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# MONTAUK PLAYHOUSE COMMUNITY CENTER FOUNDATION



## STRATEGIC BUSINESS PLAN

Spring 2020

### ABSTRACT

The case for supporting the development of the Montauk Playhouse into a comprehensive community resource that welcomes and serves all.

### Business Plan Committee

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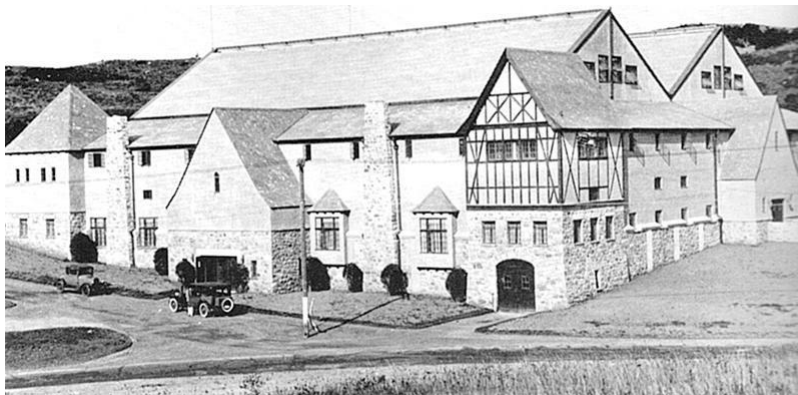
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## Historical Background

The entrepreneur Carl Fisher started out with a clear vision in 1925 when he bought the Montauk peninsula. He had already successfully developed Miami Beach as a popular winter resort and intended to turn Montauk into the “Miami Beach of the North.” He constructed buildings, homes, a yacht club, the Montauk Manor and a glass-roof twelve court tennis arena, the largest indoor tennis complex in the country at the time, known today as the Montauk Playhouse Community Center. After the Wall Street crash of 1929 and the Great Depression that followed, the building fell into disrepair and neglect. Several attempts were made to revive this historical landmark, starting from its use as an assembly hall for the Navy during WWII, a theater, conference center, boxing ring and movie house. All eventually failed and ended in the building’s abandonment in the 1970s.



In 1999, a group of developers donated the Playhouse property to the Town of East Hampton. That same year, the nonprofit Montauk Playhouse Community Center Foundation was formed to help the Town restore and convert the building into a community center, rescuing the building from demolition.

In 2006, the restored Montauk Playhouse Community Center building opened with community facilities and services in its eastern half, operated by the Town of East Hampton. Shortly thereafter, the Foundation signed a long-term lease with the Town to develop the vacant western half. The Montauk Playhouse Community Center Foundation is now prepared to continue the rebirth of this landmark building into a community resource that welcomes and serves all.

## What to Expect

### Our Mission Statement, Vision, and Core Values

Montauk is located in the Town of East Hampton in Suffolk County, on the easternmost tip of Long Island, New York. This small tourist community is home to picturesque beaches, world-class fishing, quality tourist accommodations, restaurants, hotels and motels, and boutique shopping. Montauk’s population swells by 30,000 visitors during the months of April through October, yet it is a vibrant year-round community.

The **Mission** of the Montauk Playhouse Community Center Foundation is to raise funds for the restoration and development of the historic Montauk Playhouse, creating a vital community center for the arts, education, recreation and human services for Montauk and the East End.

Our **Vision** is to enrich the lives of our Montauk Community through social, cultural and aquatic fitness programs in our restored Playhouse.

ENHANCING	ENGAGING	ENRICHING
Montauk with water safety, learn-to-swim, therapy and recreation programs in a well-designed indoor aquatic facility.	Montauk with a flexible cultural center for music and theater events, community programs, business meetings, trade shows and much more.	The lives of Montauk’s residents and visitors through diverse programming.

A single design and programming strategy emerged for completing the Montauk Playhouse as an integrated community space whereby facilities are designed to be sustainable based on the programming needs and capacity of the community.



*“Montauk has undergone a tremendous amount of change, from the time I was a boy up until the present, and even in the past five to seven years. People are realizing, as*

*are we, if you want to preserve the soul of Montauk, the fabric of Montauk, the identity, you have to seriously consider the kinds of things that are being done. Not only here by us, but through the library, the public school, and so on. You’ve got to have the infrastructure, the focal point, otherwise you’ve got no community.”— Perry B. Duryea III, Board Chairman, July 2019*

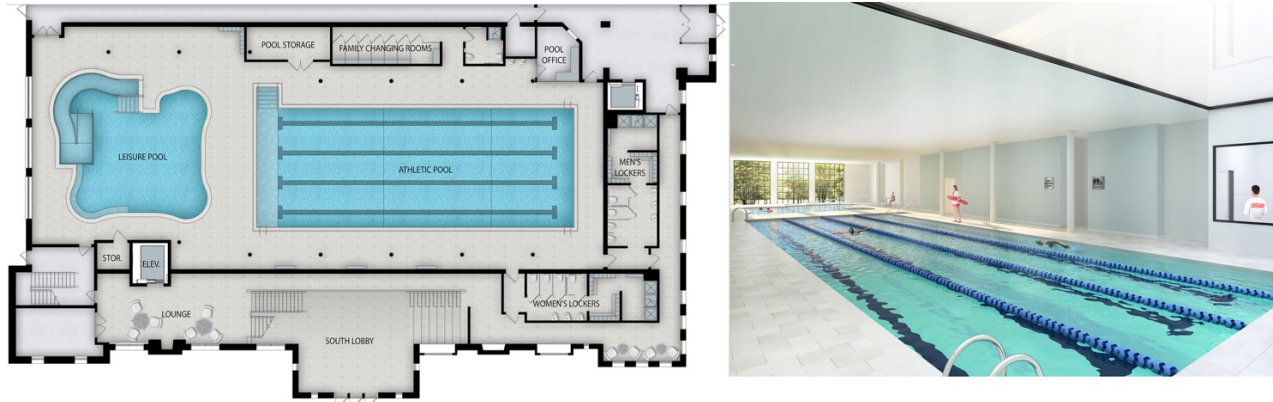
Our **Core Values** center around



## Architectural Renderings

Our vision incorporates the diverse programming needs of the Montauk community. It focuses on creating two new centers that will anchor the unused portion of the Playhouse.

### First Floor - Aquatic Center



*An **Aquatic Center** on the first floor with two pools designed to permit a variety of programs to “waterproof” our community and visitors. Natural light will project through the glass wall and skylight onto the pool areas.*

- Lap Swimming
- Traditional Aqua Exercise
- Medical Rehabilitation
- Learn-to-Swim Classes

The main pool is a four lane, 25-yard lap pool accompanied by a separate exercise pool to accommodate instructional, wellness, and medical rehabilitation needs. The entire Aquatic Center is located on the first floor which will accommodate ease of access augmented by locker rooms, lounge and seating areas. Natural light will project through the glass wall at the north end and a skylight at the south end onto the pool areas. The aquatic program is based upon the National Governing Body's pillars developed by USA Swimming:

- 1. Learn-to-swim:** Across all age groups, from infants to senior citizens.
- 2. Aquatic fitness:** Providing low impact, pain-free, non-weight bearing aerobic exercise.
- 3. Competitive swimming:** All age groups, including masters swimming for ages 19 to 105.
- 4. Rehabilitation:** Aquatic therapy many times produces better outcomes with less pain. State of the art design guidelines use the “windows of exercise” methodology: looking at the Aquatic Center as a water gymnasium or a health and wellness center. By creating a facility with the similar program versatility of a health club, the business plan focuses on revenues derived from membership fees, monthly fees, and special programs with separate costs.



## Second Floor - Cultural Center



A multi-use **Cultural Center** on the second floor, with a flexible layout dividable into two spaces that will allow for an array of events and programs, from theater and music, to art shows, craft fairs and community events.

### Key spaces in the Cultural Center design:

- 1,980 square foot social area lobby, lounge and gallery space (see image on next page)
- 6,565 square foot dividable (2) multi-use space
- 240 retractable seat capacity in theatre

### Events are designed to generate long-term revenue. They include:

- performing arts – theater & music
- community events
- arts & crafts shows
- conference & education center
- classrooms & lecture hall
- gallery & exhibition space
- health & wellness programs (including Yoga, Meditation, contained exercise, Dance and Ballet)
- party & banquet hall – space rental
- sports & athletic programs

This strategic business blueprint balances expenses with program revenues, space rentals, memberships, ticket sales and fees, and is expected to be self-sustaining within four years based on the current population of Montauk and its surrounding areas.



Multi-Use Space Means Flexibility in Programming: Analysis shows that creating a well-designed open space that is dividable expands commercial viability, and provides flexibility for numerous, simultaneous commercial and community uses. Multi-use rooms can be very economical, saving costs and increasing efficiencies. Flexibility and adaptable planning for the open, multi-purpose space are the keys to financial success.

**Programming**

Programming at the Cultural Center can be broken into two distinct categories: Performing Arts and Public Assembly.

**Performing Arts**

Performing arts are crucial to the future of the Playhouse and are strongly supported by the community. The theater function of the new space will be created using movable platforms, stages, lighting, backdrops, dividers, curtains and seating. Theater setup will depend on the production.



Public Assembly Space

While community needs drive the development of the Playhouse, the opportunity to supplement community-based revenue with space rental and conferences is important to the business model. The public assembly event industry is diverse and dynamic, consisting of a wide variety of events, many of which focus around a collection or gathering of individuals for the purpose of entertainment, recreation, face-to-face communication, and the exchange of ideas and information.

Construction Costs and Capital Needs

To fund the construction, the Foundation has undertaken a major Capital Campaign seeking support from individuals, businesses, and charitable foundations.

Full design costs and construction contingency	\$11 Million
Additional Programming	\$2 Million
<b>Total Projected Budget</b>	<b>\$13 Million</b>
<b>Currently Raised Private/Public Funding</b>	<b>\$7 Million</b>

Preopening Cost Projection

Cultural Center Pre-Opening Cost	\$ 249,000
Aquatic Center Pre-Opening Cost	\$ 165,000
<b>Total Pre-Opening Cost</b>	<b>\$ 414,000</b>
Note: The Pre-Opening Budget includes 12 months of cost to cover extensive Marketing/Branding/PR efforts and administrative support. The assumption is furthermore to employ a full-time Cultural Center Director and Aquatic Director within that period to prepare for operating status. (see Exhibit 1 in Appendix)	

The feasibility and sustainability of the Foundation’s development plan rests on simultaneously creating both the Aquatic Center and Cultural Center. These findings are based on the population (potential market), demonstrated and expressed community needs, and strong consideration for appropriate scale.

## Business Model and Financial Planning

The Foundation is a 501(c)(3) nonprofit organization and holds a long-term lease from the Town of East Hampton to develop and operate the undeveloped portion of the Montauk Playhouse. A small professional staff will manage the space and programs. The Board of Directors will be responsible for governance, oversight and long-term direction. A full range of marketing programs will support the success of the proposed event and aquatic programs. The business plan of the Foundation will serve to create and manage greatly expanded services and activities geared toward the needs of Montauk’s residents and visitors alike.

## Feasibility and Sustainability

Based on local population and demographics, and conservative projected use of the new facilities, the plan forecasts to be self-sustaining in Year 4 (see Exhibit 2 in Appendix).

The financial projections consider the Aquatic Center and Cultural Center as separate revenue streams and compare expenses as well as overall Foundation management expenses against projected revenue over a five-year period.

### Financial Projections - 5 YEAR Pro Forma Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
	<b>Revenues</b>				
<b>Fundraising/Grants</b>	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
<b>Cultural Center</b>	\$ 228,100.00	\$ 255,472.00	\$ 278,829.44	\$ 370,536.59	\$ 429,395.73
<b>Aquatic Center</b>	\$ 520,708.15	\$ 583,193.13	\$ 636,513.64	\$ 845,863.31	\$ 980,227.34
<b>Total Revenue</b>	<b>\$ 1,248,808.15</b>	<b>\$ 1,338,665.13</b>	<b>\$ 1,415,343.08</b>	<b>\$ 1,716,399.90</b>	<b>\$ 1,909,623.08</b>
	<b>Expenses</b>				
<b>Foundation</b>	\$ 380,166.67	\$ 387,770.00	\$ 395,525.40	\$ 403,435.91	\$ 411,504.63
<b>Cultural Center</b>	\$ 284,666.67	\$ 290,360.00	\$ 296,167.20	\$ 302,090.54	\$ 308,132.35
<b>Aquatic Center</b>	\$ 896,436.67	\$ 914,365.40	\$ 932,652.71	\$ 951,305.76	\$ 970,331.88
<b>Total Expenses</b>	<b>\$ 1,561,270.00</b>	<b>\$ 1,592,495.40</b>	<b>\$ 1,624,345.31</b>	<b>\$ 1,656,832.21</b>	<b>\$ 1,689,968.86</b>
<b>Operating Profit/Loss**</b>	<b>\$ (312,461.85)</b>	<b>\$ (253,830.27)</b>	<b>\$ (209,002.23)</b>	<b>\$ 59,567.69</b>	<b>\$ 219,654.22</b>

\*\* The assumption is that any depreciation expenses and accumulated depreciation contra asset reduction will be included in Town of EH Financial Statements. Unknown at this point is which budget will be carrying the maintenance reserve for building maintenance. The Aquatic Center’s budget contains an annual \$50k pool maintenance and internal building repair reserve.

One of the most important aspects of the financial projection is the short period of time needed to reach full operating status.

- ✓ Program and other revenues are expected to exceed cost of operations in Year 4.
- ✓ Year 1 through 5 are supported by an additional \$500k in Fundraising and Grants.
- ✓ Cost will be fully carried by revenue plus fundraising/grants upon an increase of activity by 60% in Year 4 compared to Year 1.
- ✓ A significant focus on marketing upon inception will enable us to achieve the 85% expected increase in revenue from Aquatic and Cultural Center proceeds.
- ✓ Revenue and Expenses were increased by an annual 2% as part of the Cost of Living Adjustment.
- ✓ Coinciding with the turn to profitable operations in Year 4, the Foundation will begin to build a maintenance reserve to be used against contingencies, repairs and improvements.
- ✓ Town of East Hampton as Lessor will be responsible for any structural building maintenance.

**Marketing and Usage of the Aquatic and Cultural Centers**

Developing a sustainable business model requires looking at every possible use of a facility, both conventional and non-conventional, to grow a “dashboard” of services. The following numbers of members and programs/events are a conservative reflection of the current year-round and seasonal demographics of Montauk, East Hampton Town, and other neighboring townships. Activity level is expected to increase by 10% in Year 2, 20% in Year 3, 60% in Year 4, and 85% by Year 5 (see Exhibit 5 in Appendix).

**Cultural Center Programming/Event Assumptions**

Year 1	Year 2	Year 3	Year 4	Year 5
Main Room Rentals – Corporate Meetings, etc.				
27	30	32	43	50
Community Rentals				
12	13	14	19	22
Special Programs/Events – Concerts, Music Festivals, Theater, Education				
17	19	20	27	31
Sales/Merchandise Shows – Craft/Art Market				
4	4	5	6	7

The Centers will be marketed in both seasonal and year-round campaigns in the local, regional, metropolitan, and tri-state areas to the following target audiences:

- Individuals and Families
- Groups and Organizations
- Residents and Visitors
- Performing Artists
- Cultural Organizations
- Aquatic Organizations
- Business and Community Organizations
- Media Outlets

### **Program Menus**

Staff will develop a specific menu of programs prior to opening and going forward for both the Aquatic Center and Cultural Center. These menus will be published in brochure form and on the Foundation's website and will help promote special community events in addition to focusing on hours of operation, prices, facility rental, and special events.

### **Partnerships**

Partnering with local businesses and organizations, health care providers, insurers and health maintenance organizations is the least expensive marketing and outreach tool at the onset. Local advertising, direct marketing/direct mail, and online marketing will help fill in the mass market.

### **Rental of Facilities**

Scheduling of events requires advance planning and active solicitation of customers for rental of the event space. These include concerts, theater productions, art shows, holiday boutiques, business seminars and group meetings. Special events will be promoted to increase visibility in the community and to attract first time or infrequent visitors.

Advance sales and rentals for events in the multi-purpose rooms will come from hotels and other local businesses, allowing for large lead times through construction. Hotels that want to cater more to business conference groups will be invaluable resources for development of the space and advanced sales. While event and membership plans are not set, "early" incentives will help fill the membership quota prior to opening.

## Aquatic Center Membership and Program Assumptions

Year 1	Year 2	Year 3	Year 4	Year 5
Annual Memberships – Families/Seniors/Adults/Youth				
183	201	220	293	339
Monthly Memberships – Families/Seniors/Adults/Youth (6 months average)				
500	550	600	800	925
Day Passes – Families/Seniors/Adults/Youth				
1,300	1,430	1,560	2,080	2,405
Learn-to-Swim Classes				
1,872	2,059	2,246	2,995	3,463
Water Rentals and Fitness Programs				
636	700	763	1,018	1,177

### Memberships/ Day Passes

The Foundation expects to have a strong seasonal/annual membership and day-pass usage from second homeowners. Membership rates reflect those of local and national aquatic facilities. The Foundation can also expect to develop a higher membership category (Supporting Member) with a philanthropic value built into the membership. This membership could extend to all Foundation events as well as a possible special program use of the facility. Members will have free access to the Aquatic Center for recreational swimming and for special member programming. Additional programs will be fee-based.

### Learn-To-Swim

Learn-to-swim programs will be available year-round. However, the plan anticipates higher use during non-seasonal time periods when seasonal traffic eases and travel to Montauk proper from outlying areas is most convenient. Based on demographic characteristics, there is a high likelihood that private and semi-private lessons in this market will prevail as the larger lesson profiles.

### Wellness and Fitness Programs

The plan is to explore the demand and the feasibility of these programs. Initial thoughts are that a percentage of constituents (beyond that of annual members) will participate in fee-based daily and weekly health and wellness programs in both the Aquatic and Cultural Centers.



Many of these programs will be offered during “quiet hours” — times during which the pool or Cultural Center would not traditionally be used. Targeted regional and national studies indicate that 70% of program revenue pays for variable expenses.

### **Water Rental**

The facility can be rented for various activities, including birthday parties. Water rental rates are based on the aquatic space to be used, staffing requirements, operational and maintenance expenses, and are expected to be higher during the season due to increased demand.



## Fundraising

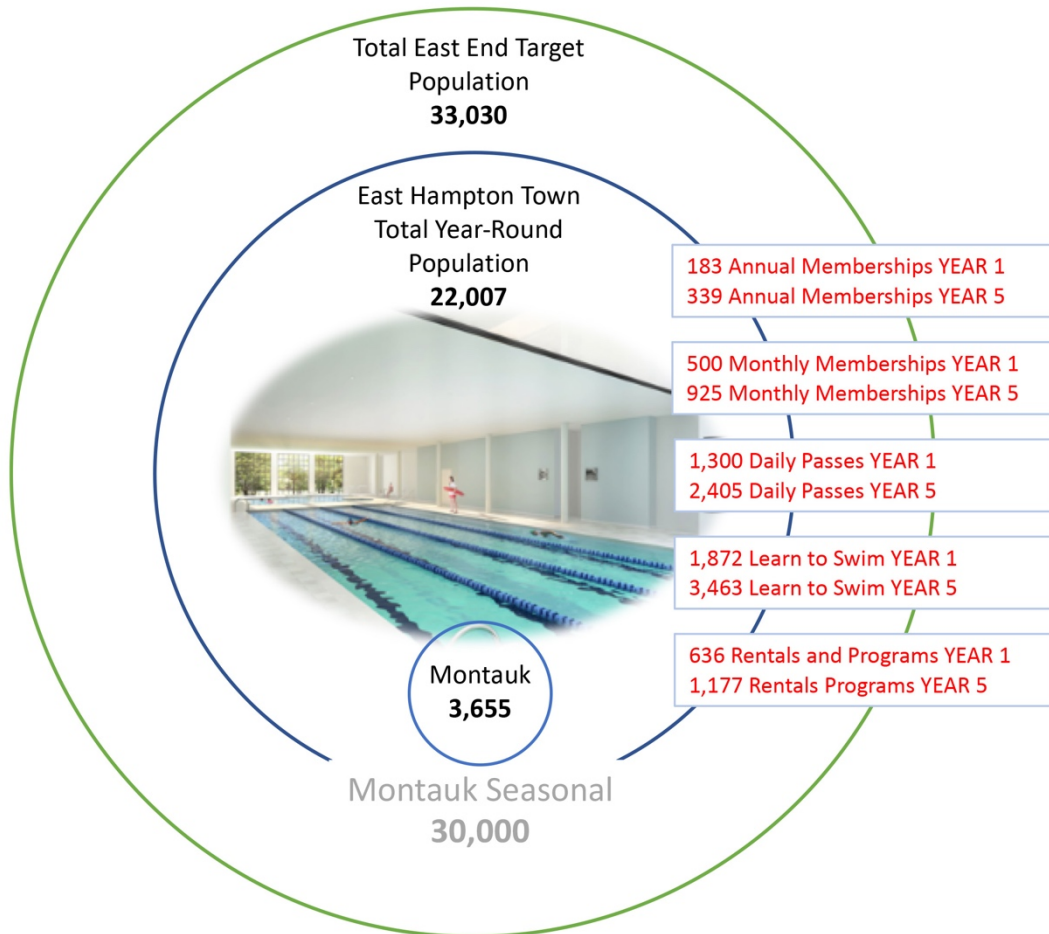
The Aquatic and Cultural Centers' operations will be supported by an additional \$500k in annual fundraising efforts and grants (TBD). The Foundation will be managed by a full-time Foundation/Development Director. One major advantage of having the Cultural Center fully operating is the flexible and cost-saving possibility for fundraising events including local favorites such as The Gala, Gone Local, and Ocean Swim Challenge, which all benefit the Foundation and have contributed significantly in one way or the other to get to this point on our journey.



The Montauk Playhouse will have the opportunity to become one of Montauk's most celebrated and sought-after locations on the East End of Long Island. Fundraising will not just be a way to generate additional revenue but to also reflect on the journey to have this project come to life and for its continued success.

## Target Area Demographics and Usage Assumptions

Montauk and the surrounding East Hampton Town Hamlets comprise the target group for the proposed Foundation community center. Neighboring hamlets such as Sag Harbor, Noyack, Bridgehampton, and Watermill are also expected over time to be attracted by the programs of the Aquatic and Cultural centers. Census Data from 2018 projects a willingness among East End residents to travel locally between 25-30 miles. April to November will be the assumed prime usage months for seasonal visitors and residents.



### East Hampton Town

The total population of East Hampton Town in 2018 was 22,007 with a median age of 51 years. Overall, East Hampton Town experienced a population increase of 550 residents between 2010 and 2018. Median Household Income Town-wide in 2018 was \$97,350 versus \$65,320 for New York State with most residents being employed full-time.

## Montauk

The geographic area, extending from the East End of the Napeague Stretch to Montauk Point (the Montauk Fire District), had a 2019 population of 3,655 comprising roughly 2,700 families. Between 2010 and 2018 Montauk gained approximately 330 or 10% new residents. Montauk's median age was 53.5 years in 2018, but at the same time, Montauk's 20-29-year-old population was the largest in the Township. Montauk's seasonality is reflected by the fact that on a given weekend in the summer, the 3,655 resident population may swell to 30,000 persons, both resident and non-resident combined. Of the roughly 4,900 housing units in Montauk 3,392 are vacation units.

Montauk's median household income was \$77,362 in 2019, roughly 40% higher than the national average. The median income for owner occupied residences in Montauk was \$88,438, as opposed to \$70,586 nationally. Montauk's unemployment rate was 2.7% versus 4.8% in New York State. Montauk's employment categories span construction (16%), education, health and social services (12%) and tourism/retail services (67%).

### East Hampton Town



\$97,350 median income  
51 years old

### Montauk



\$77,362 median income  
53.5 years old

### NY State



\$65,320 median income  
38.2 years old

## Demographic Summary

The standard of living in Montauk and East Hampton Town compared to other areas of the country, combined with a stable to slightly increasing population and low unemployment, provides a positive framework for a year-round multi-faceted community center. The influx of seasonal visitors to Montauk underscores the appeal of the area for both active and passive recreation; concepts which dovetail with the attributes of the planned Aquatic and Cultural Centers.

Furthermore, the Montauk community and generations to follow are in desperate need of a year-around cultural and physical focus point to ensure the sustainability of their quality of lives. Currently, the East Hampton Rec Center and Guild Hall, both located in East Hampton, are the closest focus points for water and creative activity, of which the former is completely overcrowded and expressing the necessity of a supplemental regional location.

## Guiding Principles

Creating a viable plan and fundable project requires a clear vision for what success looks like, both financial and cultural. This section deals with a successful “culture of operations and development” for the Montauk Playhouse Community Center as it grows from theory and blueprints to real spaces and programming.

These combine general nonprofit and facility management best practices, with specific goals for the Montauk Playhouse operating on the principles and guidelines below:

- ✓ The Community Center will be designed and programmed to serve people of all ages.
- ✓ No person or organization will have exclusive entitlement to space.
- ✓ Within the context of serving the whole community, the Playhouse will strive to use the space to best meet the financial and business objectives set out for sustainability of the facility.
- ✓ The pricing of programs will cover direct costs and not be subsidized.
- ✓ The maintenance standards inside the building will always remain at the highest level of care to demonstrate quality to users and build pride in the community.

## Program and Facility Service Philosophy

- ✓ The program staff will balance the types of activities provided to serve all ages. No age segment will be left out of the opportunity to use the facility.
- ✓ Programs will always be “value priced” but strive for affordability, and the facility will incorporate prime time and non-prime time prices.
- ✓ All of our programs, services and staff will embody a philosophy which will offer our participants the opportunity to develop skills for life, be the best they can be, develop healthy habits and develop social networks.



- ✓ The recreational space will be employed to create community spirit.
- ✓ The multi-use space will be marketed to allow for a variety of uses and reflect the needs and interests of the community.
- ✓ The multi-use space will strive to support valuable health and wellness initiatives while expanding community services during non-rented time.
- ✓ The multi-use space will be programmed to meet the needs of local, non-local and vacation visitor groups.

### **Staff Responsibilities**

- ✓ Staff will serve as on-site leadership for the organization on a day-to-day and week-to-week basis, and reflect the overall goals established by the Board of Directors.
- ✓ Staff will be committed to be available and able to assist anyone at any time and help with his or her development needs.
- ✓ Staff will be innovative and look at new ways of doing things.
- ✓ Staff will understand that effective teamwork and group functioning is vital to the facility's success.
- ✓ Staff will collaborate with our stakeholders to improve programs and services.
- ✓ Staff will be respectful and communicate openly and transparently.
- ✓ Staff will offer services to the public that reflect the community's demand.
- ✓ Staff will continue to improve the workplace. All employees will be encouraged to initiate improvement to the facility.

### **Customer Service Guidelines**

- ✓ The customer service standards will be of the highest quality, and staff will treat adults and youth with the same level of customer care.
- ✓ Strong customer service – that exceeds community expectations – will be offered.
- ✓ Staff will be friendly, knowledgeable and provide a safe environment.
- ✓ The team will interact with constituencies with a positive attitude, to maintain customer satisfaction and to market the facility.

## Building Maintenance

- ✓ Building maintenance is one of the most important components in marketing the facility, retaining customers and saving costs over time.
- ✓ Staff will develop guidelines and standards for the following areas:
  - Cleaning responsibilities and janitorial checklist
  - Regular maintenance of moveable equipment
  - Opening and closing procedures
  - Service expectations
  - Emergency procedures

## Program Performance Measures

- ✓ Program staff and facility management staff must operate in tandem and develop and track customer service efforts through effective use of customer comment cards, class evaluation forms, and yearly user surveys of members. This will ensure that they are always focused on the customer.
- ✓ Programs must be scheduled appropriately. This will be developed as an ongoing effort to manage and monitor capacity of the facility. Any programs that begin to drop off in participation should be reduced and or eliminated and replaced with new programs that are appropriate for the Playhouse.
- ✓ Staff and management will strive for customer satisfaction levels at 90%, as measured by surveys and customer feedback mechanisms.
- ✓ Staff and management will adhere to revenue-to-expense levels obtained as budgeted.
- ✓ Staff and management will strive for program retention at 80%. Swimming programs rely heavily on keeping members through programs and services that adapt to age and ability.
- ✓ Staff and management will meet facility standards 95% of the time. These percentages derive from national data of similar facilities at the top of the performance range.

## Conclusions and Recommendations

- ✓ Completing the Montauk Playhouse is feasible from an operational standpoint, thereby creating a self-sustaining business model for serving the full community of Montauk and Town of East Hampton.
- ✓ The new design for programming space better aligns with existing Montauk Playhouse space allocation and the programs/facilities in the currently operating portion of the Playhouse.
- ✓ The nature of the Playhouse's multi-purpose design allows for a wide range of services and uses by the community, organizations, vendors and businesses and for a flexible business plan that allows the Playhouse leadership to adjust over time.
- ✓ The model for stabilized programming shows that the Foundation can sustain the facility regarding basic services and ongoing maintenance. The presented financial projections show that 60% stabilized revenue will support basic needs to operate the facility in conjunction with fundraising and grant supplements.



Town of East Hampton Supervisor Peter Van Scoyoc, Julia McCormack, Perry B. Duryea III

## **Appendix**

Exhibit 1 – 12 Months Pre-Opening Cost

Exhibit 2 – 5 Year Revenue and Expense Projections

Exhibit 3 – Disclosure Notes to 5 Year Revenue and Expense Projections

Exhibit 4 – MPCCF Committee Memorandum Aquatic Center Revenue Assumptions

Exhibit 5 – 5 Year Usage and Activity Projections

Source and Reference List

## Exhibit 1 – 12 Months Pre-Opening Cost

<b><i>CULTURAL CENTER TRANSITION OVERHEAD</i></b>	
<b>Professional Fees</b>	
Marketing/Branding/PR	\$ 20,000.00
Other	\$ 5,000.00
<b>Total Professional Fees</b>	<b>\$ 25,000.00</b>
<b>Wages</b>	
Cultural Center Director	\$ 80,000.00
Marketing Director	\$ 75,000.00
Administration	\$ 10,000.00
Taxes/Benefits/Insurances	\$ 49,000.00
<b>Total Wages</b>	<b>\$ 214,000.00</b>
<b>Marketing/Other Operational/Utilities</b>	<b>\$ 10,000.00</b>
<b><i>TOTAL CULTURAL CENTER TRANSITION OVERHEAD</i></b>	<b><i>\$ 249,000.00</i></b>
<b><i>AQUATIC CENTER TRANSITION OVERHEAD</i></b>	
<b>Professional Fees</b>	
Marketing/Branding/PR	\$ 25,000.00
Contract Maintenance	\$ -
Other	\$ 5,000.00
<b>Total Professional Fees</b>	<b>\$ 30,000.00</b>
<b>Wages</b>	
Aquatic Center Administrator	\$ 80,000.00
Administration	\$ 10,000.00
Lifeguards	\$ -
Swim Instructors	\$ -
Taxes/Benefits/Insurances	\$ 25,000.00
<b>Total Wages</b>	<b>\$ 115,000.00</b>
<b>Marketing/Other Operational</b>	<b>\$ 20,000.00</b>
<b><i>TOTAL AQUATIC CENTER TRANSITION OVERHEAD</i></b>	<b><i>\$ 165,000.00</i></b>
<b>TOTAL TRANSITION OVERHEAD MPCCF</b>	<b>\$ 414,000.00</b>



## Exhibit 2 – 5 Year Revenue and Expense Projections

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>FOUNDATION REVENUE</b>					
Fundraising/Grants	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
<b>TOTAL FOUNDATION REVENUE</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>
<b>CULTURAL CENTER REVENUE</b>					
<b>Main Room Rentals</b>					
Reception/Wedding	\$ 10,000.00	\$ 11,200.00	\$ 12,224.00	\$ 16,244.48	\$ 18,824.89
Large Corporate Meetings	\$ 25,000.00	\$ 28,000.00	\$ 30,560.00	\$ 40,611.20	\$ 47,062.22
Medium Corporate Meetings	\$ 35,000.00	\$ 39,200.00	\$ 42,784.00	\$ 56,855.68	\$ 65,887.11
Individual/Single Room	\$ 25,000.00	\$ 28,000.00	\$ 30,560.00	\$ 40,611.20	\$ 47,062.22
Community Rentals	\$ 2,000.00	\$ 2,240.00	\$ 2,444.80	\$ 3,248.90	\$ 3,764.98
Catering/Commodities & Misc.	\$ 12,225.00	\$ 13,692.00	\$ 14,943.84	\$ 19,858.88	\$ 23,013.43
<b>Total Main Room Rentals</b>	<b>\$ 109,225.00</b>	<b>\$ 122,332.00</b>	<b>\$ 133,516.64</b>	<b>\$ 177,430.33</b>	<b>\$ 205,614.86</b>
<b>Special Programs &amp; Events</b>					
Small Concert	\$ 3,000.00	\$ 3,360.00	\$ 3,667.20	\$ 4,873.34	\$ 5,647.47
Large Music Festivals	\$ 7,500.00	\$ 8,400.00	\$ 9,168.00	\$ 12,183.36	\$ 14,118.67
Theater Events	\$ 16,875.00	\$ 18,900.00	\$ 20,628.00	\$ 27,412.56	\$ 31,767.00
Education Events	\$ 4,500.00	\$ 5,040.00	\$ 5,500.80	\$ 7,310.02	\$ 8,471.20
Catering/Commodities & Misc.	\$ 65,500.00	\$ 73,360.00	\$ 80,067.20	\$ 106,401.34	\$ 123,303.03
<b>Total Special Programs &amp; Events</b>	<b>\$ 97,375.00</b>	<b>\$ 109,060.00</b>	<b>\$ 119,031.20</b>	<b>\$ 158,180.62</b>	<b>\$ 183,307.36</b>
<b>Sales/Merchandise Shows</b>					
Craft/Art Market	\$ 10,500.00	\$ 11,760.00	\$ 12,835.20	\$ 17,056.70	\$ 19,766.13
Other Merchandise Shows	\$ 11,000.00	\$ 12,320.00	\$ 13,446.40	\$ 17,868.93	\$ 20,707.38
<b>Total Sales/Merchandise Shows</b>	<b>\$ 21,500.00</b>	<b>\$ 24,080.00</b>	<b>\$ 26,281.60</b>	<b>\$ 34,925.63</b>	<b>\$ 40,473.51</b>
<b>TOTAL CULTURAL CENTER REVENUE</b>	<b>\$ 228,100.00</b>	<b>\$ 255,472.00</b>	<b>\$ 278,829.44</b>	<b>\$ 370,536.59</b>	<b>\$ 429,395.73</b>
<b>AQUATIC CENTER REVENUE</b>					
<b>Annual Memberships</b>					
Families	\$ 50,233.50	\$ 56,261.52	\$ 61,405.43	\$ 81,601.71	\$ 94,564.01
Seniors	\$ 17,568.00	\$ 19,676.16	\$ 21,475.12	\$ 28,538.30	\$ 33,071.57
Adults	\$ 37,661.40	\$ 42,180.77	\$ 46,037.30	\$ 61,178.99	\$ 70,897.17
Youth/Teen	\$ 8,921.25	\$ 9,991.80	\$ 10,905.34	\$ 14,492.11	\$ 16,794.15
<b>Total Annual Memberships</b>	<b>\$ 114,384.15</b>	<b>\$ 128,110.25</b>	<b>\$ 139,823.18</b>	<b>\$ 185,811.10</b>	<b>\$ 215,326.90</b>
<b>Monthly Memberships</b>					
Families	\$ 112,500.00	\$ 126,000.00	\$ 137,520.00	\$ 182,750.40	\$ 211,780.01
Seniors	\$ 19,800.00	\$ 22,176.00	\$ 24,203.52	\$ 32,164.07	\$ 37,273.28
Adults	\$ 105,600.00	\$ 118,272.00	\$ 129,085.44	\$ 171,541.71	\$ 198,790.83
Youth/Teen	\$ 27,000.00	\$ 30,240.00	\$ 33,004.80	\$ 43,860.10	\$ 50,827.20
<b>Total Monthly Memberships</b>	<b>\$ 264,900.00</b>	<b>\$ 296,688.00</b>	<b>\$ 323,813.76</b>	<b>\$ 430,316.28</b>	<b>\$ 498,671.33</b>
<b>Daily Passes</b>					
Families	\$ 19,500.00	\$ 21,840.00	\$ 23,836.80	\$ 31,676.74	\$ 36,708.53
Seniors	\$ 1,950.00	\$ 2,184.00	\$ 2,383.68	\$ 3,167.67	\$ 3,670.85
Adults	\$ 13,000.00	\$ 14,560.00	\$ 15,891.20	\$ 21,117.82	\$ 24,472.36
Youth/Teen	\$ 3,900.00	\$ 4,368.00	\$ 4,767.36	\$ 6,335.35	\$ 7,341.71
<b>Total Daily Passes</b>	<b>\$ 38,350.00</b>	<b>\$ 42,952.00</b>	<b>\$ 46,879.04</b>	<b>\$ 62,297.58</b>	<b>\$ 72,193.45</b>
<b>Learn to Swim</b>					
Members	\$ 22,932.00	\$ 25,683.84	\$ 28,032.08	\$ 37,251.84	\$ 43,169.24
Non-Members	\$ 16,380.00	\$ 18,345.60	\$ 20,022.91	\$ 26,608.46	\$ 30,835.17
<b>Total Learn to Swim</b>	<b>\$ 39,312.00</b>	<b>\$ 44,029.44</b>	<b>\$ 48,054.99</b>	<b>\$ 63,860.30</b>	<b>\$ 74,004.41</b>
<b>Private Learn To Swim</b>					
Members	\$ 2,184.00	\$ 2,446.08	\$ 2,669.72	\$ 3,547.79	\$ 4,111.36
Non-Members	\$ 1,170.00	\$ 1,310.40	\$ 1,430.21	\$ 1,900.60	\$ 2,202.51
<b>Total Private Learn to Swim</b>	<b>\$ 3,354.00</b>	<b>\$ 3,756.48</b>	<b>\$ 4,099.93</b>	<b>\$ 5,448.40</b>	<b>\$ 6,313.87</b>
<b>Water Rentals</b>					
All	\$ 36,000.00	\$ 40,320.00	\$ 44,006.40	\$ 58,480.13	\$ 67,769.60
<b>Total Water Rentals</b>	<b>\$ 36,000.00</b>	<b>\$ 40,320.00</b>	<b>\$ 44,006.40</b>	<b>\$ 58,480.13</b>	<b>\$ 67,769.60</b>
<b>Fitness Program (Net COGS)</b>					
Members	\$ 17,496.00	\$ 19,595.52	\$ 21,387.11	\$ 28,421.34	\$ 32,936.03
Non-Members	\$ 6,912.00	\$ 7,741.44	\$ 8,449.23	\$ 11,228.18	\$ 13,011.76
<b>Total Fitness Program (Net COGS)</b>	<b>\$ 24,408.00</b>	<b>\$ 27,336.96</b>	<b>\$ 29,836.34</b>	<b>\$ 39,649.53</b>	<b>\$ 45,947.79</b>
<b>TOTAL AQUATIC CENTER REVENUE</b>	<b>\$ 520,708.15</b>	<b>\$ 583,193.13</b>	<b>\$ 636,513.64</b>	<b>\$ 845,863.31</b>	<b>\$ 980,227.34</b>
<b>TOTAL MPCCF REVENUE</b>	<b>\$ 1,248,808.15</b>	<b>\$ 1,338,665.13</b>	<b>\$ 1,415,343.08</b>	<b>\$ 1,716,399.90</b>	<b>\$ 1,909,623.08</b>

Exhibit 2 – 5 Year Revenue and Expense Projections (continued)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>FOUNDATION OVERHEAD</b>					
<b>Professional Fees</b>					
Accounting (shared cost)	\$ 6,666.67	\$ 6,800.00	\$ 6,936.00	\$ 7,074.72	\$ 7,216.21
Bookkeeping (shared cost)	\$ 13,666.67	\$ 13,940.00	\$ 14,218.80	\$ 14,503.18	\$ 14,793.24
Other Consulting Fees	\$ 10,000.00	\$ 10,200.00	\$ 10,400.00	\$ 10,612.08	\$ 10,824.32
<b>Total Professional Fees</b>	<b>\$ 30,333.33</b>	<b>\$ 30,940.00</b>	<b>\$ 31,558.80</b>	<b>\$ 32,189.98</b>	<b>\$ 32,833.78</b>
<b>Wages</b>					
Foundation/Development Director	\$ 110,000.00	\$ 112,200.00	\$ 114,444.00	\$ 116,732.88	\$ 119,067.54
Administration	\$ 60,000.00	\$ 61,200.00	\$ 62,424.00	\$ 63,672.48	\$ 64,945.93
Taxes/Benefits/WC Insurance	\$ 35,000.00	\$ 35,700.00	\$ 36,414.00	\$ 37,142.28	\$ 37,885.13
Marketing Director (shared)	\$ 33,333.33	\$ 34,000.00	\$ 34,680.00	\$ 35,373.60	\$ 36,081.07
Assistant Marketing Director (shared)	\$ 16,666.67	\$ 17,000.00	\$ 17,340.00	\$ 17,686.80	\$ 18,040.54
Taxes/Benefits/WC Insurance (shared)	\$ 13,333.33	\$ 13,600.00	\$ 13,872.00	\$ 14,149.44	\$ 14,432.43
<b>Total Wages</b>	<b>\$ 268,333.33</b>	<b>\$ 273,700.00</b>	<b>\$ 279,174.00</b>	<b>\$ 284,757.48</b>	<b>\$ 290,452.63</b>
<b>Marketing/Operational/Events</b>					
Marketing Material (shared)	\$ 35,000.00	\$ 35,700.00	\$ 36,414.00	\$ 37,142.28	\$ 37,885.13
Operational/Event Other	\$ 46,500.00	\$ 47,430.00	\$ 48,378.60	\$ 49,346.17	\$ 50,333.10
<b>Total Marketing/Other Operational</b>	<b>\$ 81,500.00</b>	<b>\$ 83,130.00</b>	<b>\$ 84,792.60</b>	<b>\$ 86,488.45</b>	<b>\$ 88,218.22</b>
<b>TOTAL OVERHEAD FOUNDATION</b>	<b>\$ 380,166.67</b>	<b>\$ 387,770.00</b>	<b>\$ 395,525.40</b>	<b>\$ 403,435.91</b>	<b>\$ 411,504.63</b>
<b>CULTURAL CENTER OVERHEAD</b>					
<b>Professional Fees/Marketing</b>					
Accounting (shared)	\$ 6,666.67	\$ 6,800.00	\$ 6,936.00	\$ 7,074.72	\$ 7,216.21
Bookkeeping (shared)	\$ 13,666.67	\$ 13,940.00	\$ 14,218.80	\$ 14,503.18	\$ 14,793.24
Other	\$ 10,000.00	\$ 10,200.00	\$ 10,400.00	\$ 10,612.08	\$ 10,824.32
Marketing Material (shared)	\$ 35,000.00	\$ 35,700.00	\$ 36,414.00	\$ 37,142.28	\$ 37,885.13
<b>Total Professional Fees</b>	<b>\$ 65,333.33</b>	<b>\$ 66,640.00</b>	<b>\$ 67,972.80</b>	<b>\$ 69,332.26</b>	<b>\$ 70,718.90</b>
<b>Wages</b>					
Cultural Center Director	\$ 80,000.00	\$ 81,600.00	\$ 83,232.00	\$ 84,896.64	\$ 86,594.57
Administration	\$ 10,000.00	\$ 10,200.00	\$ 10,400.00	\$ 10,612.08	\$ 10,824.32
Taxes/Benefits/Insurances	\$ 30,000.00	\$ 30,600.00	\$ 31,212.00	\$ 31,836.24	\$ 32,472.96
Marketing Director (shared)	\$ 33,333.33	\$ 34,000.00	\$ 34,680.00	\$ 35,373.60	\$ 36,081.07
Assistant Marketing Director (shared)	\$ 16,666.67	\$ 17,000.00	\$ 17,340.00	\$ 17,686.80	\$ 18,040.54
Taxes/Benefits/WC Insurance (shared)	\$ 13,333.33	\$ 13,600.00	\$ 13,872.00	\$ 14,149.44	\$ 14,432.43
<b>Total Wages</b>	<b>\$ 183,333.33</b>	<b>\$ 187,000.00</b>	<b>\$ 190,740.00</b>	<b>\$ 194,554.80</b>	<b>\$ 198,445.90</b>
<b>Total Operational/Utilities</b>	<b>\$ 36,000.00</b>	<b>\$ 36,720.00</b>	<b>\$ 37,454.40</b>	<b>\$ 38,203.49</b>	<b>\$ 38,967.56</b>
<b>TOTAL CULTURAL CENTER OVERHEAD</b>	<b>\$ 284,666.67</b>	<b>\$ 290,360.00</b>	<b>\$ 296,167.20</b>	<b>\$ 302,090.54</b>	<b>\$ 308,132.35</b>
<b>AQUATIC CENTER OVERHEAD</b>					
<b>Professional Fees/Marketing</b>					
Contract Maintenance	\$ 77,000.00	\$ 78,540.00	\$ 80,110.80	\$ 81,713.02	\$ 83,347.28
Accounting (shared)	\$ 6,666.67	\$ 6,800.00	\$ 6,936.00	\$ 7,074.72	\$ 7,216.21
Bookkeeping (shared)	\$ 13,666.67	\$ 13,940.00	\$ 14,218.80	\$ 14,503.18	\$ 14,793.24
Other	\$ 10,000.00	\$ 10,200.00	\$ 10,400.00	\$ 10,612.08	\$ 10,824.32
Marketing Material (shared)	\$ 35,000.00	\$ 35,700.00	\$ 36,414.00	\$ 37,142.28	\$ 37,885.13
<b>Total Professional Fees</b>	<b>\$ 142,333.33</b>	<b>\$ 145,180.00</b>	<b>\$ 148,083.60</b>	<b>\$ 151,045.27</b>	<b>\$ 154,066.18</b>
<b>Wages</b>					
Aquatic Center Administrator	\$ 80,000.00	\$ 81,600.00	\$ 83,232.00	\$ 84,896.64	\$ 86,594.57
Administration	\$ 50,000.00	\$ 51,000.00	\$ 52,020.00	\$ 53,060.40	\$ 54,121.61
Lifeguards	\$ 140,700.00	\$ 143,514.00	\$ 146,384.28	\$ 149,311.97	\$ 152,298.20
Swim Instructors	\$ 60,000.00	\$ 61,200.00	\$ 62,424.00	\$ 63,672.48	\$ 64,945.93
Taxes/Benefits/Insurances	\$ 100,070.00	\$ 102,071.40	\$ 104,112.83	\$ 106,195.08	\$ 108,318.99
Marketing Director (shared)	\$ 33,333.33	\$ 34,000.00	\$ 34,680.00	\$ 35,373.60	\$ 36,081.07
Assistant Marketing Director (shared)	\$ 16,666.67	\$ 17,000.00	\$ 17,340.00	\$ 17,686.80	\$ 18,040.54
Taxes/Benefits/WC Insurance (shared)	\$ 13,333.33	\$ 13,600.00	\$ 13,872.00	\$ 14,149.44	\$ 14,432.43
<b>Total Wages</b>	<b>\$ 494,103.33</b>	<b>\$ 503,985.40</b>	<b>\$ 514,065.11</b>	<b>\$ 524,346.41</b>	<b>\$ 534,833.34</b>
<b>Building Repairs/Aquatic Maintenance</b>					
Building Supplies/Materials	\$ 24,000.00	\$ 24,480.00	\$ 24,969.60	\$ 25,468.99	\$ 25,978.37
Pool Chemicals	\$ 11,000.00	\$ 11,220.00	\$ 11,444.40	\$ 11,673.29	\$ 11,906.75
Electricity	\$ 140,000.00	\$ 142,800.00	\$ 145,656.00	\$ 148,569.12	\$ 151,540.50
Building Repairs	\$ 50,000.00	\$ 51,000.00	\$ 52,020.00	\$ 53,060.40	\$ 54,121.61
Commercial Liability Insurance	\$ 20,000.00	\$ 20,400.00	\$ 20,808.00	\$ 21,224.16	\$ 21,648.64
Other	\$ 15,000.00	\$ 15,300.00	\$ 15,606.00	\$ 15,918.12	\$ 16,236.48
<b>Total Building Repairs/Aquatic Maint.</b>	<b>\$ 260,000.00</b>	<b>\$ 265,200.00</b>	<b>\$ 270,504.00</b>	<b>\$ 275,914.08</b>	<b>\$ 281,432.36</b>
<b>TOTAL AQUATIC CENTER OVERHEAD</b>	<b>\$ 896,436.67</b>	<b>\$ 914,365.40</b>	<b>\$ 932,652.71</b>	<b>\$ 951,305.76</b>	<b>\$ 970,331.88</b>
<b>TOTAL OVERHEAD MPCCF</b>	<b>\$ 1,561,270.00</b>	<b>\$ 1,592,495.40</b>	<b>\$ 1,624,345.31</b>	<b>\$ 1,656,832.21</b>	<b>\$ 1,689,968.86</b>
<b>TOTAL MPCCF NET INCOME</b>	<b>\$ (312,461.85)</b>	<b>\$ (253,830.27)</b>	<b>\$ (209,002.23)</b>	<b>\$ 59,567.69</b>	<b>\$ 219,654.22</b>

Notes:

YEAR 2 - 10% increase in activity to inception for revenue and 2% annual increase in cost of living based on prior year for revenue and expenses YEAR 3 - 20% increase in activity to inception for revenue and 2% annual increase in cost of living based on prior year for revenue and expenses YEAR 4 - 60% increase in activity to inception for revenue and 2% annual increase in cost of living based on prior year for revenue and expenses YEAR 5 - 85% increase in activity to inception for revenue and 2% annual increase in cost of living based on prior year for revenue and expenses

## Exhibit 3 – Disclosure Notes to 5 Year Revenue and Expense Projections

### DISCLOSURE NOTES TO FINANCIAL BUSINESS PLAN

#### FOUNDATION REVENUE

Fundraising/Grants Estimate

#### CULTURAL CENTER REVENUE

All figures based on 2014 Business Plan Assumptions (50% of YEAR 4)

##### Main Room Rentals

Reception/Wedding 2 @ \$5,000 - 50% of 2014 4th year **Large**  
 Corporate Meetings 5 @ \$5,000- 50% of 2014 4th year **Medium**  
 Corporate Meetings 10 @ \$3,500 - 50% of 2014 4th year  
 Individual/Single Room 10 @ \$2,500 - 50% of 2014 4th year  
 Community Rentals 50% of 2014 4th year

##### Catering/Commodities & Misc.

50% of 2014 4th year

##### Special Programs & Events

Small Concert 4 @ \$750 (200 participants) - 50% of 2014 4th year  
 Large Music Festivals 3 @ \$2,500 (400 participants) - 50% of 2014 4th year  
 Theater Events 6 @ \$2,812.50 - 50% of 2014 4th year  
 Education Events 4 @ \$1,125.00 - 50% of 2014 4th year

##### Catering/Commodities & Misc.

50% of 2014 4th year

##### Sales/Merchandise Shows

Craft/Art Market 2 @ \$5,250 - 50% of 2014 4th year  
 Other Merchandise Shows 2 @ \$5,500 - 50% of 2014 4th year

#### AQUATIC CENTER REVENUE

*As per MPCCF Committee Memorandum 12/5/2019*

##### Annual Memberships

183 total (5% of 3,662 permanent residents) - MPCCF Committee Memorandum 12/5/2019

Families 30% @ \$915 (EHY) - MPCCF Committee Memorandum 12/5/2019  
 Seniors 20% @ \$480 (EHY) - MPCCF Committee Memorandum 12/5/2019  
 Adults 35% @ \$588 (EHY) - MPCCF Committee Memorandum 12/5/2019  
 Youth/Teen 15% @ \$325 (EHY) - MPCCF Committee Memorandum 12/5/2019

##### Monthly Memberships

500 total for 6 months average - MPCCF Committee Memorandum 12/5/2019

Families 30% @ \$125 per month - MPCCF Committee Memorandum 12/5/2019  
 Seniors 10% @ \$66 per month - MPCCF Committee Memorandum 12/5/2019  
 Adults 40% @ \$88 per month - MPCCF Committee Memorandum 12/5/2019  
 Youth/Teen 20% @ \$45 per month - MPCCF Committee Memorandum 12/5/2019

##### Daily Passes

1,300 per year - 25 per week - MPCCF Committee Memorandum 12/5/2019

Families 30% @ \$50 per pass - MPCCF Committee Memorandum 12/5/2019  
 Seniors 10% @ \$15 per pass - MPCCF Committee Memorandum 12/5/2019  
 Adults 40% @ \$25 per pass - MPCCF Committee Memorandum 12/5/2019  
 Youth/Teen 20% @ \$15 per pass - MPCCF Committee Memorandum 12/5/2019

##### Learn to Swim

260 annually or 5 per week with 7 participants = 1,820 - MPCCF Committee Memorandum 12/5/2019

Members 70% @ \$18 - MPCCF Committee Memorandum 12/5/2019  
 Non-Members 30% @ \$30 - MPCCF Committee Memorandum 12/5/2019

##### Private Learn To Swim

52 annually or 1 per week - MPCCF Committee Memorandum 12/5/2019

Members 70% @ \$60 - MPCCF Committee Memorandum 12/5/2019  
 Non-Members 30% @ \$75 - MPCCF Committee Memorandum 12/5/2019

##### Water Rentals

60 annually or 4 per month @ 2h per rental - MPCCF Committee Memorandum 12/5/2019

All 60 @ \$300 per hour - MPCCF Committee Memorandum 12/5/2019

##### Fitness Program (Net COGS)

72 annually or 6 per month with 8 average participants = 576 - MPCCF Committee Memorandum 12/5/2019

Members 75% @ \$135 @ 30% Aquatic Center share - MPCCF Committee Memorandum 12/5/2019  
 Non-Members 25% @ \$160 @ 30% Aquatic share - MPCCF Committee Memorandum 12/5/2019

## DISCLOSURE NOTES TO FINANCIAL BUSINESS PLAN (continued)

### FOUNDATION OVERHEAD

#### Professional Fees

Accounting (shared cost)	Estimate (Divided equally among all three cost centers)
Bookkeeping (shared cost)	(20h per week @\$40) (Divided equally among all three cost centers)
Other	Estimate

#### Wages

Foundation/Development Director	Estimate
Marketing Director (shared)	Marketing Proposal (Divided equally among all three cost centers)
Assistant Marketing Director (shared)	Marketing Proposal (Divided equally among all three cost centers)
Administration	Estimate
Taxes/Benefits/WC Insurance	(10% Taxes plus WC, \$36,000 health @ 4premiums)

#### Marketing/Operational

Marketing Material (shared)	Marketing Proposal (Divided equally among all three cost centers)
Operational/Event Other	Estimate

### CULTURAL CENTER OVERHEAD

#### Professional Fees

Other	Estimate
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#### Wages

Cultural Center Director	Estimate
Administration	Estimate
Taxes/Benefits/Insurances	(10% Tax plus WC, \$12,000 health @ 1 premium, \$7K D&O)

#### Operational/Utilities

(\$20k Utilities, \$10k Other Operational, \$6k Commercial Insurance\*)

### AQUATIC CENTER OVERHEAD

#### Professional Fees

Contract Maintenance	Board Approved Estimates
Other	Estimate

#### Wages

Aquatic Center Administrator	Estimate
Administration	Estimate
Lifeguards	(3,650h @\$30 every day, 1,040h @30 for weekends)
Swim Instructors	50% of 2018 EH Rec Center Budgeted Operating Expenses if no agreement with TOEH
Taxes/Benefits/Insurances	(\$30K taxes and \$60k health @ 5 premiums, \$7kD&O)

#### Building Repairs/Aquatic Maintenance

Building Supplies/Materials	Compared to 2018 EH Rec Center Budgeted Operating Expense
Pool Chemicals	Compared to 2018 EH Rec Center Budgeted Operating Expense
Electricity	Compared to 2018 EH Rec Center Budgeted Operating Expense
Building Repairs	Compared to 2018 EH Rec Center Budgeted Operating Expense
Commercial Liability Insurance	(Based on Amaden-Gay Quote*)
Other	Compared to 2018 EH Rec Center Budgeted Operating Expense

#### \*Amaden-Gay Insurance Quote

\$27,128.00 Total Commercial Liability

\$17,687.00 for entire building split 71% towards AC and 29% towards CC (according to expected revenue proportion).

\$5,779.00 additional liability coverage AC alone

\$1,350.00 additional liability coverage for special events (Foundation)

\$2,312.00 Liability Deluxe (71% AC, 29% CC)

Commercial Liability Aquatic Center

\$12,557.77

\$ 5,779.00

\$ 1,641.52

\$19,978.29 TOTAL

Commercial Liability Cultural Center

\$ 5,129.23

\$ 670.48

\$ 5,799.71 TOTAL

Commercial Liability Foundation

\$ 1,350.00

\$ 1,350.00 TOTAL

## Exhibit 4 – MPCCF Committee Memorandum Aquatic Center Revenue

- Annual memberships of 183 (5% of the 3,662 permanent residents).
  - 30% of Memberships are Family
  - 20% of Memberships are Seniors
  - 35% of Memberships are Adults
  - 15% of Memberships are Youth/Teen
- No punch passes will be offered
- Annual fees for Membership
  - \$915 Family
  - \$480 Senior
  - \$588 Adult
  - \$325 Youth/Teen
- Monthly Membership
  - \$125 Family
  - \$66 Senior
  - \$80 Adult
  - \$45 Youth/Teen
- Monthly membership breakdown (assumption is that 500 monthly memberships will be sold, and the percentage differ from annual membership given the different demographics of the seasonal residents and visitors)
  - 30% family
  - 10% Senior
  - 40% Adult
  - 20% Youth/Teen
- Daily Passes (assumption is a 25 per week average or 1,300 per year).

Higher in peak months

  - \$50 Family
  - \$15 Senior
  - \$25 Adult
  - \$15 Youth/Teen
  - 30% family
  - 10% Senior
  - 40% Adult
  - 20% Youth/Teen
- Learn to Swim
  - Assumption is 6 classes per week or 260 annually
  - An average class size of 7
  - 1,820 revenue events annually
  - Members pay \$18 per class and comprise 70% of the revenue
  - Non-members pay \$30 per class and comprise 30% of the revenue
  - 1 class is private

## Exhibit 5 – 5 Year Usage and Activity Projections

	PER UNIT PRICE (YEAR 1)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CULTURAL CENTER OCCUPANCY</b>						
<b>Main Room Rentals</b>						
Reception/Wedding	\$ 5,000.00	2	2	2	3	4
Large Corporate Meetings	\$ 5,000.00	5	6	6	8	9
Medium Corporate Meetings	\$ 3,500.00	10	11	12	16	19
Individual/Single Room	\$ 2,500.00	10	11	12	16	19
<b>Total Main Room Rentals (without catering)</b>		<b>27</b>	<b>30</b>	<b>32</b>	<b>43</b>	<b>50</b>
Catering/Commodities & Misc. per Main Room Rental	\$ 452.78	27	30	32	43	50
<b>Community Rentals (Large, medium and small room)</b>	<b>\$ 166.67</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>19</b>	<b>22</b>
<b>Special Programs &amp; Events</b>						
Small Concert	\$ 750.00	4	4	5	6	7
Large Music Festivals	\$ 2,500.00	3	3	4	5	6
Theater Events	\$ 2,812.50	6	7	7	10	11
Education Events	\$ 1,125.00	4	4	5	6	7
<b>Total Special Programs &amp; Events (without catering)</b>		<b>17</b>	<b>19</b>	<b>20</b>	<b>27</b>	<b>31</b>
Catering/Commodities & Misc. per event	\$ 1,926.47	17	19	20	27	31
<b>Sales/Merchandise Shows</b>						
Craft/Art Market	\$ 5,250.00	2	2	2	3	4
Other Merchandise Shows	\$ 5,500.00	2	2	2	3	4
<b>Total Sales/Merchandise Shows</b>		<b>4</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>TOTAL OCCUPANCY CULTURAL CENTER</b>		<b>60</b>	<b>66</b>	<b>72</b>	<b>96</b>	<b>111</b>
<b>AQUATIC CENTER OCCUPANCY</b>						
<b>Annual Memberships</b>						
Families with annual membership	\$ 915.00	55	60	66	88	102
Seniors with annual membership	\$ 480.00	37	40	44	59	68
Adults with annual membership	\$ 588.00	64	70	77	102	118
Youth/Teen with annual membership	\$ 325.00	27	30	33	44	51
<b>Total Annual Memberships</b>		<b>183</b>	<b>201</b>	<b>220</b>	<b>293</b>	<b>339</b>
<b>Monthly Memberships (6 months average usage)</b>						
Families with monthly membership	\$ 125.00	150	165	180	240	278
Seniors with monthly membership	\$ 66.00	50	55	60	80	93
Adults with monthly membership	\$ 88.00	200	220	240	320	370
Youth/Teen with monthly membership	\$ 45.00	100	110	120	160	185
<b>Total Monthly Memberships</b>		<b>500</b>	<b>550</b>	<b>600</b>	<b>800</b>	<b>925</b>
<b>Daily Passes per year</b>						
Families	\$ 50.00	390	429	468	624	722
Seniors	\$ 15.00	130	143	156	208	241
Adults	\$ 25.00	520	572	624	832	962
Youth/Teen	\$ 15.00	260	286	312	416	481
<b>Total Daily Passes</b>		<b>1,300</b>	<b>1,430</b>	<b>1,560</b>	<b>2,080</b>	<b>2,405</b>
<b>Learn to Swim</b>						
Members per class	\$ 18.00	1,274	1,401	1,529	2,038	2,357
Non-Members	\$ 30.00	546	601	655	874	1,010
<b>Total Learn to Swim</b>		<b>1,820</b>	<b>2,002</b>	<b>2,184</b>	<b>2,912</b>	<b>3,367</b>
<b>Private Learn To Swim</b>						
Members	\$ 60.00	36	40	44	58	67
Non-Members	\$ 75.00	16	17	19	25	29
<b>Total Private Learn to Swim</b>		<b>52</b>	<b>57</b>	<b>62</b>	<b>83</b>	<b>96</b>
<b>Water Rentals (Average of 2h per Rental)</b>						
All per hour	\$ 600.00	60	66	72	96	111
<b>Total Water Rentals</b>		<b>60</b>	<b>66</b>	<b>72</b>	<b>96</b>	<b>111</b>
<b>Fitness Program (Net COGS @ 30%)</b>						
Members	\$ 135.00	432	475	518	691	799
Non-Members	\$ 160.00	144	158	173	230	266
<b>Total Fitness Program (Net COGS)</b>		<b>576</b>	<b>634</b>	<b>691</b>	<b>922</b>	<b>1,066</b>
<b>TOTAL OCCUPANCY AQUATIC CENTER</b>		<b>4,491</b>	<b>4,940</b>	<b>5,389</b>	<b>7,186</b>	<b>8,308</b>
<b>TOTAL OCCUPANCY CULTURAL AND AQUATIC CENTER</b>		<b>4,551</b>	<b>5,006</b>	<b>5,461</b>	<b>7,282</b>	<b>8,419</b>

Notes:

- YEAR 2 - 10% increase in activity to inception
- YEAR 3 - 20% increase in activity to inception
- YEAR 4 - 60% increase in activity to inception
- YEAR 5 - 85% increase in activity to inception

## Source and Reference List

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