables in **Appendix F**.

Table E-1
Coastal Region Overnight Visitor Spending by Expenditure Category, 2017

Average Trip Spending by Overnight Visitor Parties	\$1,242	
Average Visitors per Party	2.3	
Average Nights	4.2	
	Overnight Trip Spending per Visitor Party	Daily Spending Per Overnight Visitor
Category of Expenditure ^{1/}		
Lodging	\$647.00	\$66.98
F&B	180.00	18.63
Gas/Transportation	202.00	20.91
Groceries	97.00	10.04
Shopping/Gifts/Souvenirs	46.00	4.76
Entertainment/Admissions	44.00	4.55
Amenities (golf, fees, spa, etc.)	20.00	2.07
Gaming	1.00	0.10
Other	5.00	0.52
Total of Average Per Visitor Daily Spending by Category ^{1/}	\$1,242.00	\$128.56

1/ Average Total Daily Spending per visitor does not equal the total of the Average Daily Spending per Visitor by Category of expenditure due to survey methodology.

Source: State of North Carolina, Department of Carteret County Tourism Department and ConsultEcon, Inc.

BASELINE YEAR ECONOMIC IMPACTS Table E-2
Calculations of Estimated Visitor Spending Potential
North Carolina Maritime Museum and Friends of the North Carolina Maritime Museum

<i>Source of Visitation</i>	Distribution of Visitation by Spending Profile		Total
	Day Trip	Overnight Trip	
Resident Markets			
Primary Market	100%	0%	100%
Secondary Market	100%	0%	100%
Visitor (Tourist) Market			
Overnight Leisure Tourists - Instate	0%	100%	100%
Overnight Leisure Tourists - Out of State	0%	100%	100%
Day Leisure Tourists	0%	100%	100%
Seasonal Residents	100%	0%	100%
			Stable Year Total (Rounded to hundreds)
Estimated Distribution Of Visitors By Origin ^{1/}			
Resident Markets			
Primary Market	8,499	-	8,499
Secondary Market	14,038	-	14,038
Visitor (Tourist) Market			
Overnight Leisure Tourists - Instate	-	58,671	58,671
Overnight Leisure Tourists - Out of State	-	58,671	58,671
Day Leisure Tourists	-	5,225	5,225
Seasonal Residents	2,896	-	2,896
Total Attendance	25,433	122,567	148,000
Total Attendance from Out of Carteret County			
	16,934	122,567	139,501
Total Attendance from Out of State			
	579	58,671	59,300
Per Person Spending (not including retail and food spending onsite) ^{2/}			
	Day Trip	Overnight Trip	Average Per Capita
Lodging	\$0.00	\$68.87	\$60.51
Food and Beverage/Dining	\$9.58	\$19.16	\$18.00
Gas/Transportation	\$10.75	\$21.50	\$20.20
Groceries	\$5.16	\$10.32	\$9.69
Shopping/Gifts/Souvenirs	\$2.45	\$4.89	\$4.59
Entertainment/Admissions/Amenities	\$3.41	\$6.81	\$6.40
Other	\$0.27	\$0.53	\$0.50
Total	\$31.61	\$132.08	\$119.88

BASELINE YEAR ECONOMIC IMPACTS - Table E-2 (continued)
Calculations of Estimated Visitor Spending Potential
North Carolina Maritime Museum and Friends of the North Carolina Maritime Museum

<u>In Carteret County by Visitors from Outside the County</u>	Distribution of Visitation by Spending Profile		Total
	Day Trip	Overnight Trip	
Spending Matrix (In addition to on-site spending)			
Lodging	\$0	\$8,441,218	\$8,441,218
Food and Beverage/Dining	162,228	2,348,392	2,510,620
Gas/Transportation	182,041	2,635,199	2,817,241
Groceries	87,380	1,264,896	1,352,276
Shopping/Gifts/Souvenirs	41,404	599,355	640,758
Entertainment/Admissions/Amenities	57,661	834,684	892,345
Other	4,488	64,961	69,448
Total	\$535,201	\$16,188,705	\$16,723,906
<u>In North Carolina by Visitors from Outside the State</u>	Distribution of Visitation by Spending Profile		Total
	Day Trip	Overnight Trip	
Spending Matrix (In addition to on-site spending)			
Lodging	\$0	\$4,040,686	\$4,040,686
Food and Beverage/Dining	5,548	1,124,140	1,129,689
Gas/Transportation	6,226	1,261,431	1,267,657
Groceries	2,988	605,487	608,475
Shopping/Gifts/Souvenirs	1,416	286,902	288,318
Entertainment/Admissions/Amenities	1,972	399,551	401,523
Other	153	31,096	31,249
Total	\$18,304	\$7,749,293	\$7,767,597
<u>Estimate of Current Dollar Stable Gross Operating Expenses</u> ^{3/}			Future Stable Year,
Gross Expenditures			Current \$
Total Salaries			\$789,000
Other Operating Expenses			720,000
Total			\$1,509,000

1/ See admissions analysis in Section V. Does not include visitors in Primary Market Area.

2/ Spending data based on inflation adjusted overnight visitor spending reported in the 2017 North Carolina Regional Travel Summary from the Economic Development Partnership for North Carolina. Day trip spending does not include lodging and assumed at 50% of overnight trip spending.

3/ Operations spending by the NC Maritime Museum and the Friends of the NC Maritime Museum in Carteret County.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

BASELINE YEAR ECONOMIC IMPACTS - Table E-3
Estimated Direct Spending in Carteret County
North Carolina Maritime Museum and Friends of the North Carolina Maritime Museum

<u>Visitors to the New Maritime Museum</u>			
	<u>Off-Site Spending</u>		
	<u>Day Trip</u>	<u>Overnight Trip</u>	<u>Total</u>
Lodging	\$0	\$8,441,218	\$8,441,218
Food and Beverage/Dining	162,228	2,348,392	2,510,620
Gas/Transportation	182,041	2,635,199	2,817,241
Groceries	87,380	1,264,896	1,352,276
Shopping/Gifts/Souvenirs	41,404	599,355	640,758
Entertainment/Admissions/Amenities	57,661	834,684	892,345
Other	4,488	64,961	69,448
Total Off-Site Spending	\$535,201	\$16,188,705	\$16,723,906
Gross Operating Expenditures			
Total Salaries	\$789,000		
Other Operating Expenses	720,000		
Total	\$1,509,000		
<u>Estimated Distribution of Off-Site Visitor Spending</u>			
	<u>Day Trip</u>	<u>Overnight Trip</u>	
Lodging			
Carteret County		100%	
Outside of Carteret County		0%	
Food and Beverage/Dining			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Gas/Transportation			
Carteret County	80%	95%	
Outside of Carteret County	20%	5%	
Groceries			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Shopping/Gifts/Souvenirs			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Entertainment/Admissions/Amenities			
Carteret County	90%	100%	
Outside of Carteret County	10%	0%	
Other			
Carteret County	85%	100%	
Outside of Carteret County	15%	0%	
Distribution of Operations Spending			
Carteret County	70%		\$1,056,300
Other North Carolina Counties	20%		301,800
Outside of North Carolina	10%		150,900
Total Institutional Spending	100%		\$1,509,000
<u>Estimated Direct Spending</u>			
<u>Off-Site Spending In Carteret County</u>	<u>Day Trip</u>	<u>Overnight Trip</u>	<u>Total</u>
Lodging	\$0	\$8,441,218	\$8,441,218
Food and Beverage/Dining	146,006	2,348,392	2,494,397
Gas/Transportation	145,633	2,503,440	2,649,073
Groceries	78,642	1,264,896	1,343,538
Shopping/Gifts/Souvenirs	37,263	599,355	636,618
Entertainment/Admissions/Amenities	51,894	834,684	886,579
Other	3,814	64,961	68,775
Total Off-Site Spending In Carteret County	\$463,253	\$16,056,945	\$16,520,197
Operations Spending in Carteret County			\$1,056,300
Total Carteret County Spending			\$17,576,497

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.
Source: ConsultEcon, Inc.

BASELINE YEAR ECONOMIC IMPACTS - Table E-4
Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends
of the NC Maritime Museum on Carteret County

<i>On-Site Spending</i>	Estimated Total Spending	Total Spending Adjusted to Retail Margin	Estimated Percent Net New to County ^{3/}	Estimated Net New Spending in Carteret County	Estimated Net New Spending in Carteret County Adjusted to Retail Margin
Total Operations Spending in Carteret County	\$1,056,300	\$1,056,300	100%	\$1,056,300	\$1,056,300
Estimated Direct Off-Site Spending in Carteret County					
Lodging	\$8,441,218	\$8,441,218	50%	\$4,220,609	\$4,220,609
Food and Beverage/Dining (Retail margin 75%)	2,494,397	1,870,798	50%	1,247,199	935,399
Gas/Transportation (Retail margin 25% on gasoline)	2,649,073	662,268	50%	1,324,536	331,134
Groceries (Retail margin 50%)	1,343,538	671,769	50%	671,769	335,884
Shopping/Gifts/Souvenirs (Retail margin 50%)	636,618	318,309	50%	318,309	159,155
Entertainment/Admissions/Amenities	886,579	886,579	50%	443,289	443,289
Other	68,775	68,775	50%	34,388	34,388
Total Off-Site	\$16,520,197	\$12,919,716		\$8,260,099	\$6,459,858
Total On-Site and Off-Site Spending	\$17,576,497	\$13,976,016		\$9,316,399	\$7,516,158
Economic Impacts - Carteret County					
Industry Type	Multipliers ^{1/}				
	Expenditures	Earnings	Employment		
Lodging	1.4078	0.3325	11.9228		
Food and Beverage/Dining	1.4594	0.382	16.6061		
Gas/Transportation	1.5087	0.4142	16.3312		
Groceries	1.4998	0.4416	17.9077		
Shopping/Gifts/Souvenirs	1.5087	0.4142	16.3312		
Entertainment/Admissions/Amenities	1.5841	0.411	19.6415		
Other	1.5782	0.4654	14.4631		
Operations	1.6096	0.4463	15.4957		
Indirect and Induced Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$5,941,773	\$1,403,353	48		
Food and Beverage/Dining	1,365,121	357,322	15		
Gas/Transportation	499,582	137,156	5		
Groceries	503,759	148,327	6		
Shopping/Gifts/Souvenirs	240,116	65,922	2		
Entertainment/Admissions/Amenities	702,215	182,192	8		
Other	51,881	14,243	1		
Operations	1,700,220	471,427	16		
Total Indirect and Induced Impacts	\$11,004,668	\$2,779,941	101		
Plus Net New Direct Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$4,220,609	\$996,841	34		
Food and Beverage/Dining	1,247,199	326,456	14		
Gas/Transportation	1,324,536	363,640	13		
Groceries	671,769	197,795	8		
Shopping/Gifts/Souvenirs	318,309	87,389	3		
Entertainment/Admissions/Amenities	443,289	115,013	5		
Other	34,388	9,441	1		
Operations	1,056,300	789,000	43	full and part time positions	
Total Direct Impacts	\$9,316,399	\$2,885,574	121		
Total Direct, Indirect & Induced Impacts	\$20,321,067	\$5,665,515	222		

1/ See text for discussion of multipliers, which are from a custom run of the Bureau of Economic Analysis' RIMS II Input-Output Model.

2/ Employment includes full time and part time positions.

3/ The NC Maritime Museum is a primary activity for the same day of visitation and so only 50% of spending considered net new.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

BASELINE YEAR ECONOMIC IMPACTS - Table E-5
Estimated Direct Spending Potential in North Carolina
New North Carolina Maritime Museum and Maritime Campus

<u>Visitors to the New Maritime Museum</u>			
	<i>Off-Site Spending</i>		
	Day Trip	Overnight Trip	Total
Lodging	\$0	\$4,040,686	\$4,040,686
Food and Beverage/Dining	5,548	1,124,140	1,129,689
Gas/Transportation	6,226	1,261,431	1,267,657
Groceries	2,988	605,487	608,475
Shopping/Gifts/Souvenirs	1,416	286,902	288,318
Entertainment/Admissions/Amenities	1,972	399,551	401,523
Other	153	31,096	31,249
Total Off-Site Spending	\$18,304	\$7,749,293	\$7,767,597
Gross Operating Expenditures			
Total Salaries	\$789,000		
Other Operating Expenses	720,000		
Total	\$1,509,000		
<u>Estimated Distribution of Off-Site Visitor Spending</u>			
	Day Trip	Overnight Trip	
Lodging			
Instate		100%	
Out of State		0%	
Food and Beverage/Dining			
Instate	95%	100%	
Out of State	5%	0%	
Gas/Transportation			
Instate	90%	95%	
Out of State	10%	5%	
Groceries			
Instate	95%	100%	
Out of State	5%	0%	
Shopping/Gifts/Souvenirs			
Instate	95%	100%	
Out of State	5%	0%	
Entertainment/Admissions/Amenities			
Instate	95%	100%	
Out of State	5%	0%	
Other			
Instate	95%	100%	
Out of State	5%	0%	
<u>Distribution of Operations Spending</u>			
Instate	90%		\$1,358,100
Out of State	10%		150,900
Total Institutional Spending	100%		\$1,509,000
<u>Estimated Direct Spending</u>			
<i>Off-Site Spending In North Carolina by Out of State Visitors</i>	Day Trip	Overnight Trip	Total
Lodging	\$0	\$4,040,686	\$4,040,686
Food and Beverage/Dining	5,271	1,124,140	1,129,411
Gas/Transportation	5,603	1,198,359	1,203,963
Groceries	2,839	605,487	608,326
Shopping/Gifts/Souvenirs	1,345	286,902	288,247
Entertainment/Admissions/Amenities	1,873	399,551	401,424
Other	146	31,096	31,242
Total Off-Site Spending In Carteret County	\$17,078	\$7,686,221	\$7,703,299
Operations Spending in North Carolina			\$1,358,100
Total North Carolina Spending			\$9,061,399

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.
Source: ConsultEcon, Inc.

BASELINE YEAR ECONOMIC IMPACTS - Table E-6
Estimated Economic Impacts of the New North Carolina Maritime Museum and Friends
of the NC Maritime Museum on the State of North Carolina

<i>On-Site Spending</i>	Estimated Total Spending	Total Spending Adjusted to Retail Margin	Estimated Percent Net New to State ^{3/}	Estimated Net New Spending in North Carolina	Estimated Net New Spending in North Carolina Adjusted to Retail Margin
Total Operations Spending in State of North Carolina	\$1,358,100	\$1,358,100	100%	\$1,358,100	\$1,358,100
Estimated Direct Off-Site Spending					
Lodging	\$4,040,686	\$4,040,686	50%	\$2,020,343	\$2,020,343
Food and Beverage/Dining (Retail margin 75%)	\$1,129,411	847,058	50%	564,706	423,529
Gas/Transportation (Retail margin 25% on gasoline)	\$1,203,963	300,991	50%	601,981	150,495
Groceries (Retail margin 50%)	\$608,326	304,163	50%	304,163	152,081
Shopping/Gifts/Souvenirs (Retail margin 50%)	\$288,247	144,124	50%	144,124	72,062
Entertainment/Admissions/Amenities	\$401,424	401,424	50%	200,712	200,712
Other	\$31,242	31,242	50%	15,621	15,621
Total Off-Site Spending	\$7,703,299	\$6,069,687		\$3,851,649	\$3,034,844
Total On-Site and Off-Site Spending	\$9,061,399	\$7,427,787		\$5,209,749	\$4,392,944
Economic Impacts - State of North Carolina					
Industry Type	Multipliers ^{1/}				
	Expenditures	Earnings	Employment		
Lodging	1.8824	0.5454	17.7027		
Food and Beverage/Dining	2.0905	0.636	23.803		
Gas/Transportation	1.9924	0.6337	22.4972		
Groceries	1.9878	0.6637	24.3818		
Shopping/Gifts/Souvenirs	1.9924	0.6337	22.4972		
Entertainment/Admissions/Amenities	2.0459	0.6047	25.1987		
Other	2.1422	0.7288	21.3196		
Operations	2.0784	0.8219	27.2213		
Indirect and Induced Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$3,803,093	\$1,101,895	34		
Food and Beverage/Dining	885,388	269,365	10		
Gas/Transportation	299,847	95,369	3		
Groceries	302,308	100,936	4		
Shopping/Gifts/Souvenirs	143,576	45,666	2		
Entertainment/Admissions/Amenities	410,637	121,371	5		
Other	31,123	9,899	-		
Operations	2,822,675	1,116,222	35		
Total Indirect and Induced Impacts	\$8,698,647	\$2,860,722	93		
Plus Net New Direct Impacts	Expenditures	Earnings	Employment ^{2/}		
Lodging	\$2,020,343	\$585,367	18		
Food and Beverage/Dining	564,706	171,802	6		
Gas/Transportation	601,981	191,465	6		
Groceries	304,163	101,556	4		
Shopping/Gifts/Souvenirs	144,124	45,840	2		
Entertainment/Admissions/Amenities	200,712	59,324	2		
Other	15,621	4,968	-		
Operations	1,358,100	789,000	43	full and part time positions	
Total Direct Impacts	\$5,209,749	\$1,949,323	81		
Total Direct, Indirect & Induced	\$13,908,396	\$4,810,045	174		

1/ See text for discussion of multipliers, which are from a custom run of the Bureau of Economic Analysis' RIMS II Input-Output Model.

2/ Employment includes full time and part time positions.

3/ The NC Maritime Museum is a primary activity for the same day of visitation and so only 50% of spending considered net new.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

**BASELINE YEAR ECONOMIC IMPACTS - Table E-7
Estimated Tax Revenue Generation Potential
of the North Carolina Maritime Museum in Selected Categories
in a Stabilized Year Under a Mid-Range Visitation Scenario**

	Carteret County Taxes		State Taxes	
	Room Occupancy Tax	Local Sales Tax	State Sales Tax	State Income Tax ^{1/}
Tax Rates ^{2/}	6.00%	2.00%	4.75%	2.95%
<i>On-Site Expenditures</i>				
Retail		\$7,600	\$18,050	
Café		\$7,760	\$18,430	
<i>Off-Site Expenditures</i> ^{3/}				
Lodging	\$253,237	\$84,412	\$95,966	
Food and Beverage/Dining		\$24,944	\$26,824	
Groceries		\$13,435	\$14,448	
Shopping/Gifts/Souvenirs		\$6,366	\$6,846	
Entertainment/Admissions/Amenities		\$8,866	\$9,534	
Net New Tax Revenue Generated by On-site and Off-Site Expenditures		\$406,620	\$190,097	
<i>Taxes Generated by Employee Wages and Salaries</i>				
Income Taxes				\$23,276
Sales Taxes ^{4/}		\$4,024	\$10,681	
Total		\$4,024	\$33,957	
<i>Taxes Generated By Net New Employee Wages and Salaries Due to Operations (Multiplier Effects)</i>				
Income Taxes				\$118,621
Sales Taxes ^{4/}		\$23,407	\$51,570	
Total Taxes by Category		\$23,407	\$170,191	
Total County Taxes (Rounded to nearest \$1,000)		\$434,000		
Total State Taxes (Rounded to nearest \$1,000)			\$394,000	

1/ Average achieved income tax rate.

2/ Source of tax rates is the North Carolina Department of Revenue.

3/ Tax rates applied to the net new spending.

4/ Based on 40% of income spent on goods and services, of which 75% is in taxable categories. Direct employee taxable expenditures estimated at 95% in NC and 85% in Carteret County for museum and friends salaries and wages. Direct employee taxable expenditures estimated at 90% in NC and 80% in Carteret County for all earnings, including direct, indirect and induced impacts.

Note: All estimates are in current dollars. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

APPENDIX F

BASELINE AND FUTURE STABLE YEAR ECONOMIC IMPACTS

Table F-1
Summary of Estimated Direct Baseline and Future Stable Year
Economic Impacts on the State of North Carolina
New North Carolina Maritime Museum and Maritime Campus

	Baseline 2017 Museum Visitation	Change between Baseline and Future Stable Year	Mid-Range Visitors the New NC Maritime Museum
Annual Visitation	148,000	87,100	235,100
Visitors from outside of North Carolina	59,300	34,800	94,100
Percent Visitors from outside of North Carolina to Total Museum Visitation	40%	40%	40%
<i>Direct Spending in North Carolina by the New NC Maritime Museum and Off-Site Spending by Visitors from Outside of North Carolina</i>	Baseline Combined Spending	Change between Baseline and Future Stable Year	Mid-Range Visitors the New NC Maritime Museum
Operating Expenditures	\$1,358,000	\$841,000	\$2,199,000
<i>Estimated Direct Net New Off-Site Spending</i> ^{1/}			
Lodging	\$2,020,000	\$2,794,000	\$4,814,000
Food and Beverage/Dining	565,000	781,000	1,346,000
Gas/Transportation	602,000	832,000	1,434,000
Groceries	304,000	421,000	725,000
Shopping/Gifts/Souvenirs	144,000	199,000	343,000
Entertainment/Admissions/Amenities	201,000	277,000	478,000
Other	16,000	21,000	37,000
Total Off-Site Spending	\$3,852,000	\$5,325,000	\$9,177,000
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$5,210,000	\$6,166,000	\$11,376,000

1/ Not all off-site spending is net new. Some spending would occur in other locations without the influence of the New NC Maritime Museum and campus.

Note: All estimates are in current dollars for a future, stable year of operations. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Table F-2
Summary of Estimated Sustained Baseline and Future Stable Year
Economic Impacts on the State of North Carolina
New North Carolina Maritime Museum and Maritime Campus

	Categories of Economic impact		
	Expenditures	Earnings	Employment (permanent) ^{2/}
<i>Total Economic Impacts of Spending in North Carolina</i>			
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$11,376,000	\$3,866,000	135
Indirect and Induced Impacts	\$18,571,000	\$5,964,000	193
Total Direct, Indirect and Induced Impacts	\$29,947,000	\$9,830,000	328
<i>Sustained Baseline Economic Impacts of Spending in North Carolina</i>			
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$5,210,000	\$1,949,000	81
Indirect and Induced Impacts	\$8,699,000	\$2,861,000	93
Total Direct, Indirect and Induced Impacts	\$13,909,000	\$4,810,000	174
<i>New Economic Activity of Spending in North Carolina</i>			
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$6,166,000	\$1,917,000	54
Indirect and Induced Impacts	\$9,872,000	\$3,103,000	100
Total Direct, Indirect and Induced Impacts	\$16,038,000	\$5,020,000	154

1/ Not all off-site spending is net new. Some spending would occur in other locations without the influence of the New NC Maritime Museum and campus.

2/ Employment includes full-time and part-time jobs.

Note: All estimates are in current dollars for a future, stable year of operations. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Table F-3
Summary of Sustained Baseline and Future Stable Year Fiscal Revenue
Generation to the State of North Carolina
New North Carolina Maritime Museum and Maritime Campus

Fiscal Revenue Generation	Baseline 2017 Museum Visitation	Change between Baseline and Future Stable Year	Mid-Range Visitors the New NC Maritime Museum
Net New Tax Revenue Generated by On-site and Off-Site Expenditures	\$190,000	\$213,000	\$403,000
Taxes Generated by Employee (Direct and Multiplier Effect) Wages and Salaries	\$204,000	\$213,000	\$417,000
Total	\$394,000	\$426,000	\$820,000

Note: All estimates are in current dollars for a future, stable year of operations. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Table F-4
Summary of Estimated Baseline and Future Stable Year Direct Economic Impacts on the Carteret County Economy
New North Carolina Maritime Museum and Maritime Campus

	Baseline 2017 Museum Visitation	Change between Baseline and Future Stable Year	Mid-Range Visitors the New NC Maritime Museum
Annual Visitation	148,000	87,100	235,100
Visitors from outside of Carteret County	140,000	82,000	222,000
Percent Visitors from outside of Carteret County to Total Museum Visitation	95%	94%	94%
<i>Direct Spending in Carteret County by the New NC Maritime Museum and Off-Site Spending by Visitors from Outside of Carteret County</i>	Baseline Combined Spending	Change between Baseline and Future Stable Year	Mid-Range Visitors the New NC Maritime Museum
Operating Expenditures	\$1,056,000	\$654,000	\$1,710,000
<i>Estimated Direct Net New Off-Site Spending</i> ^{1/}			
Lodging	\$4,221,000	\$5,836,000	\$10,057,000
Food and Beverage/Dining	\$1,247,000	1,725,000	\$2,972,000
Gas/Transportation	\$1,325,000	1,831,000	\$3,156,000
Groceries	\$672,000	929,000	\$1,601,000
Shopping/Gifts/Souvenirs	\$318,000	440,000	\$758,000
Entertainment/Admissions/Amenities	\$443,000	613,000	\$1,056,000
Other	\$34,000	48,000	\$82,000
Total Off-Site Spending	\$8,260,000	\$11,422,000	\$19,682,000
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$9,316,000	\$12,076,000	\$21,392,000

1/ Not all off-site spending is net new. Some spending would occur in other locations without the influence of the New NC Maritime Museum and campus.

Note: All estimates are in current dollars for a future, stable year of operations. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

**Table F-5
 Summary of Estimated Sustained Baseline and Future Stable Year
 Economic Impacts on the Carteret County Economy
 New North Carolina Maritime Museum and Maritime Campus**

	Categories of Economic impact		
	Expenditures	Earnings	Employment (permanent) ^{2/}
<i>Total Economic Impacts of Spending in Carteret County</i>			
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$21,392,000	\$6,097,000	135
Indirect and Induced Impacts	\$24,923,000	\$6,264,000	193
Total Direct, Indirect and Induced Impacts	\$46,315,000	\$12,361,000	328
<i>Sustained Baseline Economic Impacts of Spending in Carteret County</i>			
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$9,316,000	\$2,886,000	81
Indirect and Induced Impacts	\$11,005,000	\$2,780,000	93
Total Direct, Indirect and Induced Impacts	\$20,321,000	\$5,666,000	174
<i>New Economic Activity of Spending in Carteret County</i>			
Direct Net New On-Site and Off-Site Impacts ^{1/}	\$12,076,000	\$3,211,000	54
Indirect and Induced Impacts	\$13,918,000	\$3,484,000	100
Total Direct, Indirect and Induced Impacts	\$25,994,000	\$6,695,000	154

1/ Not all off-site spending is net new. Some spending would occur in other locations without the influence of the New NC Maritime Museum and campus.

2/ Employment includes full-time and part-time jobs.

Note: All estimates are in current dollars for a future, stable year of operations. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.

Table F-6
Summary of Baseline and Future Stable Year Fiscal Revenue
Generation to Carteret County
New North Carolina Maritime Museum and Maritime Campus

Fiscal Revenue Generation	Baseline 2017 Museum Visitation	Change between Baseline and Future Stable Year	Mid-Range Visitors the New NC Maritime Museum
Net New Tax Revenue Generated by On-site and Off-Site Expenditures	\$407,000	\$541,000	\$948,000
Taxes Generated by Employee (Direct and Multiplier Effect) Wages and Salaries	\$27,000	\$33,000	\$60,000
Total	\$434,000	\$574,000	\$1,008,000

Note: All estimates are in current dollars for a future, stable year of operations. The economic model includes rounding that is reflected in individual results, factors and totals.

Source: ConsultEcon, Inc.