

“Build The Block” Attendance Projection Analysis

The Numbers Add Up

The “Build The Block” campaign, launched in mid-2008 by the CEO Roundtable and the Museum Collaboration Group (MCG), has two main objectives: to increase the general public’s awareness of the proposed project and to provide an explanation of the attractions planned for the proposed development.

The following detailed explanation of The Block’s attendance projections is shared to increase public awareness of the unique factors that have led to these projections and to show how they can be achieved.

It’s important to note that these projections were developed to represent an average “stabilized” attendance, which would reflect the situation four years after the grand opening and thereafter. The planners realize that the opening year of a museum and several thereafter would enjoy enhanced visitation, so projections are made for a stable year. Depending on the particular exhibits in the facilities, some years may be higher and some lower, but on the average, the following are the “official” attendance projections.

Attendance Projections

Total average annual attendance for The Block is projected to be 360,000 visitors. This figure is comprised of three main categories as follows:

- 120,000 visitors who would visit only the Peoria Riverfront Museum
- 120,000 visitors who would visit only the Caterpillar Experience
- 120,000 visitors who would visit both facilities during their visit to The Block

Therefore, the average annual attendance projection for the Peoria Riverfront Museum and the Caterpillar Experience is 240,000 visitors each.

The projected 240,000 annual visitors to the Peoria Riverfront Museum include:

- 56,000 for the galleries and planetarium only
- 53,000 combination admissions to the galleries/planetarium/IMAX
- 93,000 for the IMAX only
 - (44,000 IMAX visits during the day)
 - (49,000 IMAX visits during the evening)
- 19,000 for the planetarium only
- 19,000 for other visitors, including classes, special events, exhibit openings etc.

The projected 240,000 annual visitors to the Caterpillar Experience include:

- 65,000 Caterpillar Inc. employees, retirees and their guests
- 43,000 official Caterpillar Inc. guests (primarily dealers and customers)
- 65,000 general public
- 50,250 students in school-age tour groups (fifth grade through college)
- 16,750 adults in tour groups

These figures were researched extensively by The Block collaborators using attendance figures for similar American museums in the Midwest and South, including the John Deere Pavilion in Moline, IL, and the Putnam Museum in Davenport, IA, the latter which also provided the comparison for IMAX attendance.

Additional factors considered included, among others, current attendance for Lakeview Museum gallery and planetarium offerings, continual updates planned for all content area, strong interest by Caterpillar in encouraging dealers, other visitors and students to visit the Caterpillar Experience, and the draw of the riverfront location.

An Alternative Analysis

As noted, extensive research, including on-site visits to comparable individual facilities, led to the above projections. The results have been analyzed in depth by MCG planners and Caterpillar experts.

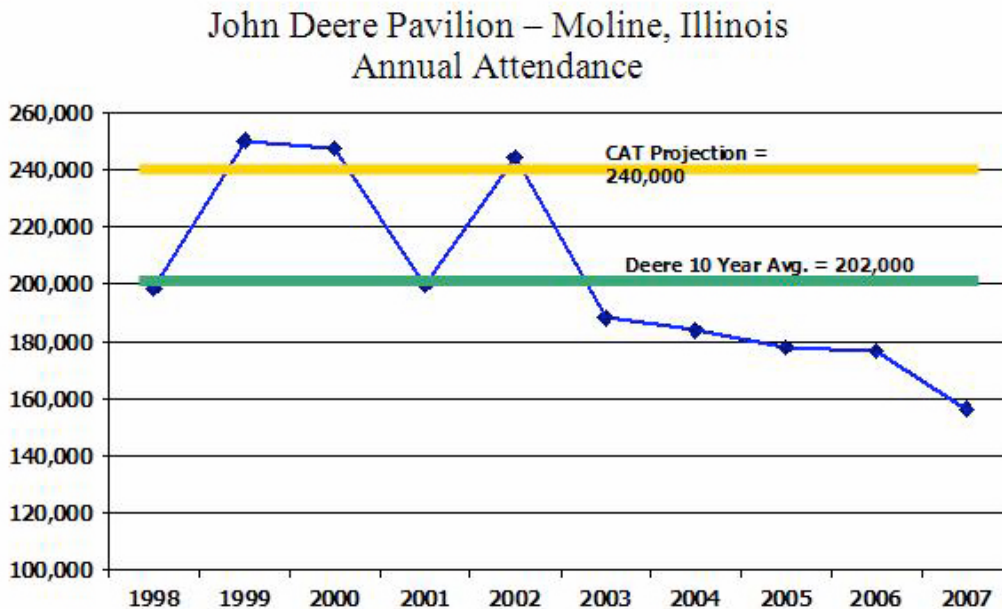
But let's put aside the experts for a moment and look at an alternative, step-by-step analysis of how these numbers could be achieved.

John Deere Pavilion/Caterpillar Experience Comparison

As stated above, when these attendance projections were being developed, the primary benchmarks used for purposes of comparison were the two facilities in the Quad Cities area. So the question in part becomes simply: "If it can happen in the Quad Cities, why can't it happen in Peoria?"

The Davenport-Moline-Rock Island Metropolitan Statistical Area (MSA) consists of four counties: Scott County in Iowa, and Henry, Mercer and Rock Island counties in Illinois. The population of these four counties is 376,160. The Peoria MSA population including Marshall, Peoria, Stark, Tazewell and Woodford Counties is 370,000, which is remarkably similar to the population of the primary location for benchmarking attendance at similar facilities. This reinforces the question, "If it can happen in the Quad Cities, why can't it happen in Peoria?"

Let's look at the John Deere Pavilion first. This facility's managers have shared what has worked, what they've learned and what they would do differently after a decade of operation. The chart below shows the facility's annual attendance since opening in 1998.



For the first five years after the facility opened in August of 1997, it averaged 228,000 visitors annually. However, attendance has declined over the past five years, averaging about 176,000 per year. This suggests that, without continued investment in updating exhibits and displays, any such facility will experience attendance declines. With the exhibits and displays planned for the Caterpillar Experience, along with the focus on educational aspects of the facility, and the commitment to update the exhibits and displays within the facility, the facility should be able to attract and maintain an average annual attendance of 240,000 visitors per year.

It is important to note that, if attendance projections for the Caterpillar Experience are not achieved, it will be at no expense to the general public. Caterpillar alone will pay for the facility's operation.

However, for the purposes of this discussion, let's be conservative and assume that attendance at the Caterpillar Experience will match the 10-year average of the Deere Pavilion or 202,000 visitors annually. To achieve the total projection of 360,000 visitors, we now must determine if it's reasonable for the Peoria Riverfront Museum to attract 158,000 additional visitors annually.

IMAX Theatre Comparison

The museum planners and their consultants have worked on the museum attendance projections, including various revisions, several times over the past four years. The numbers have been scrubbed over and over until the conclusion was reached that they are "reasonably achievable."

When analyzing the museum attendance projections listed above, it becomes apparent that the IMAX Theatre is assumed to be the primary generator of attendance at the new museum. The closest IMAX Theatre facility to Peoria is at the Putnam Museum in Davenport. Its attendance figures were used as a benchmark when the Peoria Riverfront Museum numbers were developed.

The four-year average attendance figures at the Putnam's IMAX Theatre were 97,000 during the day and 73,100 during the evening or a total of just over 170,000. From the above figures, you can see that the museum planners are projecting 146,000 for annual attendance at the Peoria Riverfront Museum IMAX or only 86 percent of the Putnam's history. When the projections were originally made, this was assumed to be a conservative projection for the Peoria Riverfront Museum and accepted as reasonable.

If you've visited the Putnam Museum, you might agree its location is not conveniently accessible for visitors. The Peoria Riverfront Museum's location on the riverfront should generate much greater visibility for the Museum's IMAX and boost attendance figures. Being close to the downtown hotels and guests in town overnight for Civic Center events also should provide a boost to IMAX attendance figures.

Museum planners are open to the possibility of showing the IMAX film "The Fires of Kuwait" each afternoon during the week at about 4 p.m. This film is a compelling documentary on the efforts to extinguish the oil well fires in Kuwait after the first gulf war and features the extensive use of Caterpillar equipment in very hazardous conditions.

Many Caterpillar dealer and customer guests visiting the area likely would be interested in watching this movie after their factory tours have been completed. It would offer a unique opportunity for them during their visit to Peoria and could increase the utilization of the IMAX Theatre.

So now we have a projection of 146,000 visitors attending the IMAX Theatre. Let's assume that one-fourth of these visitors or **36,500** also have visited the Caterpillar Experience, so that reduces the total number of unique visitors to the IMAX to **109,500**. This also reduces the total number of unique visitors to the Caterpillar Experience from 202,000 to **165,500**. So we now have a total of **311,500** unique visitors to The Block (**165,500 + 109,500 + 36,500**) and we're only 48,500 visitors short of the total projection.

Lakeview Planetarium Comparison

Another unique attraction at the Peoria Riverfront Museum will be the planetarium. Here we can draw on the attendance history at the Lakeview Planetarium directly. This is a popular school field trip and has direct connections with junior high school science curriculum.

The assumption of 19,000 students attending just a planetarium show at the new museum is based on Lakeview's experience. With the new state-of-the-art planetarium equipment partially funded by NASA, even more educators from throughout the central Illinois region should be attracted to this facility to enhance their classroom instruction. Again, this data effectively supports a "reasonably achievable" projection.

With the students attending the planetarium shows, we've now achieved a total of **330,500 (311,500 + 19,000)** unique visitors to The Block and are only 29,500 visitors short of the total projection of 360,000 visitors.

Lakeview Gallery Comparison

Annual attendance to the Lakeview Museum galleries alone over the past four years has averaged 15,000 visitors, or about 42 per day. With new frequently updated history, Illinois River and children's galleries at the Peoria Riverfront Museum, isn't it possible that attendance in the galleries will almost double to 29,500 a year or an average of 84 per day? Add to that the museum's IHSA Peak Performance Center and expanded space for larger traveling exhibits, including those from the Smithsonian Institution, and doubling Lakeview Museum's gallery attendance seems "reasonably achievable."

Museum planners are projecting that membership at the new museum will increase by about 33 percent from current Lakeview membership to 4,500 total memberships. Most of these museum memberships represent a family, but let's assume that, on average, each membership represents two people. Isn't it reasonable to project that each of these members of the new museum would visit the galleries at least once a year? That's 9,000 visits to the museum galleries from members alone, so we're only looking for 20,500 visits to the museum galleries from non-members on an annual basis.

As stated previously, the Peoria MSA population, including Marshall, Peoria, Stark, Tazewell and Woodford Counties, is 370,000. Isn't reasonable to project that one out of 12 of those people who are not members will visit the galleries at the new museum each

year? That would produce just over 30,000 additional visitors and more than satisfy the projection.

The secondary trade area surrounding Peoria expands to 10 counties and has a population of more than 700,000 people. Again, isn't it also reasonable to project that about one out of every 23 of those people who are not members will visit the galleries at the new museum once each year? That also would produce just over 30,000 additional visitors and more than satisfy the projection.

Approximately 1 million people live within a 60-mile radius of Peoria. Isn't it reasonable to project that about one out of every 33 of those people who are not members will visit the galleries at the new museum at least once each year? Again, that would also produce just over 30,000 additional visitors and more than satisfy the projection.

If only one of the three above projections proves true, the Peoria Riverfront Museum will still attract 20,500 or more non-members annually. If all prove true, the number could more than triple, suggesting this non-member projection is more than reasonable.

Summary

When looking at the overall attendance projections of 360,000 visitors for The Block, or 1,000 visitors per day, the numbers can appear overwhelming and unreasonable. However, by breaking down the projections into unique sub-categories and comparing with other nearby facilities, the numbers are shown to be reasonable and certainly achievable.

Below is a summary of what's been discussed as an alternative method that could result in 360,000 visitors to The Block annually.

Alternative Annual Attendance Analysis	Unique Visitors to The Block
Caterpillar Experience-Only Visitors	165,500
Museum-Only Visitors IMAX Theatre: 109,500 Planetarium: 19,000 Galleries: Museum Members: 9,000 Galleries: Non-Museum Members: 20,500	158,000
Caterpillar Experience & IMAX Theatre visitors	36,500
TOTAL Projected Visitors	360,000

The "official" projections shown at the beginning of this discussion vary from these numbers primarily because they've assumed a much higher number of people will visit both facilities while they're at The Block. That's something that ultimately will not be determined until the facilities are operational. The point of this alternative analysis is to show the results of a different approach also indicate a total annual projected attendance of 360,000 is "reasonably achievable."

Critics who site declining attendance numbers from other museums across the country do not take into account that they are single facilities and do not have the advantage of a next-door neighbor like the Caterpillar Experience with its international drawing power.

This analysis bears out what the MCG strongly believes: In The Block we have a set of uniquely positive circumstances that will drive attendance and support a thriving Peoria Riverfront Museum and Caterpillar Experience.