

## **MARKET STUDY**

### **Proposed Immigrant Museum At the former St. Nicholas Church**

1326 East Ohio Street  
City of Pittsburgh - Ward 24, Allegheny County, Pennsylvania

#### **PREPARED FOR:**

Preserve Croatian Heritage Foundation  
c/o Mr. Mark T. Fatla, Esquire  
Executive Director  
Northside Leadership Conference  
East Commons Professional Building  
Pittsburgh, Pennsylvania 15212

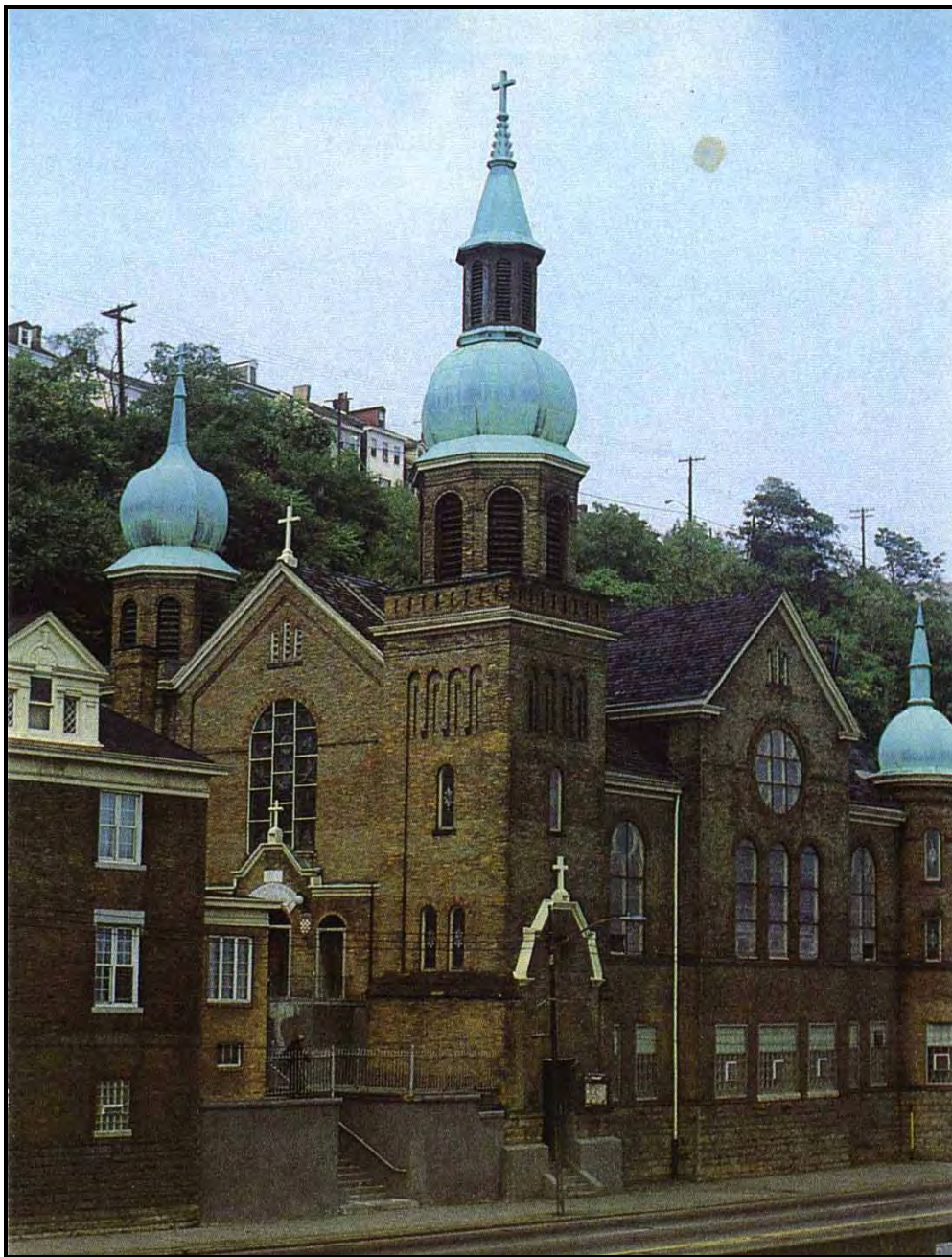
#### **BY:**

**INTEGRA REALTY RESOURCES - PITTSBURGH**  
File Number 133-2009-0139



**I**NTEGRA Realty Resources

*LOCAL EXPERTISE...NATIONALLY*



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1326 East Ohio Street  
City of Pittsburgh - Ward 24, Pennsylvania**

August 4, 2009

Preserve Croatian Heritage Foundation  
c/o Mr. Mark T. Fatla, Esquire  
Executive Director  
Northside Leadership Conference  
East Commons Professional Building  
Pittsburgh, Pennsylvania 15212

SUBJECT: Market Study  
Proposed Immigrant Museum at the former St. Nicholas Church  
1326 East Ohio Street  
City of Pittsburgh - Ward 24, Allegheny County, Pennsylvania  
Integra File Number: 133-2009-0139

Dear Mr. Fatla:

Integra Realty Resources – Pittsburgh is pleased to submit the accompanying market study of the referenced property. The purpose of the study is to assist in decision making related to the conversion of the former St. Nicholas Church into an immigrant museum. The client for the assignment is the Preserve Croatian Heritage Foundation and the intended use is for internal decision making.

The market study is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

IRR.

Preserve Croatian Heritage Foundation

Northside Leadership Conference

August 4, 2009

Page 2

Respectfully submitted,

**INTEGRA REALTY RESOURCES - PITTSBURGH**

A handwritten signature in blue ink, appearing to read "Paul D. Griffith", with a long horizontal line extending to the right.

Paul D. Griffith, MAI, MRICS  
Certified General Real Estate Appraiser  
Pennsylvania Certificate #GA 000261L

A handwritten signature in blue ink, appearing to read "Michele L. Allerton", written in a cursive style.

Michele L. Allerton  
Certified General Real Estate Appraiser  
Pennsylvania Certificate # GA003405

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
<b>TABLE OF CONTENTS</b> .....	<b>1</b>
<b>INTRODUCTION AND SCOPE OF WORK</b> .....	<b>1</b>
<b>FINDING AND CONCLUSIONS</b> .....	<b>3</b>
<b>MUSEUM MARKET OVERVIEW</b> .....	<b>4</b>
Physical Characteristics of Museums .....	6
Financial Characteristics of Museums .....	7
Employment and Staffing Characteristics .....	10
Ownership Characteristics .....	11
<b>PITTSBURGH ENTERTAINMENT VENUES AND MUSEUMS</b> .....	<b>12</b>
Pittsburgh’s Museums.....	12
How Pittsburgh Stacks Up.....	14
The Pittsburgh Immigrant Story – Where is it being told?.....	19
Conclusion .....	21
<b>THE SITE, BUILDING, AND NEIGHBORHOOD</b> .....	<b>22</b>
<b>MUSEUM INTERVIEWS</b> .....	<b>26</b>
<b>PITTSBURGH IMMIGRATION HISTORY</b> .....	<b>33</b>
Pittsburgh Immigration Timeline.....	34
<b>BUDGETING – PRO FORMA ANALYSIS</b> .....	<b>37</b>
Stabilized Operating Budget.....	37
<b>SUMMARY OF CONCLUSIONS</b> .....	<b>42</b>
<b>FUTURE PLANNING CONSIDERATIONS</b> .....	<b>43</b>
<b>CERTIFICATION</b> .....	<b>45</b>
<b>ASSUMPTIONS AND LIMITING CONDITIONS</b> .....	<b>46</b>
<b>ADDENDA</b>	
Appraiser Qualifications.....	Addendum A
Letter of Authorization .....	Addendum B

## INTRODUCTION AND SCOPE OF WORK

Integra Realty Resources was contracted to complete a market study related the potential reuse and conversion of the former St. Nicholas Church into a museum that would focus on and highlight the immigration experience in the Pittsburgh region. The property was closed by the Diocese of Pittsburgh in December 2004. It is located along East Ohio Street (Route 28) in the City of Pittsburgh, Ward 24, Allegheny County, Pennsylvania.

St. Nicholas Church is the first Croatian Roman Catholic Parish in North America. The parish was established in 1894 at 1546 East Ohio Street. Construction of the existing church was completed in 1901 at 1326 East Ohio Street. It was funded by the donations of its congregation and by Croatians throughout the United State and Canada. In 1921, the church was moved 24 feet into and 8 feet up the hillside to accommodate a widening of East Ohio Street. The move did not interrupt services or change the architectural integrity of the church. The interior was restored in 1944. The Grotto to Our Lady of Lourdes was dedicated in October 1943. The sanctuary was renovated, including a new altar, in 1978.

The church was declared a historic landmark of the City of Pittsburgh in 1976. In 2001, it was designated as a City Historic Structure in the City of Pittsburgh.

Discussions regarding reuse of the buildings include conversion to an immigration museum which would focus on the lives of immigrants, how they arrived, how they lived, what they did, their homes, work, social experiences, and other aspects of their lives in the Pittsburgh region. The concept would include ethnic art exhibits and artifacts used to tell the immigrant story. Other accessory concepts include a gift shop, snack shop, venue to support ethnic concerts, reunions, or other celebrations, as well as a research library and archives of materials donated.

Currently the Commonwealth of Pennsylvania is beginning a highway improvement project along Route 28 on which the property has frontage. While most of the existing building improvements along the northern side of Route 28 will be demolished for the highway expansion, the current highway plan calls for retaining the church buildings and property. Although the owners of the church, the Pittsburgh Catholic Diocese, is not motivated to preserve the church, the Preserve Croatian Heritage Foundation has spearheaded a drive to maintain and develop a productive reuse of the existing building and grounds. Specifically it has been proposed that the church and grounds be renovated and converted to a museum that would highlight the experiences of immigrants to the Pittsburgh area.

The scope of the market study included the following tasks:

- Meet with the leaders of the Preserve Croatian Heritage Foundation and the Northside Development Council to gain a better insight into the history of the property and gather ideas related to how the property might be used in the future.
- Inspect the property with John Francona, an architect from Astorino, who is studying the physical characteristics of the site and property and is developing a design plan for the to the potential reuse of the property.
- Research and develop a broad based summary of the characteristics of museums.
- Research and develop an analysis of the types of museums, the physical characteristics of museums and the financial, ownership and employment parameters under which museums typically operate.
- Research and develop an analysis about museums in Pittsburgh including types, attendance and size.
- Research and analyze market characteristics that measure the potential demand for museums in general and immigrant museums specifically.
- Interviewed architect John Francona relative to his conclusions regarding the potential reuse and development of the existing church and site for the proposed museum use. Analyze the implications of having the parking lot approximately one-quarter mile to the west of the site.
- Completed research to determine if, and to what degree, the “Story of the Pittsburgh Immigrant” was being told in the region.
- Completed interviews with curators and directors of culturally specific and historical museums to identify their missions and the key factors which are needed to be successful.
- Reached conclusions relative to the demand for an immigration museum and the key factors which will result in a successful museum. In addition, based on the market characteristics and proposed building and property design, developed an estimate of staffing needs and budgets.
- Developed an outline of future steps that will be required to create a viable museum.

## FINDING AND CONCLUSIONS

The study has established there is adequate market demand for an immigrant museum in Pittsburgh. The general location of the property has numerous favorable attributes including a long immigration history, numerous complimentary museums and places of interest, and very good regional access.

It is also concluded that although the existing church building, which is proposed to be converted, has a distinct architectural history and style which compliments the immigration story, the age and layout of the structure, and functional impairments related to the site and parking, create a less than ideal redevelopment situation and above normal challenges. However, if the physical plant can be developed as proposed by Astorino, the next step will be to create and execute a strategic plan that will allow implementation of the mission.

The study concluded that an immigrant museum in a 20,000-square foot customized museum building could generate annual attendance of approximately 25,000 while operating on a budget of approximately \$550,000. The expectation would be that revenue to meet a \$550,000 budget would be generated from 1) Earned Income, 2) Government Funding, 3) Private donations, and 4) Investment Income.



## MUSEUM MARKET OVERVIEW

The International Council of Museums (ICOM) defines museums as institutions “in the service of society and of its development” and holds that “employment by a museum, whether publicly or privately supported, is a public trust involving great responsibility.”

According to the American Association of Museums, most definitions of museums include the following characteristics:

- Be a legally organized not-for-profit institution or part of a not-for-profit institution or government entity;
- Be essentially educational in nature;
- Have a formally stated mission;
- Have a staff member (paid or unpaid) who has museum knowledge and experience and is delegated authority and allocated sufficient financial resources to operate the museum effectively;
- Present regularly scheduled programs and exhibits that use and interpret objects for the public according to accepted standards;
- Have a formal and appropriate program of documentation, care, and use of collections and/or tangible objects;
- Have a formal and appropriate program of presentation and maintenance of exhibits.

Museums make their unique contribution to the public by collecting, preserving, and interpreting the things of this world. Their missions include collecting and preserving, as well as exhibiting and educating with materials not only owned, but also borrowed and fabricated for these ends. Their numbers include both governmental and private museums of anthropology, art history and natural history, aquariums, arboreta, art centers, botanical gardens, children’s museums, historic sites, nature centers, planetariums, science and technology centers, and zoos. Although diverse in their mission, they have in common their nonprofit form of organization and a commitment of service to the public. Their collections and/or the objects they borrow or fabricate are the basis for research, exhibits, and programs that invite public participation.

Taken as a whole, museum collections and exhibition materials represent the world’s natural and cultural common wealth. It is incumbent on museums to be resources for humankind and in all their activities to foster an informed appreciation of the rich and diverse world we have inherited. It is also incumbent upon them to preserve that inheritance for posterity.

Museums serve society by advancing an understanding and appreciation of the natural and cultural common wealth through exhibitions, research, scholarship, publications, educational activities. These programs further the museum’s mission and are responsive to the concerns, interest, and needs of society. Thus the museum ensures that:

- Programs support its mission and public trust responsibilities.
- Programs are founded on scholarship and marked by intellectual integrity.
- Programs are accessible and encourage participation of the widest possible audience consistent with its mission and resources.
- Programs respect pluralistic values, traditions, and concerns.
- Revenue-producing activities and activities that involve relationships with external entities are compatible with the museum’s mission and support its public trust responsibilities.
- Programs promote the public good rather than individual financial gain.

The American Association of Museums reports that there are approximately 17,500 museums in the United States as compiled by the Institute of Museum and Library Services.

Museums are categorized by what they exhibit. There are 13 recognized categories of museums. An immigrant museum would fall under the category of a History Museum or alternatively, a Specialized Museum. History museums account for approximately 25% of the 17,500 museums in the United States. Specialized museums account for slightly more than 10% of all museums. The size and intended use of the existing building place it in the categories of a Historical Museum/Specialty Museum. Unfortunately, there are no accurate counts of how many U.S. museums exist in each of the following disciplines. However, the AAM estimates the total number of each type by extrapolating information provided in its survey. The estimate by discipline is summarized below.

Estimated Number of Museums in the U.S. by Discipline	
	Estimated by %
Arboretum/ Botanic Garden	455
Art Museum	4270
Children's/Youth Museum	560
General Museum	1575
Historic House/ Site	1768
History Museum/ Historical Society	4883
Natural History/ Antropology Museum	928
Nature Center	175
Science/ Technology Center/ Museum	665
Specialized Museum	1820
Zoo/ Aquarium	385

**PHYSICAL CHARACTERISTICS OF MUSEUMS**

To develop a baseline of physical information related to the development of a new museum, we analyzed data developed by the American Association of Museums. The following table shows the physical characteristics of all museums surveyed and the specific characteristics of the History museum and Specialty museums.

Physical Size in Internal Square Feet				
	History Museum	Specialty Museum	Median (All Museums)	Proposed Subject
Total interior square footage	12,000	17,151	22,777	20,000
Total developed exterior grounds (acres)	2.0	2.6	3.5	2.33
Total sales-related facility square footage	400	735	700	400
Total food service square footage	1,500	2,400	2,492	1,500
Presence of developed exterior grounds	N/A	N/A	25.0%	N/A

Source: 2006 Museum Financial Information as reported by The American Association of Museums

The architect has four different scenarios for the subject, each with interior square footage of 20,000. This is slightly larger than the median size for a history museum or specialty museum. The median developed exterior area is between 2.0 and 2.6 acres, depending on history versus specialty museum. The subject site is 2.33 acres, according to the Allegheny County assessment records.

The subject's is designed with approximately 400 square feet of sales-related area and 1,500-square feet of food service. This is consistent with the history museum physical characteristics.

## FINANCIAL CHARACTERISTICS OF MUSEUMS

The 2006 Museum Financial Information is published by the American Association of Museums. This is the most recent report published by the AAM regarding key financial indicators for the various types of museums. Information was obtained by surveying approximately 809 of the estimated 17,500 museums in the U.S. In addition to displaying data related to all museums, the information includes data related to History museums, Specialized museums, and museums with annual budgets between \$150,001 and \$750,000.

American Association of Museums - 2006 Museum Financial Information							
	History / Historical Society		Specialized Museum (1)		Museums with Operating Expenses \$150,000 - \$750,000		
<b>Financial Ratios Based on Attendance (FY 2005)</b>							
Median overall attendance	10,750		20,000		20,415		
Median cost per visitor	\$21.05		\$27.58		\$16.76		
Median dollars earned per visitor (FY 2004)	\$4.21		\$7.77		\$3.65		
Median dollars raised per visitor (FY 2004)	\$4.73		\$8.02		\$4.86		
<b>Income and Expense Trends (FY 2005)</b>							
Median operating income	\$226,000		\$481,454		N/A		
Median non-operating income	\$15,000		\$6,284		N/A		
Median operating expenses	\$193,639		\$537,908		N/A		
Median non-operating expenses	\$8,149		\$7,500		N/A		
<b>Net Budget (FY 2005)</b>							
Deficit	20%		27%		26%		
Surplus	38%		27%		36%		
Break even	18%		21%		23%		
No response	24%		25%		15%		
<b>Income sources (median)</b>							
		% of Operating Income		% of Operating Income		% of Operating Income	
Government	\$25,080	30%	\$10,710	21%	N/A	N/A	23%
Private	\$34,609	32%	\$167,452	42%	N/A	N/A	39%
Earned	\$35,716	30%	\$137,091	34%	N/A	N/A	32%
Investment	\$1,091	8%	\$872	4%	N/A	N/A	7%
<b>Endowment</b>							
Percentage with	51%		42%		58%		
Median value	\$224,006		\$1,580,537		\$361,169		
Ratio of total expenses to total endowment *operating + non-operating	0.42		1.32		N/A		
<b>Expenditures (median)</b>							
	% with	% of Operating Expenses	% with	% of Operating Expenses	% with	% of Operating Expenses	
<i>Operating Expenses</i>							
Museum related		\$45,000 30.0%		\$132,130 42.0%		\$115,913 36.0%	
Management & general expenses		\$91,971 60.0%		\$140,905 46.0%		\$159,798 53.0%	
Fund-raising expenses		\$2,020 2.0%		\$6,780 3.0%		\$8,192 3.0%	
<i>Personnel Expenses</i>							
		\$86,600 48.0%		\$202,000 52.4%		\$175,775 52.1%	
<i>Collections Care</i>							
	70.0%	\$38,036 11.0%	70.0%	\$60,577 9.0%	67.0%	\$32,000 9.0%	
<i>Marketing</i>							
	55.0%	\$6,500 3.0%	60.0%	\$38,616 5.0%	71.0%	\$10,500 3.0%	
*median mktg expense per visitor		\$0.56		\$1.13		\$0.40	
<i>Security</i>							
	41.0%	\$2,000 1.0%	39.0%	\$26,000 1.0%	40.0%	\$2,500 1.0%	
*median security expense per interior SF		\$0.20		\$0.42		\$0.18	
<i>Building Operations &amp; Maintenance</i>							
	Per SF	\$24,500 11.0%	Per SF	\$2.74 \$86,695 12.0%	Per SF	\$2.33 \$28,957 8.0%	
Operations		\$0.72 \$10,000 3.0%		\$0.58 \$15,468 2.0%		\$0.82 \$10,730 3.0%	
Maintenance		\$17,811 2.0%		\$111,000 6.0%		\$8,108 3.0%	
Depreciation		\$4,275		\$13,500		\$4,551	
Non-building depreciation		\$7,567		\$4,000		\$10,000	
Capital expenditures							
<b>Admissions &amp; Membership</b>							
	% with		% with		% with		
Admission Fees (median)	57%	\$5.00	55%	\$7.00	64%	\$5.00	
Individual/family membership	82%		69%		83%		
Median # members		378		300		383	
Median minimum dues		\$25.00		\$30.00		\$30.00	
Median dues paid		\$30.90		\$34.62		N/A	
Median member retention rate		85%		75%		N/A	
<i>Corporate membership</i>							
	53%		41%		49%		
Median # members		15		9		10	
Median minimum dues		\$100.00		\$250.00		\$200.00	
Median dues paid		\$150.00		\$231.00		N/A	
Median member retention rate		90%		80%		N/A	
<i>Other membership</i>							
	45%		31%		41%		
Median # members		53		180		51	
Median minimum dues		\$77.50		\$125.00		\$100.00	
Median dues paid		\$34.38		\$13.00		N/A	
Median member retention rate		90%		90%		N/A	

(1) Specialized Museums include those that do not fall into or combine any of the other discipline areas listed in the survey. For example, maritime museums, aviation museums, railway museum, quilt museums, cultural, religious, and trade museums.

(2) Museums are classified in the 2006 Museum Financial Information publication by operating expenses with Small Museums (\$150,000 or less), Museums between \$150,000 to \$750,000, Museums between \$750,000 and \$3,000,000, and those with budgets in excess of \$3,000,000.

## SOURCES OF INCOME

Income is categorized into four major sources:

- *Government sources:* funds from tribal, local, state or federal sources. For example, grants, exchange agreements or line-item appropriations.
- *Private sources:* charitable income from non-government sources. For example, contributions from individuals, foundations, corporations.
- *Earned income:* money earned by providing goods or services where the amount paid is comparable to the actual value of the goods or services. This includes admissions revenue, food and museum store sales, building rental, fairs and festivals. This category does not include undesignated, unrestricted or general operating grants, contributions from individual, bequests or sponsorships of special events
- *Investment income:* operating income derived from investments, may include capital gains, dividends, interest, etc.

### Museum store revenue

More than 80% of respondents report having museum gift shops, stores, or bookshops. This is part of earned income. For these museums, the net income represents a median 2% of revenue. The median net revenue is \$0.40 per visitor and about \$28 per square foot of retail space.

### On-site food service

Only 22% of respondents have an on-site food service. The median net income from food service is 0.6% of operating income. Many museums participating in AAM programs tell us that they regard food service primarily as part of enhancing the overall visitor experience rather than a revenue source per se.

### Major categories of expenses

- Museum related activities related to the performance of the museums tax-exempt purpose, including educational programming, exhibits, collections care, research, etc.
- Management and general expenses related to running any organization such as management, administration, and building maintenance. This includes the relevant portion of personnel costs for administrative staff, legal services, accounting, office management, etc. It does not include the expense of functions unique to a museum, nor does it include fund raising.
- Fund-raising: total expenses incurred in soliciting contributions, gifts, grants, etc., including associated overhead costs.

The following expenses are sub-categories of the three major categories above.

- Personnel expenses: personnel expenses are usually the single largest expense for a museum.
- Collections care expenses
- Marketing expenses
- Security expenses
- Building operations and maintenance: cost of building maintenance and repair (non capital), including maintenance of HVAC equipment elevators, exterior building, painting, carpentry, plumbing, roofing, flooring, etc., but excluding exterior grounds and exhibit maintenance. Building operations expenses: the “base” cost of annual, day-to-day operation and upkeep of the building. Includes the cost associated with janitorial/custodial services, including salaries and benefits of staff engaged in this work, utilities, and insurance.
- Depreciation
- Capital expenditures: monies spent on purchasing or constructing buildings or other major assets. Capital expenditures are subject to depreciation.

### **Capital Campaigns, Building Construction, and Renovations**

Museums are for the most part actively engaged in ambitious plans for growth. The following data is excerpted from a 2006 survey.

- 23% of respondents (186 museums) are engaged in a capital campaign, with a median goal of \$10 million. (Which is three times the size of the corresponding endowment.)
- 50% of these museums have begun or completed building construction, renovation, or expansion in the past three years.
- The median costs of new building construction, renovation, and expansion are \$3.6 million, \$1.2 million, and \$362,000 respectively.
- The median costs per square foot of new building construction, renovation, and expansion are \$232, \$234, and \$94 respectively.
- The median size of new building construction, renovation, and expansion is 17,000, 15,000, and 5,000 square feet, respectively.

### **Financial ratios based on attendance**

Attendance by itself is not a measure of successful mission delivery, but it is a measure of how many people were interested in and exposed to the museum’s message.

### **Cost per museum visitor**

This is calculated by dividing each of the museum’s total operating expenses by its attendance. It is meant to represent how much the museum spends overall relative to the number of people it serves. The median cost to run a museum is about \$23 per visitor served.

**Earned Income per Museum Visitor**

Earned income per museum visitor is calculated by dividing each museum’s total earned income by its total number of visitors (attendance). Earned income includes money from sources such as space rentals, admission fees, museum store and food service. The earned income per museum visitor figure does not represent the amount of money spent by each visitor. It is just a ratio that indicates how much the museum earns relative to the number of people who attend. Overall, museums earn a median of \$5.91 per visitor.

**Dollars Raised per Museum Visitor**

Dollars raised per museum visitor is calculated by dividing each museum’s total operating income from private sources (charitable income from non-governmental sources such as contributions, foundations, corporations) by its attendance.

**Admissions Fees**

More than one-third of respondents do not charge an admission fee.

**Membership**

Eighty-two percent of these museums have some kind of membership program, with private nonprofit museums being almost twice as likely to have such programming as government or university museums. Median retention rates fall between 80 and 90 percent depending on member type, with corporate members being more stable than individuals/family.

**EMPLOYMENT AND STAFFING CHARACTERISTICS**

The number of paid staff is very low. Employment at museums is made up primarily of volunteers. The following tables outline the employment parameters at various museums across the county.

Nearly 6% of responding museums have no paid staff. The following table highlights this for History Museums and Specialized Museums specifically and then based on the size of the museum (operating expense budget).

Discipline		Paid Staff Median		Lack of Paid Staff		
		FT	PT	No FT Paid Staff	No PT paid staff	No Paid Staff
History Museum/ Historical Society	Specialized Museum	2	2	27.9%	25.7%	13.7%
		3	2.5	16.7%	14.3%	2.4%
Operating Expenses	Under \$150,000	1	1	39.3%	29.5%	15.0%
	\$150,000- \$750,000	3	4	5.4%	11.9%	1.6%
	\$750,001- \$3,000,000	14	9	0.0%	7.5%	0.0%

Museums commonly supplement year-round staff with seasonal paid staff and volunteers. The median number of volunteers across museums of all disciplines is 60, about one for every \$11,000 in operating expense. The ratio of volunteers to paid staff is approximately 6.0 to 12.0 volunteers to one paid person.

Discipline		Seasonal Staff and Volunteers				Ratio of
		Seasonal % with		Volunteers % with		Volunteers to
		Seasonal % with	Median	Volunteers % with	Median	FT Paid Staff
History Museum/ Historical Society	Specialized Museum	29.0%	4.0	93.0%	40	8.8
		41.0%	3.0	86.0%	30	6.0
Operating Expenses	Under \$150,000	25.0%	2.0	86.0%	25	13.8
	\$150,000- \$750,000	41.0%	3.0	92.0%	40	11.7
	\$750,001- \$3,000,000	40.0%	5.0	96.0%	110	8.0

**OWNERSHIP CHARACTERISTICS**

Ultimately the ability to sustain the mission requires strong sponsorship and money. The following outlines the characteristics of museum ownership and sponsorship.

American Association of Museums - 2006 Museum Financial Information			
	History / Historical Society	Specialized Museum (1)	Museums with Operating Expenses \$150,000 - \$750,000
<b>Have a Parent Organization:</b>			
Yes	30%	40%	36%
No	70%	60%	64%
<b>Type of Parent Organization:</b>			
College/University	4%	29%	33%
Museum System	29%	18%	24%
Government	43%	6%	27%
Non-government Organization (NGO)	24%	47%	16%
<b>Governing Authority</b>			
Government	24%	13%	21%
Private Non-profit	73%	82%	76%
Dual	4%	4%	3%
<b>Have a Separately Incorporated Support Organization:</b>			
Yes	17%	13%	23%
No	74%	74%	72%
No response	9%	13%	5%

(1) Specialized Museums include those that do not fall into or combine any of the other discipline areas listed in the survey. For example, maritime museums, aviation museums, railway museum, quilt museums, cultural, religious, and trade museums.

(2) Museums are classified in the 2006 Museum Financial Information publication by operating expenses with Small Museums (\$150,000 or less), Museums between \$150,000 to \$750,000, Museums between \$750,000 and \$3,000,000, and those with budgets in excess of \$3,000,000.



## **PITTSBURGH ENTERTAINMENT VENUES AND MUSEUMS**

With the broad base of information related to museums and their physical, financial, employment and ownership characteristics established, the focus of the study turns to Pittsburgh. Specifically the study focuses on the existing museums in Pittsburgh, how entertainment dollars are spent in Pittsburgh and how Pittsburgh compares to other cities relative to community support for museums via attendance and donations.

### **PITTSBURGH'S MUSEUMS**

The table on the following page lists the largest museums and entertainment venues in the region.

	Facility Name	# Attendees / Year	# Employees	2007 Budget	# Active Volunteers
1	Sen. John Heinz History Center 1212 Smallman Street Pittsburgh	157,080	125	\$7,389,500	450
2	Carnegie Museum of Art & Natural History 4400 Forbes Avenue Pittsburgh	300,000	1,260	\$57,000,000	395
3	Carnegie Science Center One Allegheny Avneue Pittsburgh	587,593	Included in #2	Included in #2	200
4	Soldiers & Salors Military Museum Fifth Avenue Pittsburgh	111,390		\$1,500,000	15
5	Children's Museum 10 Children's Way / Allegheny Square Pittsburgh	210,526	82	\$4,100,000	100
6	The Andy Warhol Museum 117 Sandusky Street Pittsburgh	82,600	Included in #2	Included in #2	10
7	Mattress Factory 500 Sampsonia Way Pittsburgh	39,072	12 Full-time 12 Part-time	\$1,616,755	25
8	Fort Pitt Museum 101 Commonwealth Way Point State Park, Pittsburgh	36,000		\$350,000	21
9	Frick Art & Historical Society 7227 Reynolds Street Pittsburgh	124,152	160	\$5,259,924	23
10	Pittsburgh Center for the Arts 6300 Fifth Avenue Pittsburgh	45,000	14 Full-time 8 Part-time	\$3,400,000	30
11	Society for Contemporary Craft 2100 Smallman Street Pittsburgh	133,000	5 Full-time 4 Part-time	\$700,000	65
12	Westmoreland Museum of American Art 221 N. Main Street Greensburg	32,200	16 Full-time 10 Part-time	\$1,450,831	187
13	Frank Lloyd Wright's House on Kentuck Knob Chalk Hill	30,000		N/A	N/A
14	Friendship Hill National Historic Site 233 New Geneva Road Point Marion	29,000	4 Full-time	\$350,000	125
15	Old Economy Village 270 16th Street Ambridge	25,000	16 Full-time 3 Part-time	\$2,000,000	100
16	PA Trolley Museum One Museum Road Washington	23,705	3 Full-time 3 Part-time	\$605,825	150
17	University of Pittsburgh Nationality Rooms Cathedral of Learning - Fifth Avenue Oakland	17,962		\$278,908	70
18	Meadowcroft Rockshelter & Museum 401 Meadowcroft Road Avella	11,156		\$370,000	8
19	Southern Alleghenies Museum of Art One Boucher Lane & Rte 711 Ligonier	7,000	12 Full-time 12 Part-time	N/A	50
20	The Harmony Museum 218 Mercer Street Harmony	5,017		\$118,500	75
21	Photo Antiquitis Museum 531 E. Ohio Street Pittsburgh	5,000		\$100,000	6
22	Associated American Jewisth Museum 4905 Fifth Avenue Pittsburgh	5,000			10
23	Associated Artists of Pgh 6300 Fifth Ave Pittsburgh	15,000			
24	Center for American Music University of Pgh 4301 Forbes Avenue Pittsburgh	3,497			
25	Fallingwater 1478 Mill Run Rd, Mill Run PA	145,470	57 Full-time 50 Part-time	\$4,200,688	50
	<b>Total Attendance</b>	<b>2,181,420</b>			

Pittsburgh has a wealth of museums covering a broad range of topics. The backbone of Pittsburgh's museums is the Carnegie group, which includes the Heinz History Center, Carnegie Museum of Art and Natural History, and the Carnegie Science Center. Together these three attract more than 1.0 million visitors and have a combined budget of more than \$65.0 million.

Also important to the region, and located on the Northside, are the Andy Warhol Museum, Children's Museum, and the Mattress Factory. Combined attendance is approximately 330,000 persons annually.

Attendance was as low as 5,000 persons at some of the 25 museums. The median attendance was reported to be 32,200 visitors annually.

## HOW PITTSBURGH STACKS UP

To gain an understanding of how Pittsburgh supports museums, we compared Pittsburgh to various other cities relative to recreational expenditures, penetration rate (attendance per capita) and cultural vitality.

### RECREATIONAL EXPENDITURES

The Bureau of Labor Statistics monitors consumer spending habits. We have compiled the spending habits for Entertainment and Recreation for the Pittsburgh MSA and similarly sized cities. Recreational expenditures are important classifications because they involve the use of discretionary income. An area with an expenditure ratio that is higher or lower than the comparable areas might be unable to support additional venues or alternatively might be under supplied relative to recreational alternatives.

Specifically, we focus on spending on Admissions to Movies, Theater, Opera, and Ballet and alternative spending on Admissions to Sporting Events which compete for consumer entertainment dollars.

The following table compares Pittsburgh to seven other similarly sized cities in the region relative to the Recreational Expenditures.

Metropolitan Statistical Area	Recreational Expenditures											
	Admission to Movies, Theater, Opera, Ballet			Admission to Sporting Events			Population	Households	Families	Median HH Income	% Income Spent on Movies, etc..	% Income Spent on Sporting Events
	Spending Potential Index (1)	Average Amount Spent	Total	Spending Potential Index	Average Amount Spent	Total						
Pittsburgh	85	\$127.51	\$127,213,260	85	\$52.10	\$51,975,801	2,392,636	997,681	635,161	\$49,883	0.26%	0.10%
Portland	112	\$166.68	\$141,180,168	111	\$67.77	\$56,404,575	2,206,934	847,003	548,497	\$62,191	0.27%	0.11%
Charlotte	112	\$167.37	\$109,838,908	114	\$69.27	\$45,455,400	1,687,342	656,253	438,301	\$62,876	0.27%	0.11%
Cincinnati	106	\$157.63	\$132,543,840	106	\$64.65	\$54,364,541	2,142,271	840,843	558,116	\$59,701	0.26%	0.11%
Minneapolis	133	\$199.18	\$256,492,372	134	\$81.87	\$105,427,701	3,318,028	1,287,749	817,126	\$73,693	0.27%	0.11%
Richmond	101	\$151.18	\$72,282,900	102	\$62.49	\$29,880,975	1,229,109	478,138	316,080	\$61,232	0.25%	0.10%
Indianapolis	109	\$162.46	\$110,848,439	110	\$66.82	\$45,595,710	1,730,968	682,316	446,266	\$62,273	0.26%	0.11%
Cleveland	99	\$147.23	\$127,046,507	99	\$60.13	\$51,888,370	2,139,136	862,890	556,707	\$54,395	0.27%	0.11%

Source: Sites to do Business - Consumer spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics.

(1) The Spending Potential Index is household-based and represents the amount spent for a product or service relative to a national average of 100.

This data indicates:

- The average amount spent for Admissions is the lowest in the Pittsburgh MSA of the areas reviewed.
- The Spending Potential Index is a measure of the amount spent for this specific product or service relative to the national average of 100. The Pittsburgh region has the lowest index at 85, below the national average. This is followed by Cleveland with an index of 99. All other areas reviewed each had an index which exceeded the national average.
- In terms of total dollars spent on Admissions, the Pittsburgh area is most similar to Cleveland with approximately \$127 million spent annually for Admissions to Movies, Theater, Opera, and Ballet and approximately \$52 million spent annually for Admissions to Sporting Events.
- The lowest amounts are spent in the Richmond area and the highest are spent in Minneapolis.
- In terms of the population, households, and families, the Pittsburgh region is second only to Minneapolis.
- The Pittsburgh region has the lowest median household income. Minneapolis has the highest.
- In all regions reviewed, the percentage of median household income spent on Admissions to Movies, Theaters, Opera, and Ballet is a fairly tight range of 0.25% to 0.27%. This trend is similar for Admissions to Sporting Events with between 0.10% and 0.11% of median household income spent.
- Overall, it is reasonable to conclude that Pittsburghers spend less because they make less. This would indicate that price points will be an important factor.

## CULTURAL VITALITY

The Urban Institute's Arts and Culture Indicators Project developed quantifiable measures of arts and culture and integrated them into the quality of life measurement system to compare conditions across communities. Communities are ranked on the basis of number of art establishments per thousand population, the percentage of those employed in art establishments, number of non-profit art establishments per thousand population, non-profit community celebrations, festivals, fairs, and parades, non-profit arts expense per capita, non-profit arts contributions per capita, and the percentage of arts jobs to total jobs. Art establishments include theater companies, dance companies, musical groups and artists, motion picture theaters, museums, historical sites, botanical gardens, nature parks, art schools, independent artists, bookstores, music stores, video rental, and retail art dealers.

The communities analyzed include the following regions - Pittsburgh, Portland, Charlotte, Cincinnati, Minneapolis, Richmond, Indianapolis, and Cleveland. The rankings of the Top 50 Metropolitan areas are summarized in the following chart. Note that some areas rank below the Top 50 in various categories, but the rankings were still provided by the Urban Institute as each area ranked within the Top 50 for one or more other categories.

Cultural Vitality - Ranking of the Top 50 Metropolitan Areas							
Location	Art Establishments (1)	Employed in Art Establishments (2)	Non-Profit Art Establishments (3)	Nonprofit Community Celebrations, Festivals, Fairs Parades (4)	Non-Profit Arts Expense (5)	Non-Profit Arts Contributions (6)	Artists Jobs (7)
Pittsburgh, PA	51	40	31	15	14	19	45
Portland, OR	9	15	10	26	26	22	13
Charlotte, NC	38	51	37	49	27	23	37
Cincinnati, OH	46	23	20	35	13	12	24
Minneapolis, MN	8	4	6	27	5	4	7
Indianapolis, IN	36	11	34	52	12	20	28
Cleveland, OH	52	37	19	50	25	33	35

Source: *Cultural Vitality in Communities: Interpretations and Indicators*, The Urban Institute, 2006.

(1) Based on number of arts establishments per thousand population including both nonprofit and commercial entities. Organizations include theatre companies, dance companies, musical groups and artists, motion picture theaters, museums, historical sites, zoos and botanical gardens, nature parks, art schools, independent artists, bookstores, music stores, video rental, and retail art dealerships.

(2) Based on the percentage of employment in nonprofit and commercial arts establishments as a proportion of all employment.

(3) Based on nonprofit arts organizations per thousand population.

(4) Based on nonprofit community celebrations, festivals, fairs, and parades per thousand population.

(5) Based on nonprofit art expenses per capita.

(6) Based on nonprofit arts contributions per capita

(7) Based on the percentage of artist jobs relative to all jobs.

- Pittsburgh ranked within the Top 50 Metropolitan Areas in six of the seven categories, falling outside the Top 50 in the number of art establishments per thousand population.
- Pittsburgh ranked 15<sup>th</sup> (the best ranking of the competitive set) in the number of nonprofit community celebration, festivals, fairs, and parades.
- It ranked the 45<sup>th</sup> (the worst ranking of the competitive set) with respect to the percentage of artist jobs relative to all jobs and was fell below the Top 50 in the number of art establishments.
- Other than artist jobs, either the Cleveland region or Charlotte area had the worst rankings of the competitive set in all other categories. Other than in the number of celebrations, Minneapolis had the highest ranking of the competitive set in all other categories.
- Overall, this data indicates Pittsburghers support local art establishments, including museums, in a manner similar to other comparable cities.

**PENETRATION RATES**

This analysis compares how the people in different cities support their regional museums. The penetration rate is developed by dividing the museum attendance in the market area by the market area population or the number of households in the market area.

The penetration rates based on each of these indices are presented in the following table.

Penetration Rates based on Attendance - Similar Cities						
	# Museums (1)	Attendance	Population	Households	Penetration Rates	
					Based on Population	Based on Households
Pittsburgh	28	2,181,420	2,392,636	997,681	91.2%	218.6%
Portland (2)	31	1,934,442	2,206,934	847,003	87.7%	228.4%
Charlotte	24	1,347,555	1,687,342	656,253	79.9%	205.3%
Cincinnati	27	1,712,685	2,142,271	840,843	79.9%	203.7%
Minneapolis	36	2,941,383	3,318,028	1,287,749	88.6%	228.4%
Richmond	22	1,273,877	1,229,109	478,138	103.6%	266.4%
Indianapolis	22	3,220,860	1,730,968	682,316	186.1%	472.0%
Cleveland	25	2,587,584	2,139,136	862,890	121.0%	299.9%
Indianapolis adjusted (3)	22	2,870,860	1,730,968	682,316	165.9%	420.8%
Cleveland adjusted (4)	25	1,881,076	2,139,136	862,890	87.9%	218.0%

(1) The number of museums is provided by the Urban Institute, U.S. Census Bureau, and County Business Patterns as reported by the Urban Institute.

(2) Based on Integra Realty Resources survey. The Urban Institute did not report the number of museum establishments for Portland.

(3) Gross attendance minus Indianapolis Motor Speedway Hall of Fame Museum

(4) Gross attendance minus Rock and Roll Hall of Fame and National Football Museum

Excludes art galleries (primarily for sale art), historic sites (battlefields, etc), botanical gardens, and zoos.

This data indicates attendance at museums in the Pittsburgh region is as high or higher than comparable cities.

## THE PITTSBURGH IMMIGRANT STORY – WHERE IS IT BEING TOLD?

Recognizing there are thousands of entertainment options and only limited amounts of discretionary spending and entertainment time, we researched where, how and how much of the immigrant story was being told in the Pittsburgh region. Research indicated that the museums in the region had a significant, although not necessarily complete or competitive position with a museum that would be dedicated to telling the immigrant story. These include the Heinz History Center and the Johnstown Heritage Discovery Center.

The expansive Heinz History Center covers numerous topics related to Pittsburgh History. However, only five exhibits focused entirely on immigrants. These exhibits are summarized in the following narrative.

- Immigrant Aid Societies
  - Pittsburgh became national headquarters for many of these fraternal organizations
  - If a member, immigrant worker could have funeral expenses, unemployment, and health insurance paid for
- Pittsburgh Agreement
  - Document signed between Slovaks, Czechs, and Rusyns to form single entity (Czechoslovakia) in May 1918 in downtown Pittsburgh
  - Analogous to Declaration of Independence for Czechoslovakia
- Coal Miners
  - Large walk through exhibit on coal miners
  - Exhibit mostly focused on daily life and industry leaders (Andrew Carnegie, Westinghouse Company, etc.)
  - Large space devoted to Homestead strike
- “The Darkest Month” exhibit
  - Exhibit focused on December 1907 coal mining disasters
  - Pictures, artifacts, movie, plaques
  - Many of the coal miners affected were immigrants from Italy, Austria-Hungary, and other European countries
  - Exhibit featured mostly on photographs and focused mainly on the coal mining industry
  - “Personal Stories”
    - Several plaques with photographs about average individuals, most of them immigrants
    - Illustrated life of a typical immigrant coal miner
  - St. Nick Plaque
    - “Miracle of St. Nicholas”
    - Said to have saved hundreds of miners
- “Pittsburgh Neighborhoods” Exhibit
  - Many ethnicity plaques, photographs, and mostly artifacts
  - Headphone walking tour
  - Display of wedding dresses from various ethnic backgrounds
  - Separate exhibit space for Jewish, Germanic, Serbian, Italian, Asian, Latino, Irish, Carpatho-Rusyn, Polish, Czech, Slovak, and Slovenian cultures



Sixty-five miles to the east of Pittsburgh, the Johnstown Heritage Discovery Center is dedicated to telling the story of immigrants to the Johnstown area. The Heritage Discovery Center consists of multiple connected buildings of 2 to 5-stories containing a total of 60,000 square feet. The mission of the Heritage Discovery Center is to preserve Johnstown history and educate the public to create a tool for community development.

The Frank & Sylvia Pasquerilla Heritage Discovery Center is part of the Johnstown Discover Network (Johnstown Area Heritage Association) which is comprised of the Heritage Discovery Center, Johnstown Flood Museum, and Wagner-Ritter House & Garden.

The Heritage Discovery Center is constructed in renovated buildings located in the Cambria City section of Johnstown. The building was constructed in 1907 as the Germania Brewery Company. The Johnstown Area Heritage Association purchased the buildings in 1993. The building was identified as the new home for the museum because it was an important historic industrial structure tied to the culture of Cambria City, a classic ethnic working class neighborhood that is listed as a National Historic District. After renovation, Phase I, the Heritage Discovery Center was opened in 2001.

The current museum facilities are described below.

- First floor exhibit, America: Through Immigrant Eyes, tells a national story in a local context. Visitors choose a card with a photo of one of eight immigrant characters who are fictional composites based on historical facts. As the visitor tours, he / she will plug the card into an exhibit to discover and experience the daily life of the character. This exhibit focuses on the immigrants who arrived between 1880 and 1914 and the ethnic neighborhoods in which they settled. In addition, interactive exhibits give the visitors a taste of the life in the steel mills and coal mines. The conclusion is the Generations Theater, which features videotaped interviews with the children and grandchildren of Johnstown immigrants.
- Second floor exhibit is a gallery devoted to temporary exhibits. This floor may also be rented for private parties, wedding receptions, business workshops, and other special events.
- Third floor is the Iron & Steel Gallery, a 3-story gallery devoted to the story of the steel industry. The Children's Museum opened in June 2009 on this floor.
- Fourth floor houses the Ethnic Social Club, completed in the 2007-2008 renovation. The club's bar and furnishings were restored from the closed West End Polish Citizens Club originally located in Cambria City. The club is available to rent, but is also opened on the last Friday of the month at 5:00 pm for Last Friday social time with a cash bar and live music.
- Fifth floor exhibit includes a gallery highlighting the "Made in Johnstown" temporary exhibit.

The Heritage Discover Center receives approximately 20,000 visitors per year. The recently opened Children's Museum on the third floor is drawing approximately 100 visitors daily (36,000 annualized). The Johnstown Flood museum has 35,000 visitors annually. The ticket price for admission is \$7 for adults, \$6 for seniors, and \$5 for children aged 3 – 18. This ticket price includes admission to all three of the JAHA-owned attractions in Johnstown. Tickets may be used over a 5-day period.

## CONCLUSION

An analysis of these two historic museums indicates that the Johnstown museum is a focused immigrant museum with a variety of exhibits and methods of telling the story. There are a number of elements in the Johnstown Heritage Discovery Center which reflect “best practices” in museum development. Our interview and analysis of this museum indicated the following:

- Definition of the mission is critical
- An advisory group consisting of consultants, academics, and people who represent the story / nationality is critical.
- Education programs geared to students and children are an important way to fulfill a mission.
- Realistic time frames should be set. In Johnstown, the current museum building was owned, but not converted and opened as a museum until six years of planning and fundraising had been completed.
- Focusing on specific ethnic groups can create political problems.
- A good plan, with a focused mission, is required to be supplemented by strong fundraising and a well-balanced board.

Alternatively, the Heinz History Center with its much broader mission has a limited focus on immigration. It’s immigration exhibits, while limited, utilize a variety of different media to portray a snippet of events and daily life that was part of the immigrant experience. However, given the numerous nationality groups that immigrated to the Pittsburgh area over 130 years, there remains a significant story to be told.

## THE SITE, BUILDING, AND NEIGHBORHOOD

It is proposed that the existing St. Nicholas Church, Rectory and land be redeveloped and renovated to house an immigrant museum. Preserve Croatian Heritage Foundation has retained Astorino and Associates, a Pittsburgh based architectural firm, to develop plans to convert the existing building and grounds into an immigration museum. John Francona, project manager for Astorino indicated to us that four scenarios have been developed which adapt and expand the existing church building. In each scenario the total building area is approximately 20,000 square feet with about 45% being devoted to exhibit space and the remainder being used for administrative offices, lobby, preparation area, and storage and related uses, including a social hall type of use in the lower level.

The existing rectory would be razed in three of the four scenarios; the final scenario would re-use the rectory. The rectory is approximately 2,500 square feet. (See Astorino architectural plans for additional information.)

Our observation is that the size and generally proposed function by floor is consistent with museum buildings. The liabilities of the building are identified as:

- Multiple floors and elevations
- Age of the structure, and
- Voluminous area in the church sanctuary.

Each of these areas increase renovation costs and ultimately long term operation costs.

The land area of the property is approximately 2.33 acres, according to the Allegheny County assessment records. Use of the existing parking lot area will be limited to deliveries and handicap parking. Visitor parking is proposed to be off-site.

Overall the site has significantly functional issues. If not currently improved with a historic building that could represent the mission of the museum, it is unlikely to be developed. While the site size is typical of museum properties, the limited depth and usable area, poor access and high vehicle count (noise and pollution) are all factors which negatively impact the use of the property.

Generally speaking, the existing church sanctuary and a portion of the lower level would function as the primary exhibit space. The balance of the lower level is designed with a 1,500-square foot food service area. An addition would be created and attached to the eastern end of the existing church building in the former parking lot. This addition would be two or three stories depending on whether the rectory is retained such that the overall gross building area would remain at 20,000 square feet.

The existing surface parking area on the site cannot be used for parking due to ingress and egress issues onto PA 28 (East Ohio Boulevard). The Pennsylvania Department of Transportation's current Route 28 roadway widening project will not re-institute the signal which previously provided for safe ingress and egress.

Parking is planned at a site approximately 0.23 miles west of the subject which will be connected to the subject site via a trail to be constructed at a higher elevation than Route 28. An analysis was completed to determine if the .23 mile distance would inhibit visitors from visiting the museum.



The availability of safe, convenient parking is an important factor in the success of any museum. As proposed, the parking lot for St. Nicholas Immigration Museum would be located approximately 0.23 miles west of the buildings at or near the same elevation as the building. The parking lot and museum are proposed to be connected by a dedicated trail, which is currently proposed to be part of a large trail system. To determine if this distance is within the range typically associated with museum parking and acceptable by the public, a study was made of the distance between the front entrance of the museum and the middle of the parking area, as described in the museum literature as the designated place to park at other Pittsburgh museums. The results of this study are summarized in the following table.

<b>Pittsburgh Museum Parking Statistics</b>	
<b>Institution</b>	<b>Parking Distance (miles)</b>
<b>Pittsburgh Immigrant Museum</b>	<b>0.23</b>
Carnegie Science Center	0.05
Carnegie Museum of Art	0.05
Carnegie Museum of Natural History	0.05
Children's Museum of Pittsburgh	0.05
Sen. John Heinz History Center	0.06
Society for Contemporary Craft	0.02
Frick Art and Historical Center	0.01
Soldiers & Sailors Military Museum	0.03
Andy Warhol Museum	0.10
Pittsburgh Center for the Arts	0.05
Mattress Factory	0.02
Westmoreland Museum of American Art	0.01
Pennsylvania Trolley Museum	0.01
Univ. of Pitt. Nationality Rooms	0.03
Southern Alleghenies Museum of Art at Ligonier Valley	0.01
The Harmony Museum	0.01
Photo Antiquities Museum of Photographic History	0.05
Average	0.036
Median	0.030
Minimum	0.010
Maximum	0.100
Range	0.090

The proposed parking for the Pittsburgh Immigrant Museum would exceed the range of distances researched at other museums in the Pittsburgh region. While we recognize that some parking at these other museums may be further than the central tendencies, the proposed parking at the subject is approximately seven times greater than the measures of central tendency and over two times greater than the highest distance identified. No empirical evidence was found that would indicate that the distance from front door to parking has impact on attendance. Our opinion is that a multiple of seven times the central tendency will have an impact on attendance.

**NEIGHBORHOOD COMPATIBILITY**

The other important local factor is the compatibility of the neighborhood with the proposed use. In this instance the more significant the historical nature of the neighborhood, the greater the positive impact on the proposed use. Research of the area resulted in the following summary of the neighborhood’s history.

The St. Nicholas church building is located on East Ohio Street, Ward 24, City of Pittsburgh, Allegheny County Pennsylvania. Generally, the characteristics of the neighborhood and the nearby communities enhance the St. Nicholas building as a location for an immigration museum. The positive aspects of the area include the region’s rich immigration history, proximity to regional access and the Pittsburgh CBD, and the numerous complimentary attractions which make this neighborhood a very attractive location.

Although located in what is known as the Northside of the City of Pittsburgh, it is important from the standpoint of developing the immigrant museum concept that the history of the area be discussed.

The Northside was originally known as the City of Allegheny. It was laid out in 1788 and incorporated as a city in 1840. The city grew throughout the 19th century initially being populated primarily by German immigrants and later Croats. It was a manufacturing hub with H.J. Heinz being a significant employer. In 1907, with a population of about 130,000, it was annexed into the City of Pittsburgh.

The Northside neighborhoods that exist today, that were part of the City of Allegheny include Allegheny West, Brighton Heights, East Allegheny, Fineview, Manchester, Marshall-Shadeland, Perry North, Perry South, Spring Garden, Spring Hill-City View, Summer Hill and Troy Hill.

The subject property is part of the Troy Hill neighborhood which is located in southeastern portion of the Northside along the Allegheny River. It is bordered by the East Allegheny neighborhood to the west and Spring Garden to the north. Each of these neighborhoods have a rich German and Croat immigration history that was fueled by employment at the H.J. Heinz plant and in mills, breweries, tanneries and railroads that lined the rivers.

The Northside has numerous historical landmarks and places of interest, including the Troy Hill Firehouse, Saint Anthony's Chapel, The Rectory of the Most Holy Name of Jesus, Troy Hill Incline Building, Allegheny Reservoir Wall, St. Nicholas Church, Penn Brewery, Ober-Guehl house, Mexican War Streets, Felix Brunot Mansion, National Aviary, Children's Museum, Andy Warhol Museum, Carnegie Science Center, Allegheny River Trail, The Priory Hotel, PNC Park and Heinz Field. The West Penn Allegheny medical complex and remaining H.J. Heinz plant are also an important part of the economic make-up of the region.

Regional access is also an important characteristic of this area. Specifically, the close proximity of I-279, which allows easy access to the Pittsburgh CBD, I-79 and points north, I-376 and points east and west. With limited traffic congestion, except on some portion of SR 28 to the northeast, the location becomes a convenient destination for many households in the region. In addition, coupled with the other visitor opportunities in the immediate area, the location is considered above average as a museum destination.

## MUSEUM INTERVIEWS

A portion of our study consisted of gathering market information from curators and directors of culturally specific and historical museums and organizations. While the specific missions of these museums vary, each has identified an area of history or culture on which to focus and educate the public. We found that the most successful museums have combined a topic of sufficient breadth with wide awareness in the community. These museums have attracted a response both in their local areas and the academic or cultural discipline in which they operate.

In addition to providing a summary of the history of these museums, our interviews allowed us to identify: their missions, the key factors which the representatives feel drives their success, the obstacles to museum planning and the artifacts which are displayed at the respective museums. We were also able to get a sense of what the directors and curators of these museums feel is important for the development of a museum at the present moment. In addition, we were able to gather empirical information including estimates of attendance and revenue. Issues related to logistics such as program events and museum planning were also identified. The market information gathered from these interviews has allowed us to recognize commonalities among these museums.

The following summaries present information collected from our interviews:

### **ANGEL MUSEUM (BELOIT, WI)**

Located in Beloit, Wisconsin, the Angel Museum is located in a former church. The church, St. Paul's Catholic Church, was reportedly built in 1914 and closed in 1988. The building was expected to be razed as part of a redevelopment of the riverfront along which the church is located. Prior to the scheduled demolition, the city reportedly offered the congregation an opportunity to propose a reuse of the church. The parishioners conducted a feasibility study which included the hiring of academic consultants, a demographic study and focus groups. The purpose of the demographic study was to gauge the number of individuals that may come to the museum based on the percentage of the general population which believes in angels as well as their age and income characteristics. The studies took approximately six months.

Following the studies, the building was renovated and opened as a museum in 1998. According to our conversations and the museum's website there are over 12,000 figures of angels in the museum, including over 600 donated by Oprah Winfrey when she promoted the Angel Museum on her television show. This promotion led to a spike in attendance. According to a representative of the museum, there have been over 185,000 visitors in the museum's history. However, in the past four to five years, the attendance has declined to approximately 4,000 to 6,000 on an annual basis. This museum reportedly operates on budgeted revenue of approximately \$70,000 per year.

Volunteer hours and in-kind services are important to the operation and success of the museum according to the representative we spoke with. The Angel Museum's website indicates that over 10,000 volunteer hours are donated annually. This museum reportedly generates the majority of its revenue from donations, tours and grants.

**NATIONAL CZECH AND SLOVAK MUSEUM AND LIBRARY (CEDAR RAPIDS, IA)**

The Czech Fine Arts Foundation, which later opened this museum, was founded in 1974 by descendents of Czech immigrants with the mission of preserving Czech heritage and culture. In 1978, cultural artifacts the group possessed were displayed in a small museum opened for this purpose. As the collection expanded the museum moved to successively larger venues for their display. In 2008, a major flood in Cedar Rapids inundated the museum building with up to 10 feet of floodwater in some of the rooms. Currently, the museum operates in several temporary facilities throughout Cedar Rapids. A capital campaign is currently raising funds for the construction of a permanent exhibition area and library.

The official from this museum with which we spoke indicated that attendance and revenue have been distorted by the effects of the flood. In addition, attendance is difficult to gauge because the museum's exhibits are at several temporary facilities. According to the Form 990 of this organization for 2007, which reflects revenue prior to the flood, the museum received \$1,019,635 in direct public support, \$119,000 in government contributions, \$164,852 in program service revenue and membership dues and a net gain of \$80,033 in sales of inventory. This indicates revenue of \$1,383,520 from these sources.

The previous location of the museum reportedly benefited from its location, which was within a neighborhood of Cedar Rapids with a relatively large population of individuals of Czech and Slovak descent. We were told this created a synergy with other Czech and Slovak themed businesses. According to our discussions, the museum hopes to recapture this synergy with a new building which will also have a positive interaction with the surrounding neighborhood.

**FINNISH HERITAGE MUSEUM (FAIRPORT HARBOR, OH)**

This museum's mission is to preserve Finnish heritage in America. The museum opened in July 2007, with the planning stages beginning in 2002. The planning process included activities designed to promote interest in the local community, fund-raise and acquire a collection of artifacts to display in the museum. To raise awareness, a Finnish monument was dedicated in a park in Fairport Harbor, an organizational website was established, monthly organizational meetings were held and temporary displays were exhibited in the town.

Upon opening, the museum had gathered a collection of Finnish art, clothing, ceramics and household items that were donated largely by Finnish immigrants to America and acquired by purchase of the museum for permanent display. While the museum is volunteer driven in terms of staffing, revenue for operating expenses and collections is generated from membership (approximately 250 members with an individual membership of \$25 per year), an on-site coffee shop and bakery and clothing sales. Donations, both in-kind and cash are reported to be important as well.



**ARAB AMERICAN NATIONAL MUSEUM (DEARBORN, MI)**

Opened in May 2005, this is reported to be the first museum whose exhibits feature Arab-American history and culture. The museum displays galleries of Arab artwork and literature, scientific achievements, depictions of how Arabs came to America and other aspects of Arab life in America and the Middle East. In addition to the galleries where artifacts are displayed, there is a library, conference room and a museum store. The museum is an Affiliate of the Smithsonian Institution in Washington, D.C., which the facility director identified as being important to its success because of the resources that were made available due to this affiliation.

The museum, located in a 38,500 square foot building, was reported to have between 45,000 and 50,000 visitors annually. For 2009, the budget for this museum is approximately \$2.1 million. The most important sources of revenue identified by the director were grants and donations. Adult admission to the museum is \$6. Membership passes are available for individuals for \$35 per year. Family membership is \$65 per year and corporate membership is \$1,500 per year. Reportedly, donations have declined in the past 12 to 18 months due to the national economic downturn.

**HELLENIC MUSEUM & CULTURAL CENTER (CHICAGO, IL)**

The mission of this organization is to be a center for Hellenic history, culture and the arts from ancient to modern times. The museum is located in the “Greektown” section of Chicago. The association which operates the museum initially was created to provide education opportunities and promote an understanding of contemporary Greece among the Greek community in Chicago. The first museum facility was opened in 1992. The organization moved the museum to its current facility in 2004 which is an approximately 10,000 square foot building.

According to the museum’s manager of education and oral history, the synergy of the museum’s location in Greektown, where other culturally significant Hellenic centered institutions are located, has been important to its success. The museum reportedly sees over 10,000 visitors and revenue of approximately \$1 million annually. Much of the revenue is reportedly derived from two annual fundraisers which are also major events for the museum. Adult admission to the museum is \$5 per visit. Revenue from admissions was estimated at approximately 25% of the total.

**POLISH MUSEUM OF AMERICA (CHICAGO, IL)**

We spoke with the director of this museum who outlined its history, which began in 1935. The museum works to preserve the culture of Poles in America. The museum acquired a large amount of its permanent exhibit immediately prior to and during the Second World War when the museum acquired artifacts from the Polish government in exile and benefited from the donation of personal possessions of a prominent member of the Polish community in America. The museum includes Polish folk art, exhibits from the Polish section of the 1939 World’s Fair, a library and archives.

The museum’s budget is reported to be approximately \$300,000 per year. According to the director, the largest portion of the budget is spent on the salaries of six full-time and four part-time staff members. The director indicated that the largest source of revenue for the museum is fundraising. Approximately 10,000 visitors attend the museum annually. Admission is \$5 per adult.

**THE DAIRY BARN ARTS CENTER (ATHENS, OH)**

This center was founded in 1979 as a location for local artists to display artwork. The mission of the organization which operates the arts center has subsequently expanded in scope to provide a venue for art shows and exhibitions, provide a permanent exhibit of local artwork and crafts and to attract tourism to the region. The director indicated that being recognized as a venue for unique events allowed the center to attract more attention from the art community.

Annual attendance is estimated to range from 15,000 to 25,000 annually according to the executive director of the center, with most visitations centered on the four main exhibitions which are hosted annually. These exhibitions feature artwork of local, regional and international art. One of the annual events, Quilt National, is reported to be the only international juried competition of quilts. The center works on an annual budget of approximately \$400,000, of which approximately half is paid to the seven staff members and one quarter to the artists who feature their work at the museum with the remaining amount going to operating expenses. Revenue is primarily generated from classes, workshops and fundraisers.

**ASHLAND COUNTY HISTORICAL SOCIETY MUSEUM (ASHLAND, OH)**

The Ashland County Historical Society opened a display area in a home acquired for preservation in 1981. The Society has since expanded its museum and preservation area to a four building campus. The museum displays a streetscape of the area from the early 1900s, period clothing, jewelry and other personal items. Most of these items were collected by individuals in the historical society or donated by members of the local community.

Annual museum attendance is estimated at approximately 3,000. This attendance is primarily event driven, with ice cream socials, an annual folk music festival and school tours being the primary draws to the museum. In order to generate additional interest, the Historical Society reportedly coordinates events with other businesses in the vicinity of their campus. The budget to host these events and operate the museum is approximately \$100,000 and is derived primarily from donations. Expansion of the museum was facilitated by a large donation (reportedly \$3 million) from a board member.

**CIVIL WAR LIFE – THE SOLDIER’S MUSEUM (FREDERICKSBURG, VA)**

Because Fredericksburg is located near several important Civil War battlefields and many of the visitors to the area come for Civil War era tourism, the curator of this museum identified the area as a potentially successful location for a museum centered on Civil War era culture and history. The planning process for this museum, which opened in 2000 in a temporary building, was about one year. However, the curator had begun collecting Civil War era articles as early as the 1960s. The collection was the foundation of the museum’s permanent display.

The museum currently operates on a budget of approximately \$100,000, of which approximately 50% is spent on inventory for the museum store, with the remainder going to operating expenses of the building. Museum admission, at \$5 per adult, is reported to be a relatively small component of revenue, with museum store sales and fundraising generating more revenue. Approximately 10,000 visitors attend the museum annually.

The museum's current facility, which is a 4,000 square foot building, is intended to be temporary. Plans for a larger, 35,000 square foot building may be put on hold due to difficulty raising funds, according to the museum's curator and director. This was attributed to the national economic downturn.

### **VIETNAM ERA EDUCATIONAL CENTER (HOLMDEL, NJ)**

The NJ Vietnam Veterans' Memorial Committee developed the companion projects of the New Jersey Vietnam Veterans' Memorial and Vietnam Era Educational Center. The idea for an enclosed museum (the Educational Center) was developed in the planning process during interviews with organizations from other states who had erected Vietnam War memorials. Several of these organizations had indicated that an indoor museum would have facilitated their mission, but had not been implemented. The museum idea was implemented in New Jersey and opened in 1998 at a reported cost of approximately \$3.5 million.

A manager of the museum indicated that the goal of the museum was to offer a unique display of a large timeline of the war embossed along the perimeter of the museum. The timeline is accented with photographs, letters and text boxes from the period. The director believed that the focus of the museum around this central timeline was part of its success as a museum.

Attendance at the museum was estimated at 15,000 individuals annually. Approximately 9,000 of these are primary and secondary school students. Reportedly, the museum's revenue is approximately \$400,000 annually, of which individual and corporate donations are important. Admission, at \$4 per adult, is reportedly a small portion of the museum's revenue, partly because veterans are exempt from paying admission and these form a large component of the visitor base.

### **VETERANS MUSEUM OF MID-OHIO VALLEY (PARKERSBURG, WV)**

This is a small museum located in Parkersburg which works to collect stories and artifacts of West Virginia veterans. We interviewed the director of the museum, who indicated he wanted a place to display his private collection of artifacts. The museum's collection also consists of articles donated by veterans and their families. This facility is small with regards to annual attendance and revenue, 600 and approximately \$90,000, respectively. The director stressed the importance of raising public awareness of the museum and fundraising as important steps towards developing a museum.

## CONCLUSIONS

Our interviews provided us with some perspective on the operations of museums which range from having a narrow scope (The Ashland County Historical Society Museum and Veterans Museum of Mid-Ohio Valley) to a more general theme (Arab American National Museum). Each has a defined mission on which they seek to educate the public. We analyzed data related to attendance, revenue and other quantifiable characteristics which are relevant to the proposed museum at the subject location. These are presented in the following table:

Facility	Location	Museum Opening	Approximate Annual Attendance	Museum Size (SF)	Admission (Adult)	Reported Annual Revenue
Angel Museum	Beloit, WI	1998	Recently 4,000 - 6,000	Approx. 5,000	\$7	\$70,000
National Czech and Slovak Museum	Cedar Rapids, IA	1978	34,000+	N / A	N / A	over \$1.3 million
Finnish Heritage Museum	Fairport Harbor, OH	2007	N / A	N / A	\$3	N / A
Arab American National Museum	Dearborn, MI	2005	45,000 - 50,000	38,500	\$6	\$2.1 million
Hellenic Museum	Chicago, IL	1992	10,000	10,000	\$5	\$1,000,000
Polish Museum of America	Chicago, IL	1935	10,000	approx. 10,000	\$5	\$300,000
The Dairy Barn Arts Center	Athens, OH	1979	15,000	16,000	Per event	\$400,000
Ashland County Historical Society	Ashland, OH	1981	3,000	4 building complex	Free	approx. \$100,000
Civil War Life	Fredericksburg, VA	2000	10,000	4,000 to move to 35,000	\$5	\$100,000
Vietnam Era Educational Center	Holmdel, NJ	1998	15,000	5,000	\$4	\$400,000
Veterans Museum of Mid-Ohio Valley	Parkersburg, WV	2002	600	3,000	N / A	approx. \$90,000

Our interviews allowed us to identify commonalities and make conclusions regarding museum planning and execution:

- The current environment is challenging to fund-raising due to the national economic downturn. We spoke with a representative of the American Association of Museums, which tracks long term trends in museum funding. This representative indicated that the latest data has not been quantified, but that anecdotal evidence indicates that government funding, as well as corporate and individual donations are down. Based on our interviews, some of the individuals we spoke with indicated that funding from these sources has declined between approximately 10 and 25%.
- Several of the individuals we spoke with reported that since 2007 state sponsored funding has been more difficult to obtain due to budget cuts.
- Revenue at these museums ranged from under \$100,000 to over \$2 million, with most of these in the \$100,000 to \$400,000 range.
- The individuals we spoke with indicated that annual donations from individuals and corporations are the most important parts of their revenue streams.
- Volunteer hours and in-kind donation are also important to museum operation in order to keep operating expenses as low as possible. The Angel Museum, for example, reports over 10,000 volunteer hours annually.
- Admission fees were reported to be a relatively small portion of the revenue for these museums. Where our respondents felt comfortable estimating this amount, they generally estimated it to be between approximately one quarter and one third of revenues.

- Museum planning typically involves a period of community service and education which allows the museum organizers to raise awareness of their topic and raise money. This process typically results in donations on the part of the organization planning the museum to the local area, as well as education programs and outreach events which are meant to bolster community support.
- The groups that plan and execute the beginning phases of museums typically have a passion for the theme of the museum. Several of the representatives we spoke with have spent years or even decades collecting artifacts which later have become the core of the display items at their respective museums.

## PITTSBURGH IMMIGRATION HISTORY

The analysis to this point in the study has ...

- Established why a museum exists,
- The physical, financial, employment and ownership characteristics of similarly themed museums,
- The demand for museums in Pittsburgh on an absolute and comparative basis,
- The depth of the existing competitive market for immigrant museums,
- The characteristics of the site, building and neighborhood where the museum is proposed, and
- The specific characteristics of history and special purpose museums.

This background establishes the framework to determine if the immigrant story is a theme which will generate demand in Pittsburgh. To measure potential demand, we reviewed immigration history in Pittsburgh. The following outlines the immigration and population timeline in Pittsburgh.

## PITTSBURGH IMMIGRATION TIMELINE

- Early Immigrants (1810-1870) <sup>(1)</sup>
  - Mostly Scotch-Irish, German, English, French Huguenot, and Swiss
  - Pittsburgh-- “Gateway to the West”
    - Strategic position allowed Pittsburgh to become vital stopping and shipping point between eastern and western cities
    - Rivers provided means of commerce and transportation
  
- Steel Revolution (1870-1945)
  - Eastern and Southern European Immigrants: Slavs, Poles, Italians, Russians, Jews, Greeks, Finns, Czechs, Hungarians, Serbs, Croatians, Slovaks, and other ethnicities <sup>(1), (2)</sup>
  - Came to work in steel and manufacturing plants
  - Transition in Pittsburgh economy from trading to manufacturing coincided with second wave of immigrants <sup>(2)</sup>
  - Decline in steel production after WWII ended immigration trends
  
- Immigration Numbers <sup>(2)</sup>
  - In 1890, 28.9% of the population of Pittsburgh were immigrants (nearly 100,000 of 340,000 people)
  - Immigrants plus “foreign stock” (American-born persons of foreign parentage) accounts for 65.9% of population in 1890.
  - In 1910, 26.4% of population were immigrants, 35.8% were of foreign parentage (62.2% of total population were of foreign descent)
  - In 1930, immigrants comprised 19.4% of the population and foreign stock comprised 34.7% (54.1% total of population)
  
- Ethnic Neighborhoods <sup>(1), (2)</sup>
  - Jewish: Squirrel Hill
  - Italian: Bloomfield, Morningsdale, Oakland, Beechview, East Liberty
  - German: Troy Hill, Mt. Washington, Larimer, East Allegheny
  - Polish/E. Europe: South Side, Lawrenceville, Polish Hill
  - African-American: Hill District, Homewood
  
- Demographics Today (2000 Census) <sup>(1)</sup>
  - 5 largest Ethnic Groups:
    - German: 19.7%
    - Irish: 15.8%
    - Italian: 11.8%
    - Polish 8.4%
    - English 4.6%

- One of largest Italian Communities in U.S.
- 5<sup>th</sup> largest Ukrainian population in U.S.
- Labor Disputes (2)
  - Major battles in 1892, 1919, and 1937
  - Homestead Strike (1892) (2)
    - Dispute between labor union and steel corporations
    - Labor leaders were Irish, German, and British native born and second generation immigrants
    - Majority of strikers were homestead residents, immigrants from Southern and Eastern Europe
    - Uprising crushed by Carnegie and Frick through use of state power
- Post WWII Immigration (2)
  - Pittsburgh's drop in immigration mirrored the national trend, however Pittsburgh's drop was more extreme
  - 1970s- immigrants comprised 4.4 percent of population
  - 1980s- immigrants comprised 1.3 percent of population
  - 70s and 80s immigrants were mostly from Italy, Mexico, China, Iran, Israel, Lebanon, the Philippines, and Vietnam
- Notes on Contemporary Croatian Culture in Pittsburgh (3)
  - Most Croatians immigrated to Pittsburgh between 1880-1920 (second wave) to work in mines and mills
  - Early Croatian culture in Pittsburgh centered around boarding houses
    - Many immigrants were bachelors or men who had families back in the homeland
    - Settled mostly in Northside of Pittsburgh
    - *Yaska* near the Heinz plant
    - Elsewhere in region they settled in Monaca, Aliquippa, Brownsville, Masontown, Johnstown, and Cokesburg
  - Croatians are at the forefront of interethnic heritage programs
    - Tamburitzans of Duquesne University
    - Pittsburgh Folk Festival
  - Leisure
    - *Tamburitz*a music is very dominant and has a long history in Balkan heritage
    - Many Croatians make their own wine (slivovitz), kolbassi (kobascia), and sauerkraut
    - Picnics are a major occasion



Historical population statistics for the city of Pittsburgh are summarized in the following table.

Pittsburgh Historical Populations (1810-2000)		
Census	Population	%±
1810	4,768	---
1820	7,248	52.0
1830	12,568	73.4
1840	21,115	68.0
1850	46,601	120.7
1860	49,221	5.6
1870	86,076	74.9
1880	156,389	81.7
1890	238,617	52.6
1900	321,616	34.8
1910 (**)	533,905	66.0
1920	588,343	10.2
1930	669,817	13.8
1940	671,659	0.3
1950	676,806	0.8
1960	604,332	-10.7
1970	520,117	-13.9
1980	423,938	-18.5
1990	369,879	-12.8
2000	334,563	-9.5

Source: "American FactFinder". United States Census Bureau. <http://factfinder.census.gov>. Retrieved on 2008-01-31. As Reported by Wikipedia.

\*\* The substantial increase was the result of the annexation of the Allegheny City which had an approximate population of 130,000.

This immigration timeline summary indicated Pittsburgh has a rich and varied immigration history. The population of the city, which grew steadily until 1940, was driven by a flood of immigrants during two distinct periods of time. The Early Immigrants (1810-1070) were primarily western Europeans who came to the region during a period when Pittsburgh was the “Gateway” to the West.

The second wave of immigrants became part of the work force that created the industrial revolution.

By the turn of the 20<sup>th</sup> century, immigrants plus foreign stock made up most of the local population. There was a wide variety of nationalities that made up the immigration.

In our opinion, this data indicates there is a significant story to be told as it relates to the immigrants in the Pittsburgh region.

Sources:

1. [www.Wikipedia.org](http://www.Wikipedia.org)
2. *City at the point essays on the social history of Pittsburgh*. Pittsburgh, Pa: University of Pittsburgh, 1989. Print.
3. Thomas, Clarke. *They Came to... Pittsburgh*. Pittsburgh: Pittsburgh Post-Gazette, 1983. Print.

## BUDGETING – PRO FORMA ANALYSIS

Assuming the museum is opened and operating at a stabilized level, the following is a pro forma estimate of the revenue and expenses.

One of the keys to this estimate is related to attendance and building size. The building size is projected to be approximately 20,000 square feet. Annual attendance is estimated to be 25,000. This estimate is based on local and national museum attendance figures as well as attendance figures for history museums, special purpose museums, and museums with budgets between \$150,000 and \$750,000.

### STABILIZED OPERATING BUDGET

Our projected stabilized budget, on an annual basis, is summarized as follows.

Stabilized Operating Budget					
	Annual Visitors	Per Visitor Rate	Total	% of Total Operating Income	National Median
<b>Earned Income</b>					
Admissions	25,000	\$5.00	\$125,000	21.1%	16.7%
Food Services	25,000	\$0.81	\$20,250	3.4%	2.6%
Gift Shop	25,000	\$1.55	\$38,750	6.5%	6.5%
<b>Total Earned Income</b>			<b>\$184,000</b>	<b>31.0%</b>	
Earned Income per Visitor			\$7.36		\$5.91
Gross-up %			31.0%		
Calculated Total Operating Income			\$593,548		
<b>Cost per Visitor</b>	<b>25,000</b>	<b>\$21.80</b>	<b>\$545,000</b>	<b>91.8%</b>	
<b>Net Operating Income</b>			<b>\$48,548</b>	<b>8.2%</b>	
<b>Breakeven Analysis:</b>					
Total Operating Expenses			\$545,000		
Earned Income			\$184,000		
Income required from other sources			\$361,000		

**INCOME**

Key assumptions are as follows:

- Admissions are based on fees charged at other local museums. The rate above is a blended rate for adult, student / child visitors and discounted rates charged groups and members.

Admission Fees					
	Mattress Factory	Heinz History Center	Andy Warhol Museum	Johnstown Heritage Discovery Center	Subject Concluded Rates
Adult	\$10.00	\$10.00	\$15.00	\$7.00	\$8.00
Student	\$7.00	\$5.00	\$8.00	\$5.00	\$5.00
Parking	\$0.00	\$4.00	\$6.00	\$0.00	\$0.00

- Parking is assumed to be free.
- Food service income is based on the national median gross revenue per visitor (2004).
- Gift shop income is based on the national median gross revenue per visitor (2004).
- The Gross-up Percentage is the mean percentage that earned income represents of the average museum’s total operating income.
- The Total Operating Income is calculated by dividing the Total Earned Income by 33%. Total Operating Income is estimated at approximately \$595,000.

**OPERATING EXPENSE**

Total operating cost per visitor is calculated by the AAM by dividing total operating expenses by attendance. The selected cost for budgetary purposes is a blend of that reported for history museums (\$21.05 per visitor), specialized museums (\$27.28 per visitor), and museums with operating expenses between \$150,000 and \$750,000 (\$16.76 per visitor). Total operating expenses are discussed in more detail later.

**NET OPERATING INCOME**

Net Operating Income is determined by subtracting the operating expenses from the operating income. Net Operating Income is projected to be approximately \$50,000.

**BREAKEVEN ANALYSIS**

Operating expenses are estimated to total \$545,000. Earned income from admissions, gift shop sales, and food services are estimated to bring in \$184,000. The balance of income to cover the operating expense, \$361,000, will need to be funded from government funds (grants), private sources (individuals, foundations, and corporations), and investment income.

**DETAILED OPERATING EXPENSE ANALYSIS**

Major operating expenses are categorized into the following:

- Museum-related activities related to the performance of the museum’s tax-exempt purpose, including educational programming, exhibits, collections care, research, etc.
- Management and general expenses related to running any organization such as management, administration, and building maintenance. This includes the relevant portion of personnel costs for administrative staff, legal services, accounting, office management, etc. It does not include the expense of functions unique to a museum, nor does it include fund-raising.

Fund-raising includes the total expenses incurred in soliciting contributions, gifts, grants, etc. including associated overhead costs.

Operating Expenses	History Museums			Specialized Museums			Museums with Operating Expenses \$150,000 - \$750,000		
	% with	Median	% of Operating Expenses	% with	Median	% of Operating Expenses	% with	Median	% of Operating Expenses
<b>Three Major Classifications</b>									
Museum related		\$45,000	30.0%		\$132,130	42.0%		\$115,913	36.0%
Management & general expenses		\$91,971	60.0%		\$140,905	46.0%		\$159,798	53.0%
Fund-raising expenses		\$2,020	2.0%		\$6,780	3.0%		\$8,192	3.0%
Total		\$138,991	92.0%		\$279,815	91.0%		\$283,903	92.0%

Within these cost categories, the AAM further defines particular expenses such as Personnel Expenses (salary, wage, and benefits), Collections Care, Marketing, Security, and Building Operations and Maintenance.

Operating Expenses	History Museums			Specialized Museums			Museums with Operating Expenses \$150,000 - \$750,000		
	% with	Median	% of Operating Expenses	% with	Median	% of Operating Expenses	% with	Median	% of Operating Expenses
<b>Additional Detailed Expense Categories</b>									
Personnel Expenses		\$86,600	48.0%		\$202,000	52.4%		\$175,775	52.1%
Collections Care	70.0%	\$38,036	11.0%	70.0%	\$60,577	9.0%	67.0%	\$32,000	9.0%
Marketing	55.0%	\$6,500	3.0%	60.0%	\$38,616	5.0%	71.0%	\$10,500	3.0%
*median mktg expense per visitor		\$0.56			\$1.13			\$0.40	
Security	41.0%	\$2,000	1.0%	39.0%	\$26,000	1.0%	40.0%	\$2,500	1.0%
*median security expense per interior SF		\$0.20			\$0.42			\$0.18	
Building Operations & Maintenance	Per SF			Per SF			Per SF		
Operations	\$1.84	\$24,500	11.0%	\$2.74	\$86,695	12.0%	\$2.33	\$28,957	8.0%
Maintenance	\$0.72	\$10,000	3.0%	\$0.58	\$15,468	2.0%	\$0.82	\$10,730	3.0%
Capital expenditures		\$7,567	77.0%		\$4,000	81.4%		\$10,000	76.1%

We will discuss the projected expenses in more detail using the three major categories with support for line item expenses using the information provided in the table directly above.

**Museum-related activities** include the line item for collection care costs: Total museum related activities range from 30% to 42% of total operating costs, which are projected to be \$545,000 for the subject. The upper end of these costs relate to specialty museums. The subject’s collections would more be more similar to that in a history museum, than a specialty museum. The expense range selected for the subject is between 30% and 36% of total operating expenses. Collection care costs, including the collections care personnel, are estimated to account for approximately 10% of total operating expenses, in the range of \$50,000 to \$60,000. A Collections Care Specialist salary ranges between \$35,000 and \$40,000; with benefits between \$42,700 and \$49,600.

**Management and general expenses** consist primarily of personnel costs and marketing costs and miscellaneous office-related expenses.

**Personnel costs** include salary, wages, and benefits. Total museum related activities range from 48% to 52% of total operating costs, which are projected to be \$545,000 for the subject. The subject’s personnel costs are based on this range. We attempted to further detail the staff positions required to support an immigrant museum. Based on the AAM’s survey data, we estimate four full-time positions, three part-time positions, and eight seasonal employees. The wage range and benefit percentage is based on regional compensation packages.

Staff Position	Personnel Costs		Low	High
	Curator			\$60,000
Collections Specialist (expense included in Museum-related activities)			\$0	\$0
Administration			\$30,000	\$33,000
Maintenance			\$27,000	\$30,000
Museum Part-time help			\$15,000	\$17,000
Museum Part-time help			\$15,000	\$17,000
Museum Part-time help			\$15,000	\$17,000
Museum Seasonal (8 persons @ \$12/hr - 3 rotating months yearly)	8	\$12.00	\$49,920	\$49,920
<b>Total salary and wages</b>			<b>\$211,920</b>	<b>\$233,920</b>
Payroll Taxes and benefits (as of % of total salary & wages)			23%	23%
Total payroll taxes and benefits			\$48,742	\$53,802
<b>Estimated Personnel Cost Range</b>			<b>\$260,662</b>	<b>\$287,722</b>

**Marketing costs** range between 3% and 5% of total operating expenses. Specialized museums set the upper end of the range. We would expect the subject’s costs to be at the lower end of the range. Marketing costs for the subject are projected in the range of \$26,000 to \$22,000.

**Building operations, maintenance, and security costs** are generally looked at on the basis of cost per square foot. The national data indicates a range between \$2.76 and \$3.74 per square foot of gross building area. Based on a range equivalent to \$3.00 to \$4.00 per square foot, total building operations, maintenance, and security are estimated between \$60,000 and \$80,000 annually.

**Fund-raising expenses** range between 2% and 3% of total operating expenses. Based on this range, total fund-raising expenses are estimated to cost between \$11,000 and \$16,000.

The projected expense range for the subject is summarized below.

Operating Expense Detail					
Size (sf)					20,000
Total Operating Expenses Projected					545,000
	Range per Unit of Comparison		Expense Range		
	Low	High	Low	High	
Museum-Related Activities	30%	36%	\$163,500	\$196,200	
Personnel Costs	48%	52%	\$261,600	\$283,400	
Marketing	3%	4%	\$16,350	\$21,800	
Building Operations, Maintenance & Security	\$ 3.00	\$ 4.00	\$60,000	\$80,000	
Fund-raising	2%	3%	\$10,900	\$16,350	
<b>Total Expense Range</b>			<b>\$512,350</b>	<b>\$597,750</b>	

The median of the expense range is \$555,000, fairly consistent with the expense projected above based on cost per visitor of \$21.80 (total \$545,000).

## SUMMARY OF CONCLUSIONS

The study has established there is adequate market demand for an immigrant museum in Pittsburgh. The general location of the property has numerous favorable attributes including a long immigration history, numerous complimentary museums and places of interest, and very good regional access.

It is also concluded that although the existing church building, which is proposed to be converted, has a distinct architectural history and style which compliments the immigration story, the age and layout of the structure, and functional impairments related to the site and parking, create a less than ideal redevelopment situation and above normal challenges. However, if the physical plant can be developed as proposed by Astorino, the next step will be to create and execute a strategic plan that will allow implementation of the mission.

The study concluded that an immigrant museum in a 20,000-square foot customized museum building could generate annual attendance of approximately 25,000 while operating on a budget of approximately \$550,000. The expectation would be that revenue to meet a \$550,000 budget would be generated from 1) Earned Income, 2) Government Funding, 3) Private donations, and 4) Investment Income.

## FUTURE PLANNING CONSIDERATIONS

### MISSION

Museums are unique enterprises which are driven by their mission. This mission should drive all planning and outcomes. Defining a mission is a critical step in museum development. The mission should be developed with all key stakeholders at the table. To define the mission, an initial step would be to develop an advisory group consisting of:

1. Community Leaders (focus more on fundraising ability than technical/administrative expertise)
2. Academics
3. Those committed to the mission
4. People who represent the story to be told

### FUNDING

Because of the relatively large amounts of outside funding required to develop and operate museums, the initial capital campaign should be focused on a name donor. For instance, the Johnstown Heritage Discovery Center received the following funding:

- Phase I had \$1.0 M (Immigrant Museum) donation
- Phase II had \$1.5 M (Children's Museum) donation
- Lead donations were conditional on recurring matching federal and state grants. The Pennsylvania Redevelopment Capital Assistance Program, R-CAP and Kretsky federal grant have been key programs in the past. (No capital budget for 2009) Local politicians are key players in attaining government funding.

A fundraising consultant should be part of the Advisory Committee as planning moves beyond the mission definition stage.

### TIMELINE

Interviews we completed, and museum development we have researched, indicate it takes a substantial amount of time to move from the idea stage to an operating museum. The Johnstown Museum took nine years to open including six years after the building was acquired. A Nationality Room at the University of Pittsburgh takes between five and seven years from concept to opening. The Lincoln Cottage in Washington DC opened after over eight years of planning and funding.



**MUSEUM STORY**

During the design stage substantial time will be required to solidify what story needs to be told and how the story will be interpreted. Consideration needs to be given to:

- Exhibit Design
- Authenticity
- Interpretation
- Education
- Tour Design
- Children and students are important visitors as it relates to telling the story. Their inclusion should be a focus.

## CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Paul D. Griffith, MAI, MRICS and Michele L. Allerton have made a personal inspection of the property that is the subject of this report.
10. Significant real property assistance was provided by Jonathan Kuzma and Anthony Ramoutar who have not signed this certification.
11. We have experience in market studies similar to the subject and are in compliance with the Competency Rule of USPAP.
12. As of the date of this report, Paul D. Griffith, MAI, MRICS has completed the continuing education program of the Appraisal Institute.



Paul D. Griffith, MAI, MRICS  
Certified General Real Estate Appraiser  
Pennsylvania Certificate # GA 000261L



Michele L. Allerton  
Certified General Real Estate Appraiser  
Pennsylvania Certificate # GA003405

## ASSUMPTIONS AND LIMITING CONDITIONS

This report is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This report is subject to the following limiting conditions, except as otherwise noted in the report.

1. A market study is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our report apply only as of the effective date of the report, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other study and are invalid if so used. The report shall be considered only in its entirety. No part of the report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
11. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the report are used only for the purpose projecting operating income and do not constitute predictions of future operating results.
13. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
14. The current purchasing power of the dollar is the basis for the value stated in our report, if any; we have assumed that no extreme fluctuations in economic cycles will occur.
15. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
16. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. We claim no expertise in *ADA* issues, and render no opinion regarding compliance of the subject with *ADA* regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
17. The report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

18. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
19. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
20. Integra Realty Resources – Pittsburgh is not a building or environmental inspector. Integra Pittsburgh does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
21. The report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Pittsburgh, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
23. Integra Realty Resources – Pittsburgh, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client’s use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable

24. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
25. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

**ADDENDUM A**  
**CONSULTANT QUALIFICATIONS**

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## PROFESSIONAL QUALIFICATIONS OF PAUL D. GRIFFITH, MAI, MRICS

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**EXPERIENCE:**

Managing Director for Integra Realty Resources, based in the Pittsburgh, Pennsylvania office. Since 1977, Mr. Griffith has completed hundreds of appraisals on all types of properties throughout the Eastern and Mid-Atlantic regions of the country. From 1979 to 1983, he was associated with Berman and Company. From 1986 to 1991 he was President of Barone, Griffith, Motta and Murtha, Inc. Specialty areas include complex valuations of development properties, special purpose properties, and all types of income producing properties.

Mr. Griffith has provided consulting services for a variety of market studies, feasibility studies, and economic impact studies. Mr. Griffith also has experience in various market studies and appraisals pertaining to HUD MAP properties.

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**PROFESSIONAL  
ACTIVITIES:**

**Member:** Member Appraisal Institute, MAI (1984)  
-Past President, Pittsburgh Metropolitan Chapter of the Appraisal Institute  
-Past Regional Representative of the Appraisal Institute  
Metropolitan Pittsburgh Board of Realtors (REALTOR)  
Associate Member NAIOP  
Institute for Professional In Taxation, CMI

**Licensed:** Royal Institute of Chartered Surveyors - FRICS  
Certified General Appraiser: Pennsylvania, Ohio, Maryland, and West Virginia

**Teaching:** Adjunct Professor: Duquesne University, Undergraduate School of Business: Commercial-Industrial Valuation (1988 to 1992)  
Appraisal Institute: National Faculty, Capitalization Course Series, and Highest and Best Use - Market Analysis (1988 to 2002)  
Institute of Property Taxation: Intermediate Property Tax School (1996 to 2008)  
Various seminars and lectures

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**EDUCATION:**

Graduate of Pennsylvania State University (BS), Business Administration

American Institute of Real Estate Appraisers Courses:

- Appraisal Principles
- Valuation Procedures
- Capitalization Theory & Techniques (I, II and III)
- Litigation Valuation
- Case Studies in Real Estate Valuation
- Valuation Analysis and Report Writing
- Standards of Professional Practice (A and B)
- Highest and Best Use and Market Analysis
- Separating Real & Personal Property from Intangible Business Assets
- Appraising the Oddball: Nonconforming & Difficult Properties
- Accounting for Goodwill
- Mark-to-Market: The next FIRREA
- Standard of Professional Practice (Part C)
- Business Practices & Ethics
- Court Testimony and Hearing Preparation
- Uniform Standards for Federal Land Acquisitions
- Valuation of Conservation Easements

Department of HUD - Philadelphia Multifamily Appraiser Training

HUD MAP Third Party Technical Training

Society of Real Estate Appraisers Course - Introduction to Appraising Real Property

University of Pittsburgh Course - Appraisal of Real Estate

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**QUALIFIED  
BEFORE COURTS :**

Mr. Griffith has qualified as an expert witness in quasi-judicial proceedings in Allegheny, Butler, Westmoreland, Blair, Lawrence, Erie and Beaver Counties, the Court of Common Pleas in Allegheny, Beaver, Lancaster, York Washington, and Potter County, Pennsylvania and Hamilton County, Ohio. He has also qualified as an expert witness in the United States Federal Court, Western Pennsylvania District, United States Bankruptcy Court, Western Pennsylvania and Southern New York.

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DISPLAY THIS CERTIFICATE PROMINENTLY • NOTIFY AGENCY WITHIN 10 DAYS OF ANY CHANGE

Commonwealth of Pennsylvania  
Department of State  
Bureau of Professional and Occupational Affairs  
PO Box 2649 Harrisburg PA 17105-2649

08 0600064

Certificate Type  
Certified General Appraiser

Certificate Status  
Active

Initial Certification Date  
08/15/1991

Expiration Date  
06/30/2011

PAUL DAVID GRIFFITH  
195 SUMMERLAWN DRIVE  
SEWICKLEY PA 15143

Certificate Number  
GA000261L

*Basil L. Mevoda*  
Commissioner of Professional and Occupational Affairs

*[Signature]*  
Signature

ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 P.A.C.S. 4911

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**PROFESSIONAL QUALIFICATIONS OF  
MICHELE L. ALLERTON, CPA**

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**EXPERIENCE:** Associate Director for Integra Realty Resources, based in the Pittsburgh, Pennsylvania office. Actively engaged in real estate valuation with Integra Realty Resources – Pittsburgh beginning in 2000. Appraisals have been performed on various properties, including, but not limited to, elder care properties (assisted living and nursing), condominium development, subdivision development, neighborhood and community shopping centers, apartment complexes, single-tenant industrial buildings, low-rise to high-rise office buildings, mixed used facilities and vacant land for various purposes including condemnation, financing, and asset evaluation.

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**PROFESSIONAL ACTIVITIES:**

**License:** Certified General Appraiser, Commonwealth of Pennsylvania (2005)  
Certified General Appraiser, State of West Virginia (2007)

**Member:** Certified Public Accountant in Pennsylvania (1990)  
CREW: Commercial Real Estate Women, Treasurer, 2008  
Integra's Specialty Practice: Senior Housing and Health Care  
Appraisal Institute, Pittsburgh Metro Chapter

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**EDUCATION:** B.S. Degree, Accounting, Pennsylvania State University, University Park, Pennsylvania, (1987)

Successfully completed and/or received credit for the following courses and seminars sponsored by the Appraisal Institute:

- Course 120: Appraisal Procedures
- Course 800: Separating Real and Personal Property from Intangible Business Assets.
- Standards of Professional Practice: Course A
- Appraising From Blueprints & Specifications
- Analyzing Commercial Lease Clauses
- Evaluating Commercial Construction
- Course 510: Advanced Income Capitalization
- Course 520: Highest and Best Use and Market Analysis
- Course 530: Sales Comparison and Cost Approaches to Value
- Course 540: Report Writing and Valuation Analysis
- Course 550: Advanced Applications

Other courses successfully completed include:

- Fundamentals of Business Valuation – Part 1(Georgia Society of CPA's) August 2001
  - HUD MAP Market Analysis and Appraisal Training – Philadelphia, Pennsylvania February 2003
  - HUD Multifamily Accelerated Processing – St. Louis, Missouri April 2004
-

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Commonwealth of Pennsylvania  
Department of State  
Bureau of Professional and Occupational Affairs  
PO Box 2649 Harrisburg PA 17105-2649

08 0582135

Certificate Type  
Certified General Appraiser

Certificate Status  
Active



MICHELE L ALLERTON  
4722 VALLEYFIELD DRIVE  
ALLISON PARK PA 15101

Certificate  
Number  
GA003405

Initial Certification Date

02/01/2005

Expiration Date

06/30/2011

*Basil L. Mevoda*

Commissioner of Professional and Occupational Affairs

*Michele L. Allerton*

Signature

ALTERATION OF THIS DOCUMENT IS A CRIMINAL OFFENSE UNDER 18 PA.C.S. 4911

# INTEGRA REALTY RESOURCES, INC.

## CORPORATE PROFILE

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with nearly 60 independently owned and operated offices in 33 states. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and each is headed by a Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Managing Directors follows:

ATLANTA, GA – Sherry L. Watkins, MAI, MRICS  
ATLANTIC COAST, NJ - Anthony Graziano, MAI, CRE, FRICS  
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS  
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS  
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS  
BOSTON, MA - David L. Cary, MAI, MRICS  
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS  
CHICAGO, IL - Gary K. DeClark, MAI, CRE, FRICS  
CHICAGO, IL – Eric L. Enloe, MAI, MRICS  
CINCINNATI, OH - Gary S. Wright, MAI, SRA, FRICS  
CLEVELAND, OH – Douglas P. Sloan, MAI, MRICS  
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM, MRICS  
COLUMBUS, OH – Bruce A. Daubner, MAI, MRICS  
DALLAS, TX - Mark R. Lamb, MAI, CPA, MRICS  
DAYTON, OH - Gary S. Wright, MAI, SRA, FRICS  
DENVER, CO - Brad A. Weiman, MAI, MRICS  
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS  
FORT WORTH, TX - Donald Sherwood, MAI, SR/WA, FRICS  
GREENVILLE, SC – Michael B. Dodds, MAI, CCIM, MRICS  
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS  
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS  
INDIANAPOLIS, IN – Michael C. Lady, MAI, SRA, CCIM, MRICS  
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS  
LAS VEGAS, NV - Shelli L. Lowe, MAI, SRA, MRICS  
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS  
LOS ANGELES, CA – Matthew Swanson, MAI  
LOUISVILLE, KY - George Chapman, MAI, SRA, CRE, FRICS  
MEMPHIS, TN - J. Walter Allen, MAI, MRICS  
MIAMI, FL – Stephen J. Matonis, MAI

MILWAUKEE, WI – Gary K. DeClark, MAI, CRE, FRICS  
MINNEAPOLIS, MN – Michael Amundson, MAI, CCIM, MRICS  
NAPLES, FL – Carlton J. Lloyd, MAI  
NASHVILLE, TN – R. Paul Perutelli, MAI, SRA, MRICS  
NEW YORK, NY – Raymond T. Cirz, MAI, CRE, FRICS  
NORTHERN NJ – Barry J. Krauser, MAI, CRE, FRICS  
ORANGE COUNTY, CA – Larry D. Webb, MAI, FRICS  
ORLANDO, FL – Charles J. Lentz, MAI, MRICS  
PHILADELPHIA, PA – Joseph D. Pasquarella, MAI, CRE, FRICS  
PHOENIX, AZ – Walter Winius, Jr., MAI, CRE, FRICS  
PITTSBURGH, PA – Paul D. Griffith, MAI, MRICS  
PORTLAND, OR – Brian A. Glanville, MAI, CRE, FRICS  
PROVIDENCE, RI – Gerard H. McDonough, MAI  
RICHMOND, VA – Kenneth L. Brown, MAI, CCIM, MRICS  
SACRAMENTO, CA – Scott Beebe, MAI, FRICS  
ST. LOUIS, MO – Roland G. Hoffman, MAI, SRA, MRICS  
SALT LAKE CITY, UT – Darrin Liddell, MAI, CCIM, MRICS  
SAN ANTONIO, TX – Martyn C. Glen, MAI, CRE, FRICS  
SAN DIEGO, CA – Jeff Greenwald, MAI, FRICS  
SAN FRANCISCO, CA – Jan Kleczewski, MAI, FRICS  
SARASOTA, FL - Craig L. Smith, MAI,  
SAVANNAH, GA – J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS  
SEATTLE, WA – Allen N. Safer, MAI, MRICS  
SYRACUSE, NY – William J. Kimball, MAI, FRICS  
TAMPA, FL – Bradford L. Johnson, MAI, MRICS  
TULSA, OK – Robert E. Gray, MAI, FRICS  
WASHINGTON, DC – Patrick C. Kerr, MAI, SRA, MRICS  
WILMINGTON, DE – Douglas L. Nickel, MAI, FRICS  
IRR de MEXICO – Oscar J. Franck Terraza, MRICSs

### Corporate Office

1133 Avenue of the Americas, 27<sup>th</sup> Floor, New York, New York 10036  
Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail [info@irr.com](mailto:info@irr.com)  
Website: [www.irr.com](http://www.irr.com)

**ADDENDUM B**  
**LETTER OF AUTHORIZATION**



**Paul D. Griffith, MAI**  
Integra Realty Resources Pittsburgh  
2591 Wexford Bayne Road  
Suite 102  
Sewickley, Pennsylvania 15143

March 11, 2009

Preserve Croatian Heritage Foundation  
c/o Mark T. Fatla, Esquire  
Executive Director  
Northside Leadership Conference  
East Commons Professional Building  
Suite 601  
Pittsburgh PA 15212

**RE: Market Study Proposal Former St. Nicholas Church**

Dear Mr. Fatla:

*Integra Realty Resources – Pittsburgh* is pleased to provide this proposal for consulting services related to the above referenced property. Our contact information and a summary of the firm's qualifications and past relevant experience are presented in a combined format as our response to your request for a proposal. The scope of the report, time frame for delivery and the fee for the study are set in a separate schedule. We understand the client and intended user of this report will be the Preserve Croatian Heritage Foundation. The intended use of the report is to assist in decision making related to the reuse of the existing St. Nicholas Church property.

We appreciate the opportunity to provide this proposal. Please do not hesitate to contact us if you need additional information. We look forward to working with you on this project.

Sincerely,

INTEGRA REALTY RESOURCES PITTSBURGH

Paul D. Griffith, MAI  
Managing Director

IRR.

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2591 Wexford-Bayne Road, Suite 102 • Sewickley, PA 15143 • Phone: 724-742-3324 • Fax: 724-742-3390 • Email: pgriffith@irr.com