

Malden, MA

Cultural Facility Market Study & Operating Pro Forma

PREPARED BY

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APRIL 20, 2023

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01

Overview



Overview

Strengths:

- Malden is a growing community driven by the growth in younger age groups
- Malden has a high density of independent artists, writers and performers compared to surrounding communities
- Employment Projections estimate that the number of artists in Malden will continue to increase over the next decade
- Malden has strong multi-cultural influence offering a unique mix of artists and community stakeholders

Weakness:

- Many Boston-Metro arts centers are in high-income communities & rely heavily on contributions and sponsorships to remain net positive
- The Malden Arts Center will need to rely on consistent monthly rents for arts spaces, membership and program offerings such as classes due to limited cash flows from retail rents (coffee/tea shop). This could be detrimental to sliding scale rent rates and hourly use offerings for more temporary uses

Opportunities:

- Malden's cultural diversity and variety of artists offers opportunities for unique grant funding opportunities
- Results from the comprehensive survey indicate a strong interest among residents to both participate in the creation and consumption of the arts

Challenges:

- There are several well-established Arts and Cultural Centers throughout the Boston-Metro Market
- Residents in the Malden market area spend less annually on the arts compared with other comparable arts centers; this could be linked to the current lack of an arts center
- Arts Centers in more urban locations can rely on high volumes of artists to rent space at hourly rates or are subsidized by annual revenues from more permanent tenants
- Need to invest efforts into having a robust team to support contribution fundraising and pursue grants

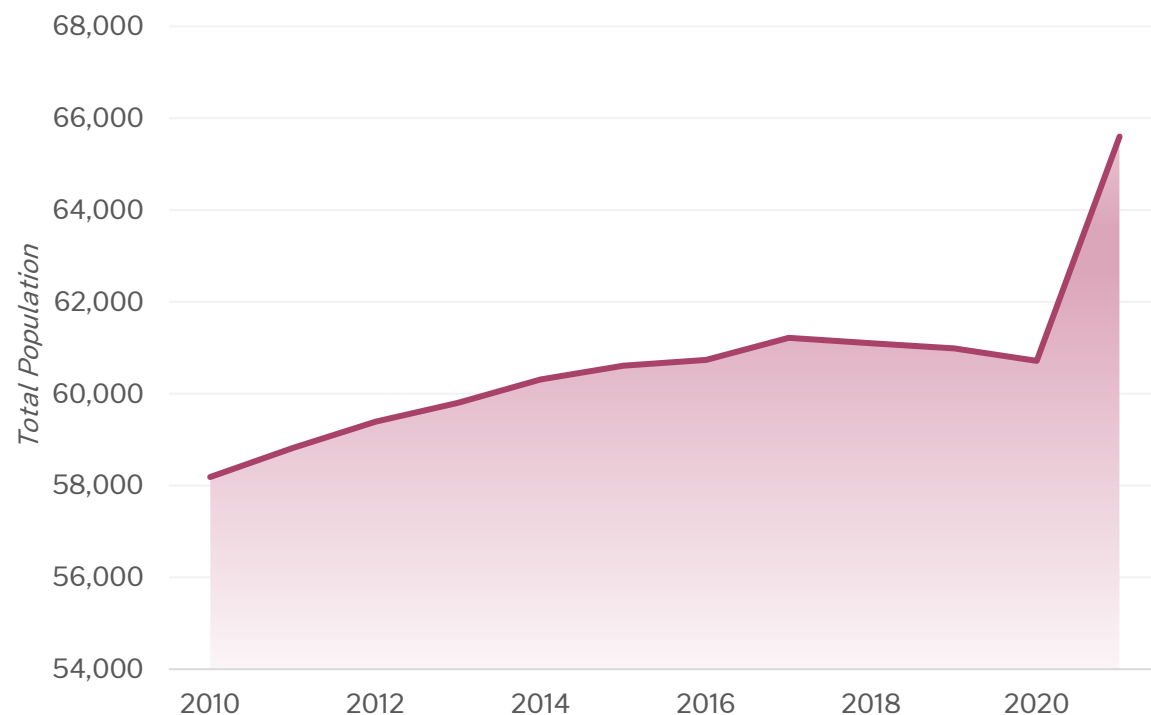
02

Arts & Cultural Market Analysis

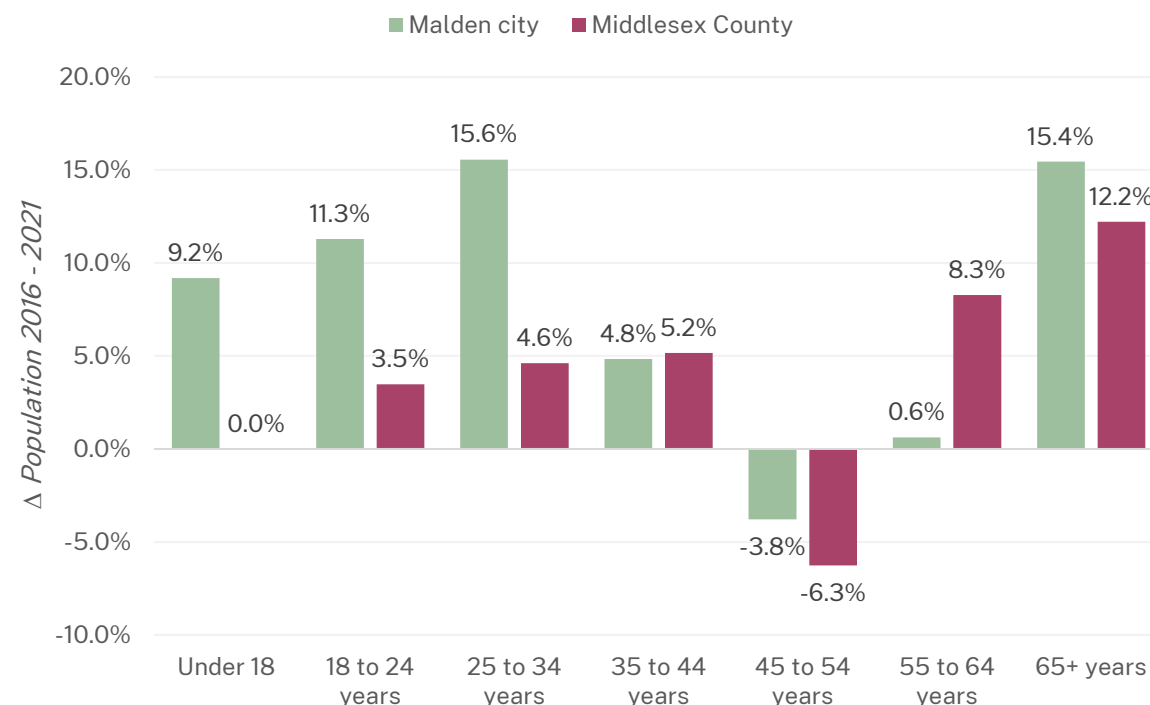


Over the past decade, Malden has seen consistent population growth. This growth has been driven by younger age cohorts such as millennials and gen Z.

Total Population
Malden, MA



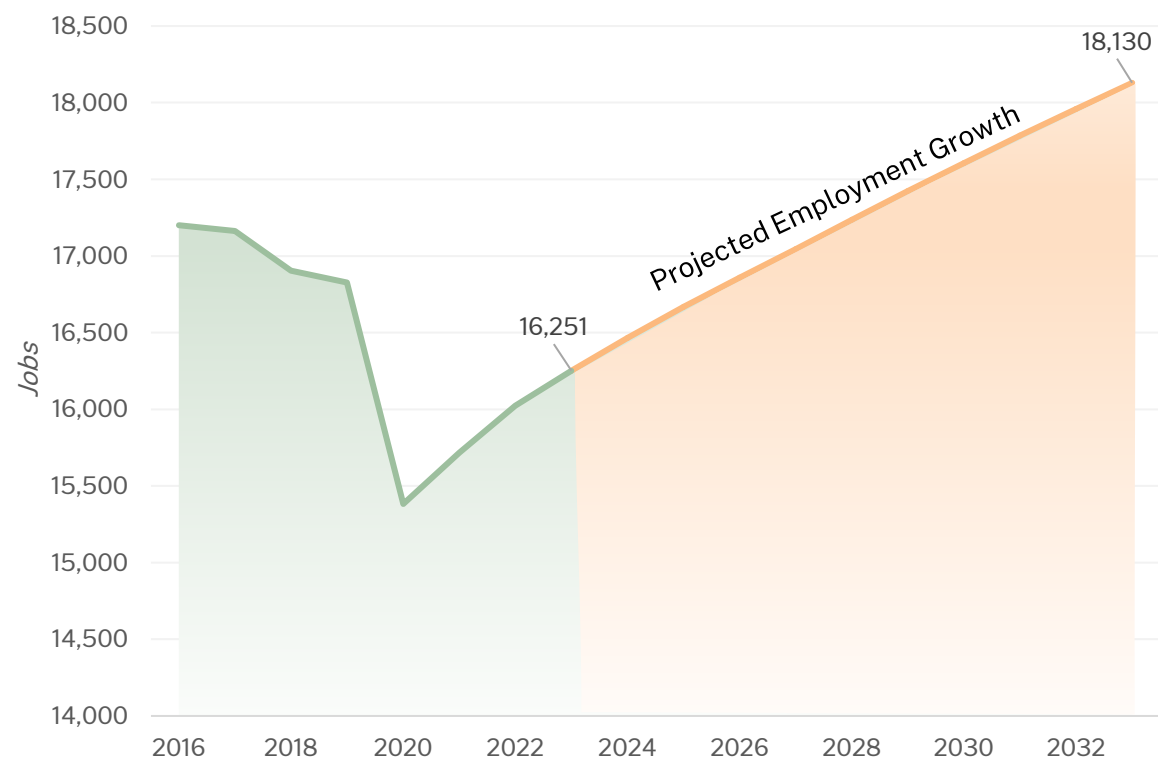
Change in Population by Age
Malden, MA



Lightcast jobs estimates show a sharp decline in jobs leading into the pandemic but consistent rebound growth since 2020.

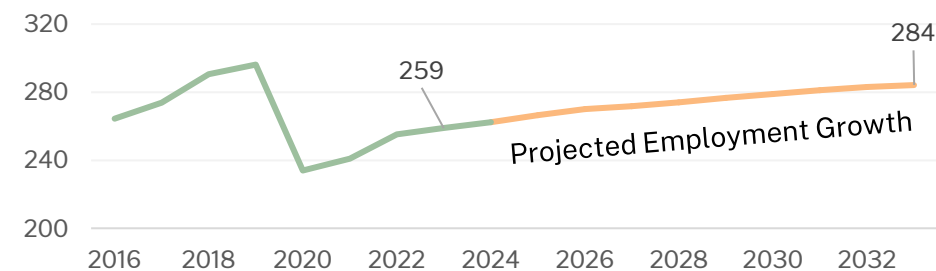
Employment Growth

Malden, MA



Arts, Entertainment, and Recreation

Malden, MA



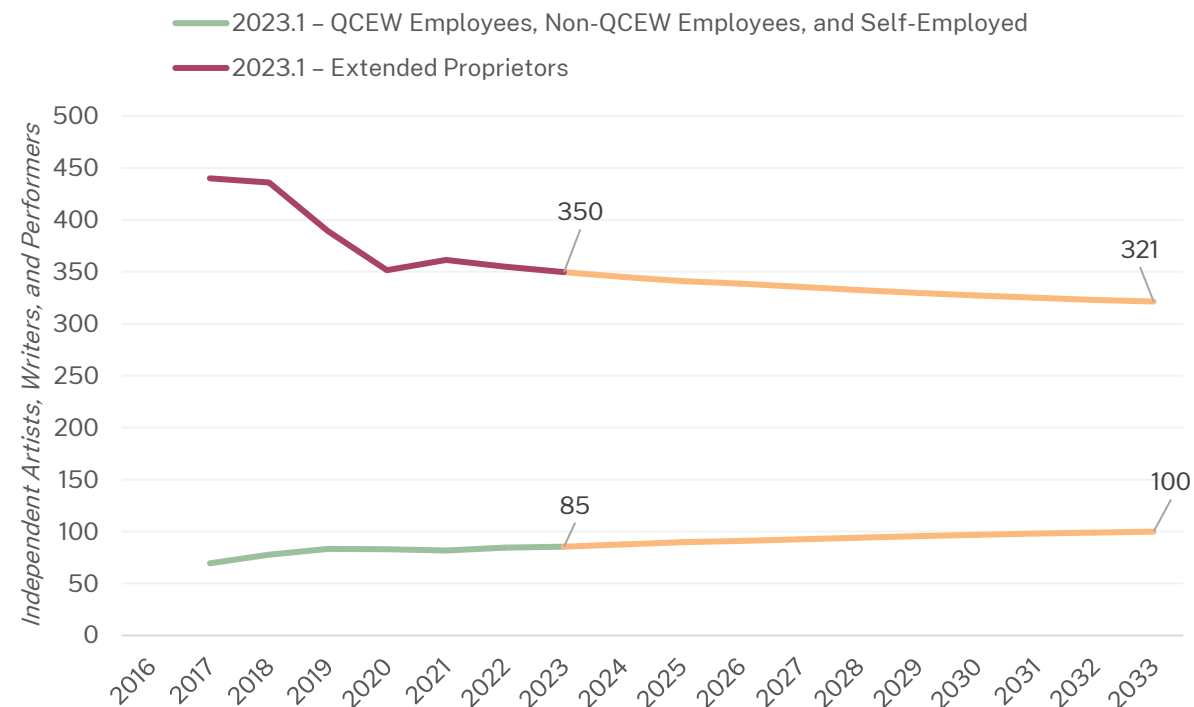
Even without the consideration of additional space in the market, Lightcast jobs projections estimate continue growth in the arts, entertainment and recreation sector.

Malden’s arts, entertainment and recreation sector has a large share of independent artists, writers and performers.

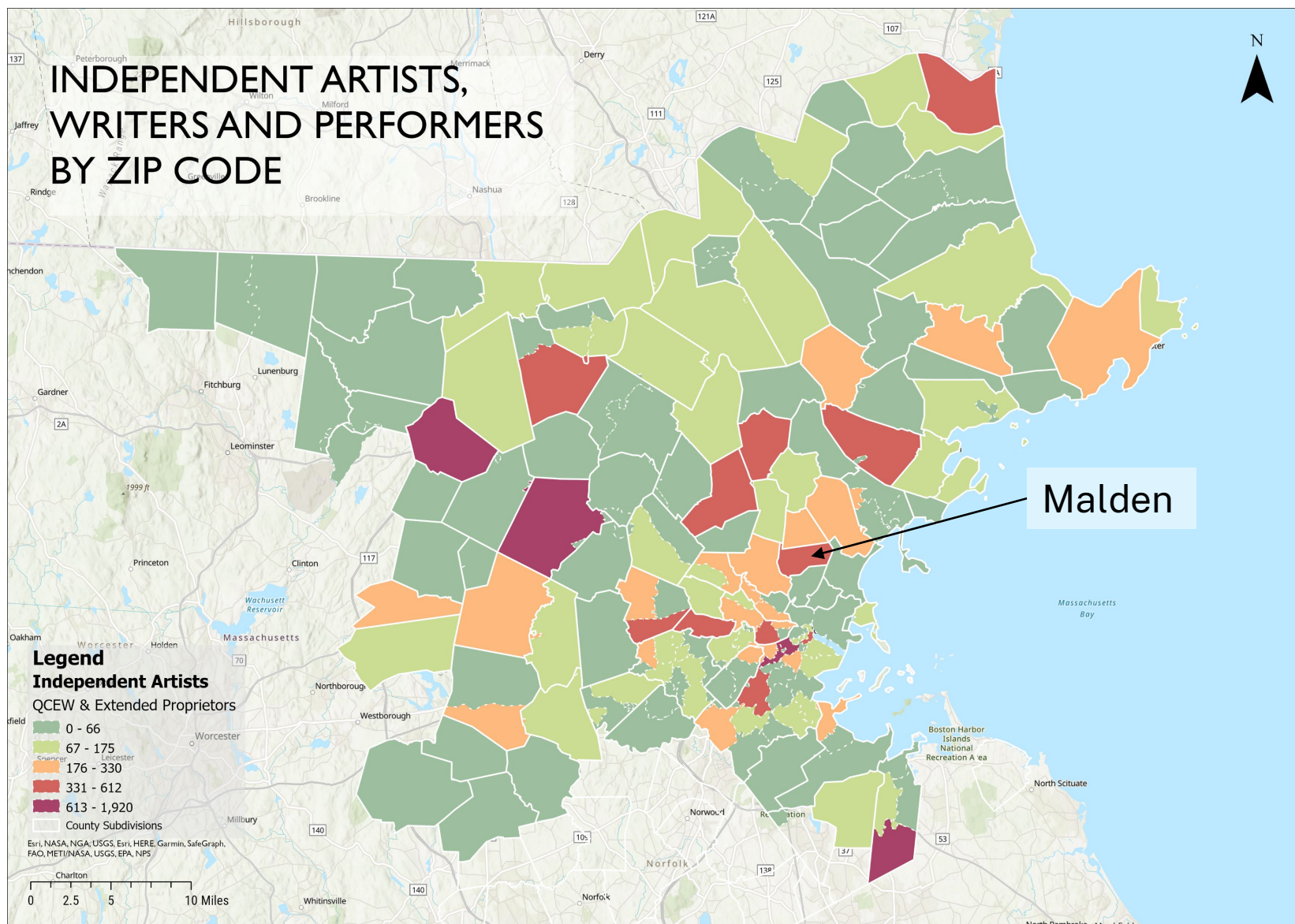
Excluding restaurant, food service and drinking places, Malden’s arts, entertainment and recreation sector has a high proportion of independent artists, writers and performers.

Based on Lightcast employment estimates, the share of QCEW full-time jobs for independent artists is estimated to increase while the number of extended proprietors* is set do slowly decrease. This could be, in part, associated with a shift in extended proprietors taking their artistic endeavors full-time.

Independent Artists, Writers and Performers by Employment type



*Extended proprietors are jobs represented as miscellaneous labor income for persons who do not consider it a primary job. Includes underreported self-employment, investments trusts and partnerships, certain farms and tax-exempt nonprofit cooperatives.



Within the Boston Metro region, Malden has one of the highest counts (as of Q1 2023) of independent artists, writers and performers.

This statistic includes both QCEW employee jobs and extended proprietors.

Malden also has the highest number of independent artists compared to all neighboring communities. This spatial distribution of independent artists in and around Malden serves as a possible indicator for demand for artist space.

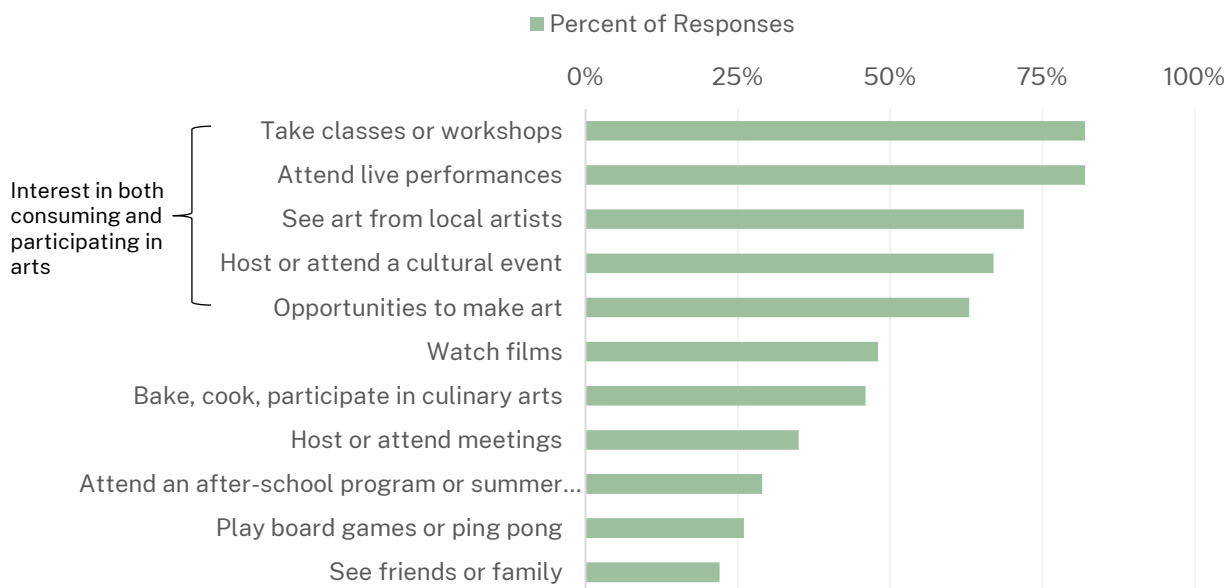
Activity & Opportunity Demand

Survey results from the Malden Comprehensive Survey suggest that there is demand for arts space for residents to both create art and consume are through participation in activities and workshops as well as attend events, and performances.

Results from the survey also indicated that many respondents who identified as independent artists expressed interest in space for studios, access to equipment and exhibitions to showcase work.

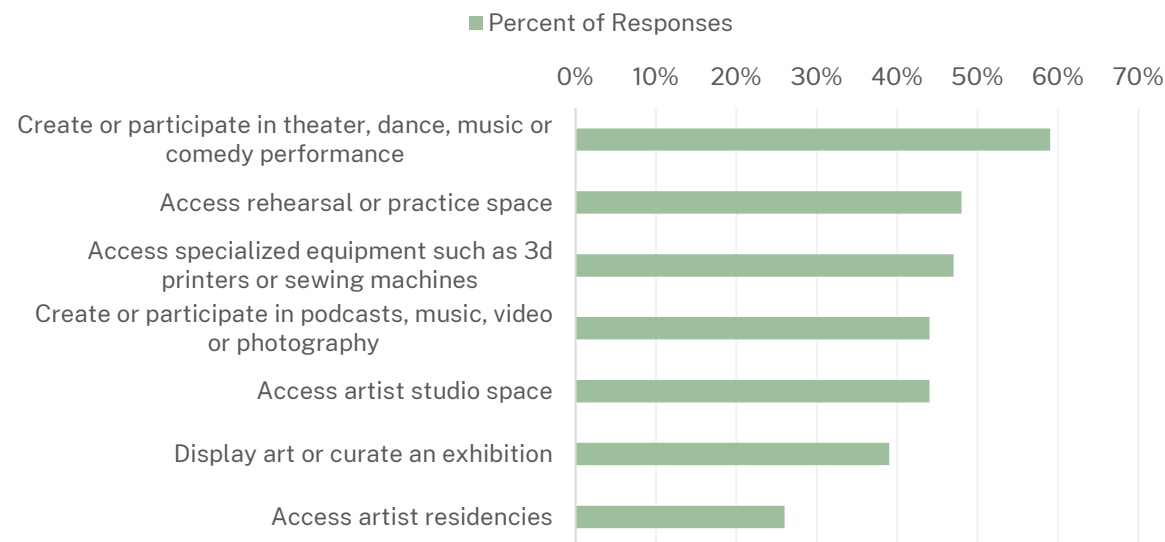
What might you want to do at the center?

n = 510



What kind of opportunities to make art might be of interest to you?

n = 485

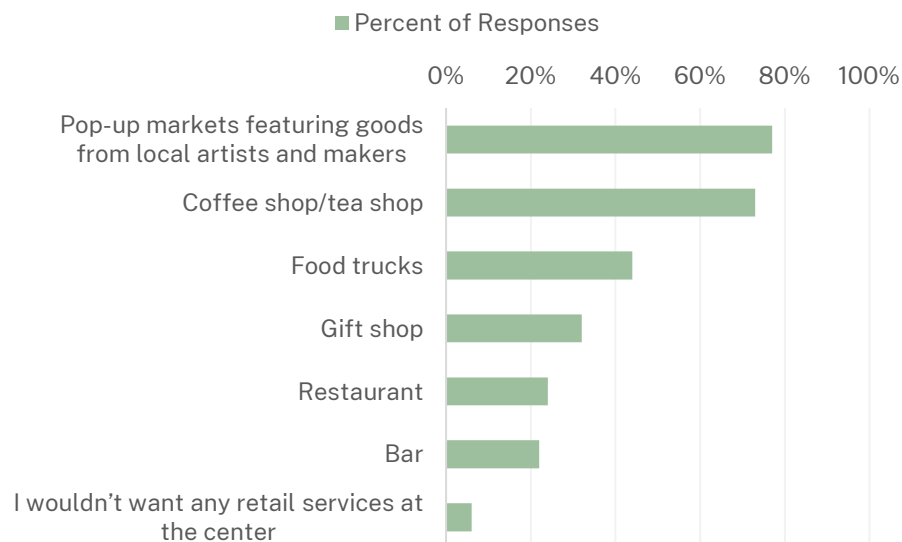


Retail Demand

Survey results from the Malden Comprehensive Survey indicate that among survey respondents, pop-up markets featuring goods from artists and local makers, and coffee shop/tea shops had the highest choice percentage followed by food trucks and gift shops.

What retail services would you want at the center?

n = 498



Key Takeaways from Comprehensive Survey

Pop-up markets featuring goods from local artists and makers and **coffee shop/tea shop** each had a **higher percentage of choices**, indicating a desire for retail that would support local artists and makers, as well as potential space for food and gathering.

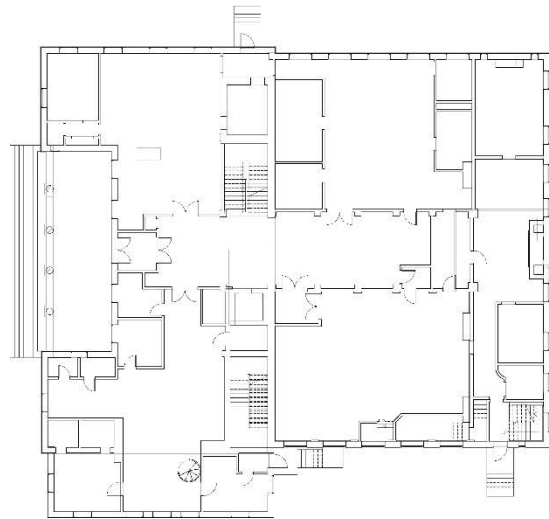
The interest in **pop-up markets featuring goods from local artists and makers** could align with the preferences demonstrated in prior questions, in which participants indicated (generally) a slightly higher percentage of choice towards activities that involved creating in or participating in art and/or space that would support the making of art.

The interest in a **coffee shop/tea shop** could align with the responses to the first question, in which participants, expressed interest in **time with friends and family** as a use of the center. Although, compared to other choices the **'friends and family'** choice made up a **smaller percentage** than other categories.

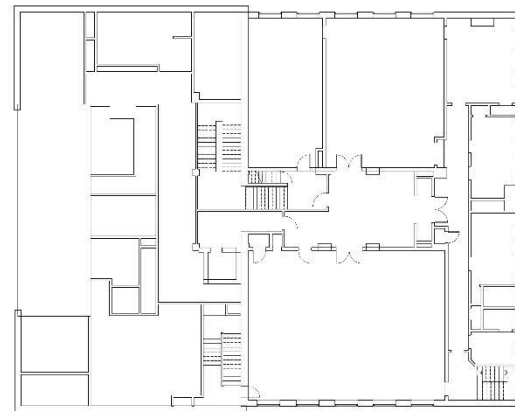
Existing Layout Malden District Courthouse

Reported in the Malden Arts Concept plan, the Malden District Courthouse was built in 1922 and encompasses roughly 26,500 square feet of building space.

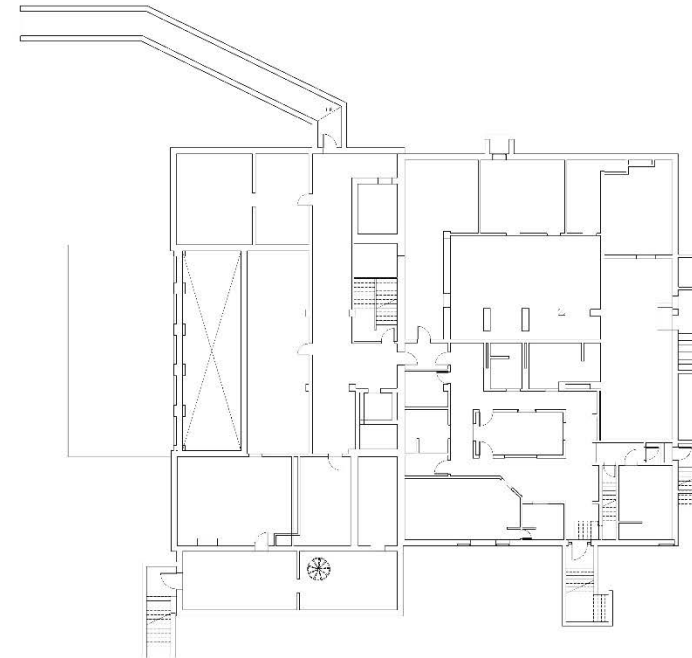
The current use mix has not been fully developed but like many comparable art centers, the Malden District Courthouse potentially has space for art studios and galleries, makers spaces, classrooms and a performance theater. There is also potential for some light retail such as pop-up markets and a coffee/tea shop.



1ST FLOOR
± 9,065 square feet



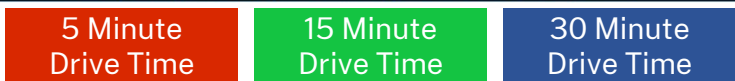
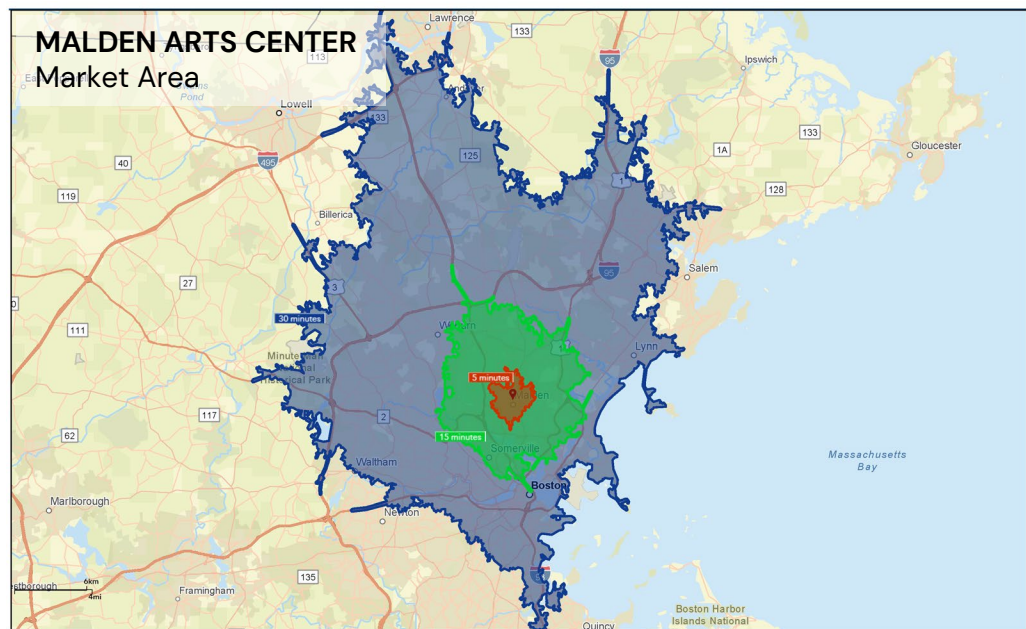
2ND FLOOR
± 8,410 square feet



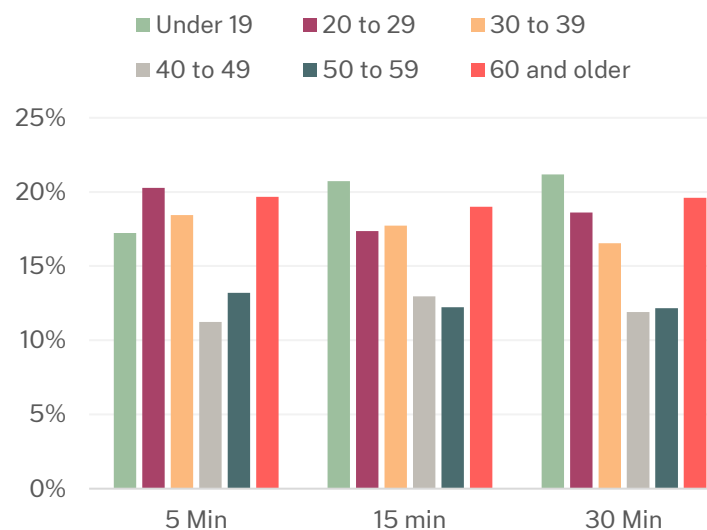
BASEMENT
± 9,065 square feet

Malden District Courthouse Market Overview

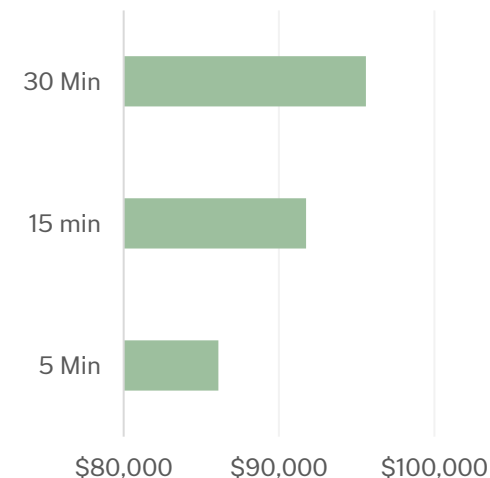
Malden’s District Courthouse market has diverse demographics with higher proportions of **younger millennial** and **gen z** as well as **baby boomer**. Households are of **middle to upper income** and the average annual expenditure on the arts and entertainment is about **\$1,081**.



Age Breakdown by Market Area

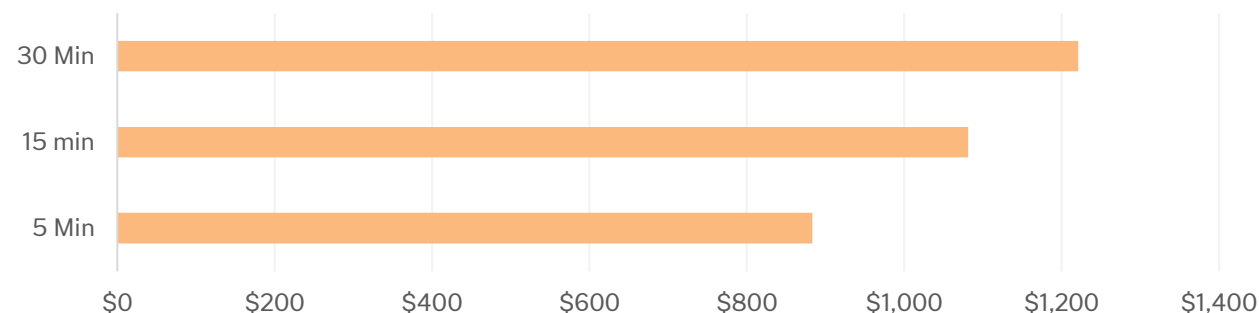


Median Household Income



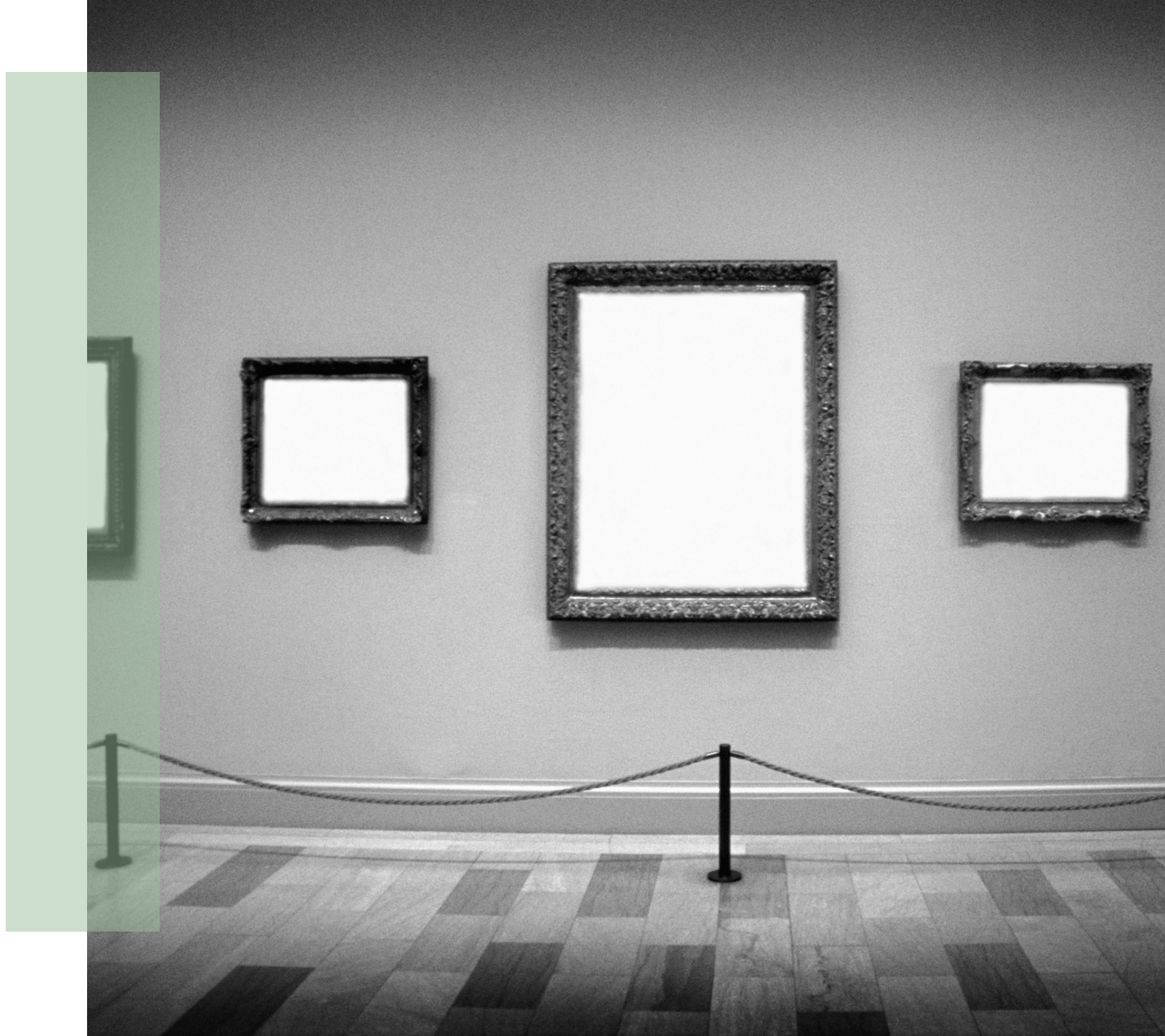
Average Household Expenditure

Entertainment/Recreation Fees and Admissions (2022)



03

Arts & Cultural Center Comps



Arts Center Space Comps



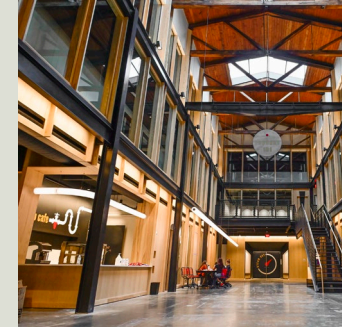
The Center for the Arts at the Armory
Somerville, MA



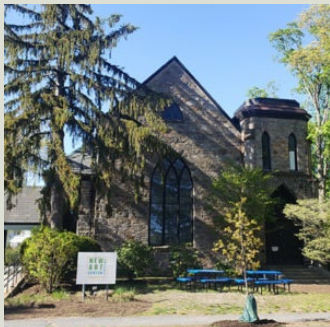
Arlington Center for the Arts
Arlington, MA



The Marion Art Center
Marion, MA



The Cambridge Foundry
Cambridge, MA



The New Art Center
Newton, MA



The Boston Center for the Arts
Boston, MA



ArtSpace Maynard
Maynard, MA

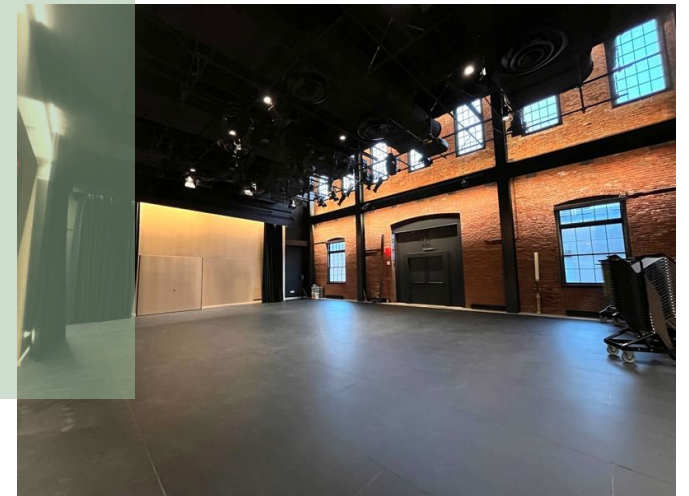
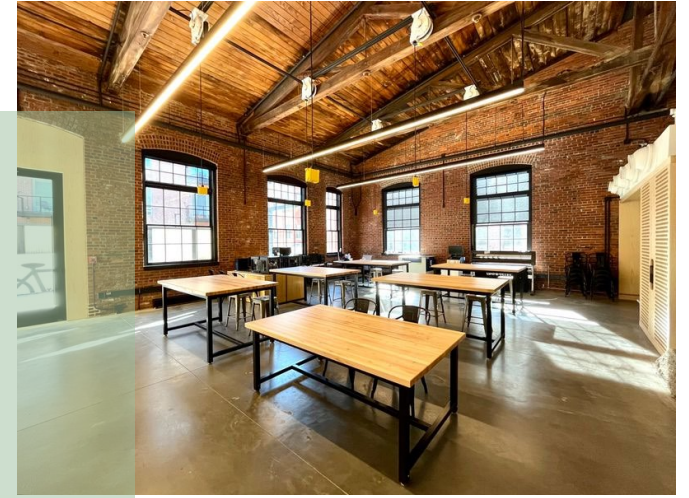


Northampton Center for the Arts
Northampton, MA

The Foundry

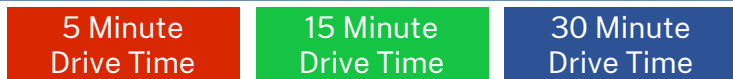
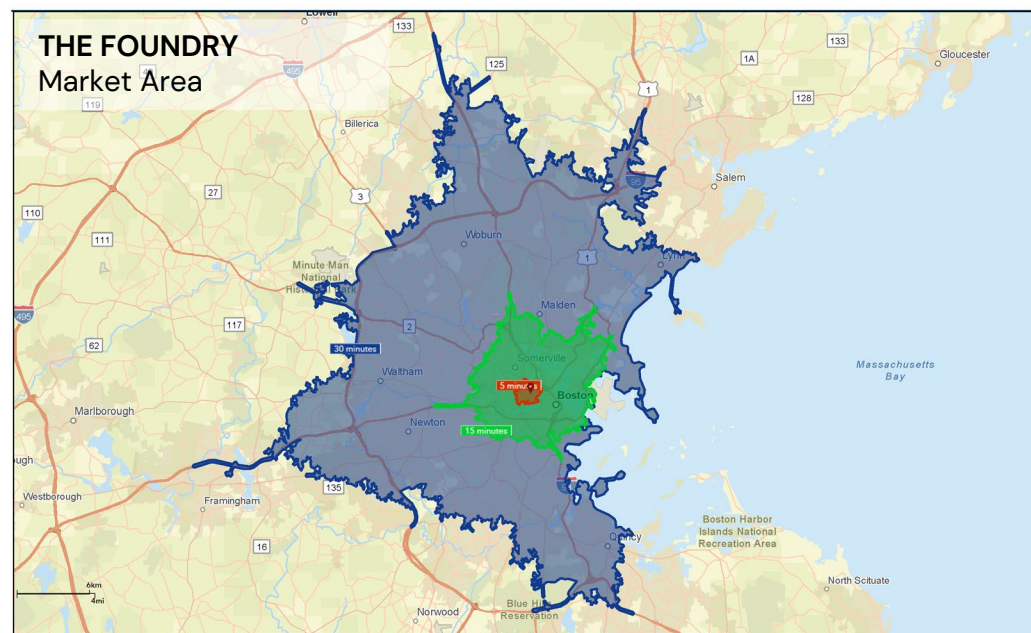
Cambridge, MA

- The Foundry, located in the Kendall Square neighborhood, is a self-sustaining center offering opportunities in the arts, sciences, technology, math and engineering
- It totals 50,000 square feet with a 4,000 square foot exterior offering spaces and programs for the arts, both visual and performing, entrepreneurship, workforce education and community activities
- Space reservation is offered on an income based sliding scale at an hourly rate prorated for one time use, weekly use and weeklong use.
- Makers space memberships
 - Single workshop \$50/month
 - Multi-Workshop \$125/month
 - Organizational Workshop \$500/month
- Art Studio Space memberships
 - \$140/month for 3-, 6- or 12-month terms

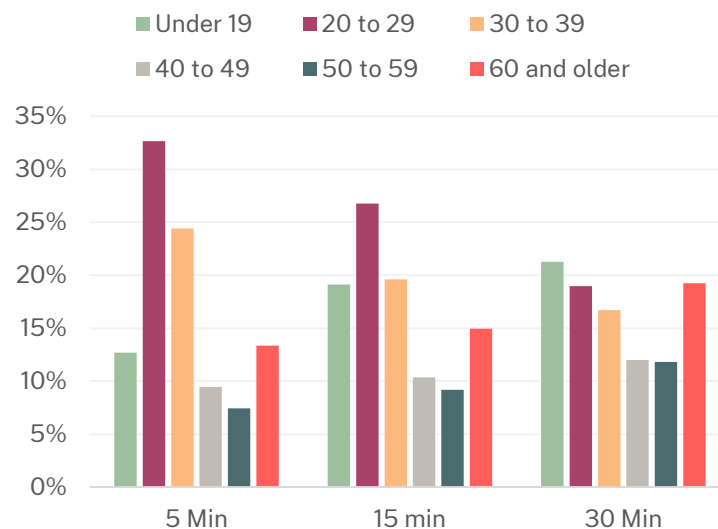


The Foundry Market Overview

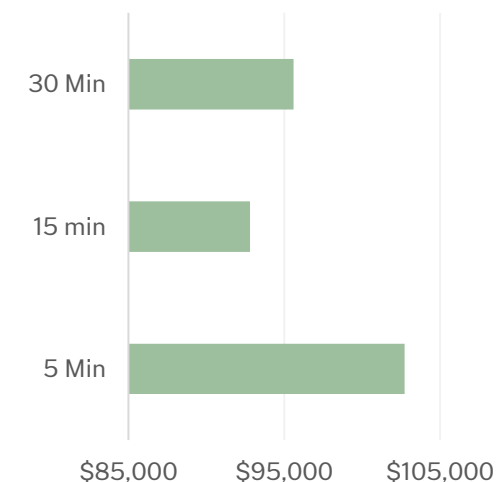
The Foundry's market is predominately **younger millennial and gen z** due to its urban location and proximity to several colleges and universities. Households tend to be of **higher income** and spend on average **\$1,212** annually on arts and entertainment.



Age Breakdown by Market Area

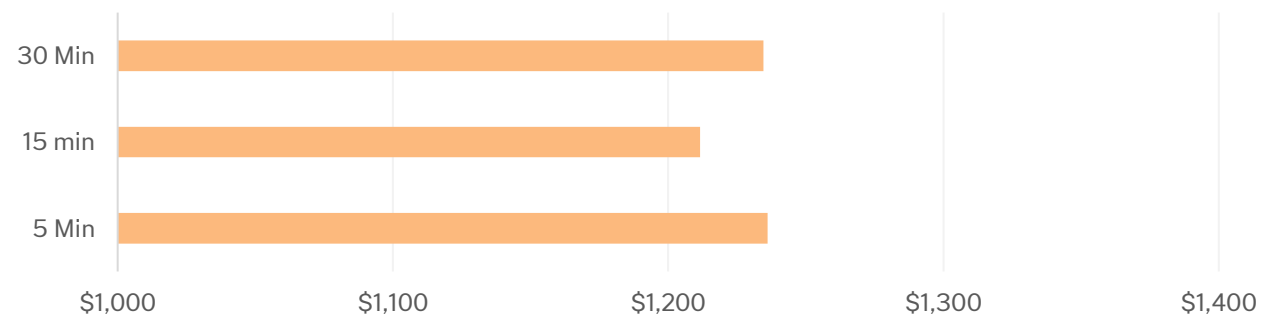


Median Household Income



Average Household Expenditure

Entertainment/Recreation Fees and Admissions (2022)



The Center for the Arts at the Armory

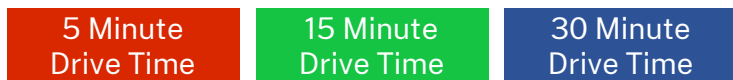
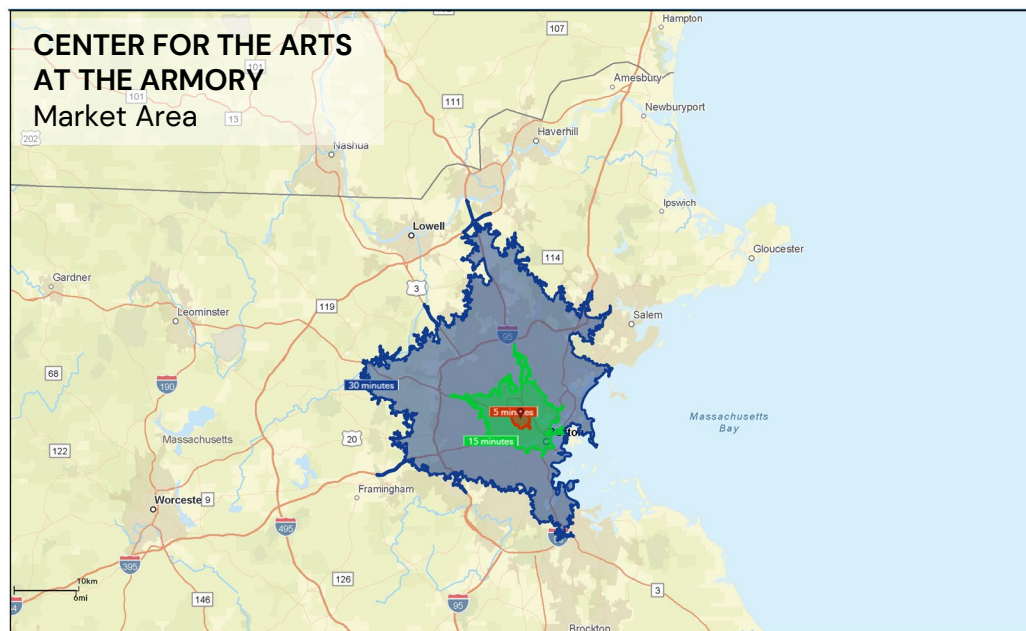
Somerville, MA

- Founded in 2008, the Armory hosts over 750 events a year, providing a free and accessible venue space to arts, cultural, and community groups
- Provides public space, exhibitions, a variety of markets, classes, and community events
- Facilities include a multi-use performance space of 7,000 sq feet of space (Performance Hall) with a maximum capacity of 395 people, and a café open to the public and as an event venue (with a capacity of 52 people)
- Performance Opportunity Program series providing artists the use of the performance hall at a highly subsidized rate approximately once a month

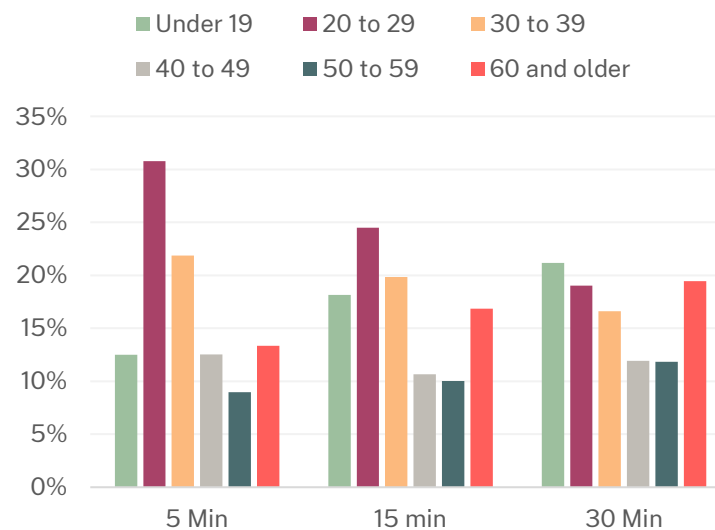


Center of the Arts at the Armory Market Overview

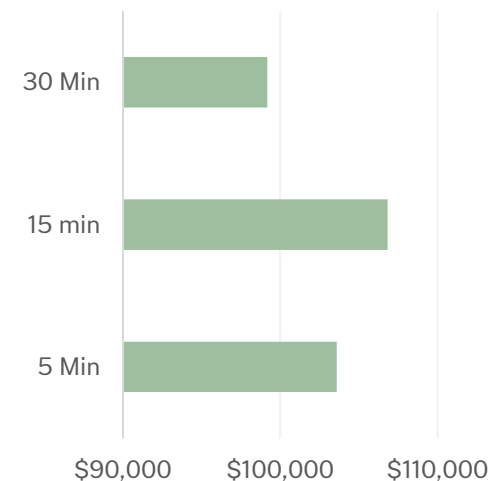
The Center of the Arts at the Armory market is predominately **younger millennial and gen z** due to its proximity to local colleges and universities. Households are of **middle to upper income** with an average expenditure of **\$1,329 on arts and entertainment**.



Age Breakdown by Market Area

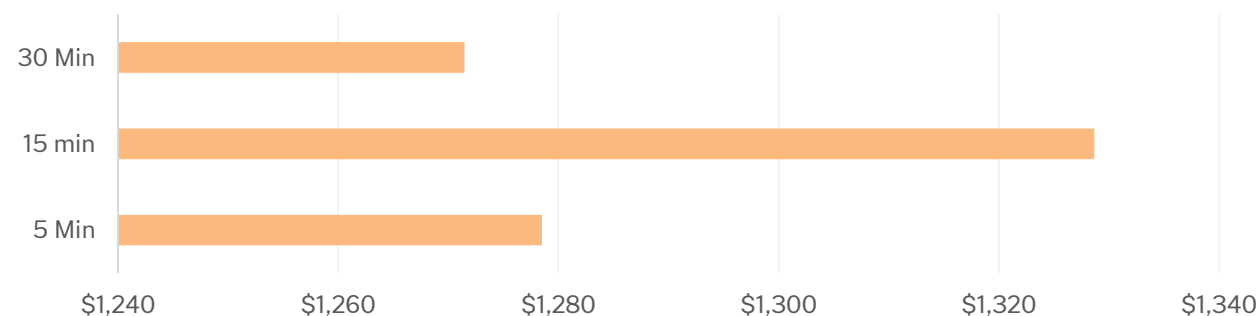


Median Household Income



Average Household Expenditure

Entertainment/Recreation Fees and Admissions (2022)



Arlington Center for the Arts

Arlington, MA

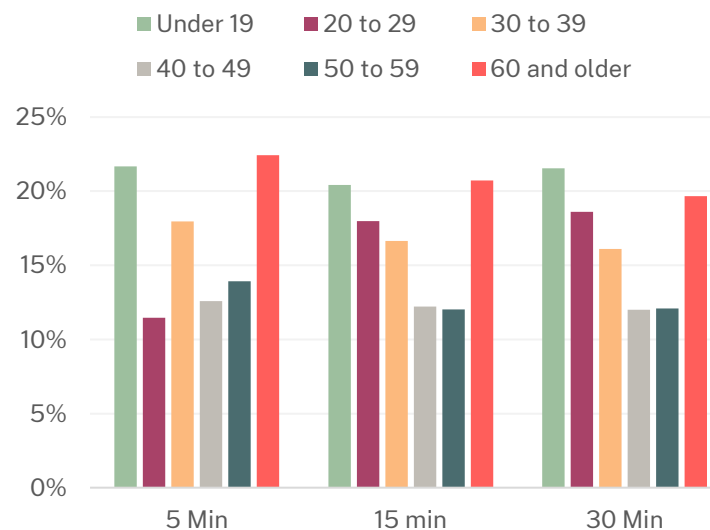
- Established in 1988 by a group of artists and educators, the arts center's mission is to transform lives and build community through the arts
- Provides art classes, art camps, exhibitions and galleries, artist studios and coworking spaces, space rentals/performance space, and open studio opportunities
- Robust class and workshop programming, with art classes in a variety of disciplines, with 45 classes offered for the Spring 2023 semester. ACA provides need based financial assistance for these classes (full and partial scholarships, Card to Culture program)
- Hosts a fundraising event (Spotlight ACA) to support community programming. The event includes live music, artist demos, a film screening, exhibitions, and art making activities



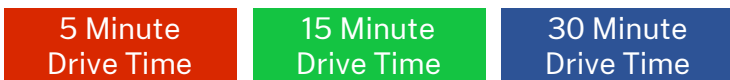
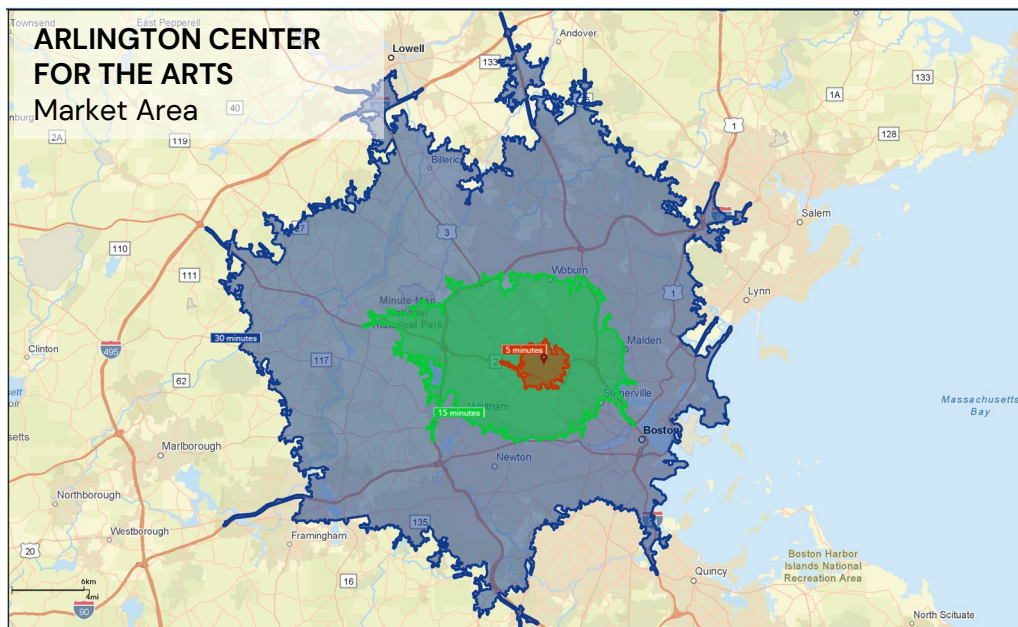
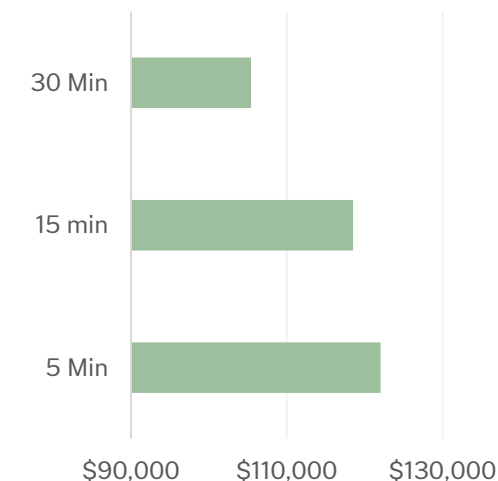
Arlington Center for the Arts Market Overview

The Arlington Center of the Arts market is predominately **millennial and baby boomer**, which is typical of a more suburban market. Households are of **higher income** with a median household expenditure of **\$1,501 on arts and entertainment**.

Age Breakdown by Market Area

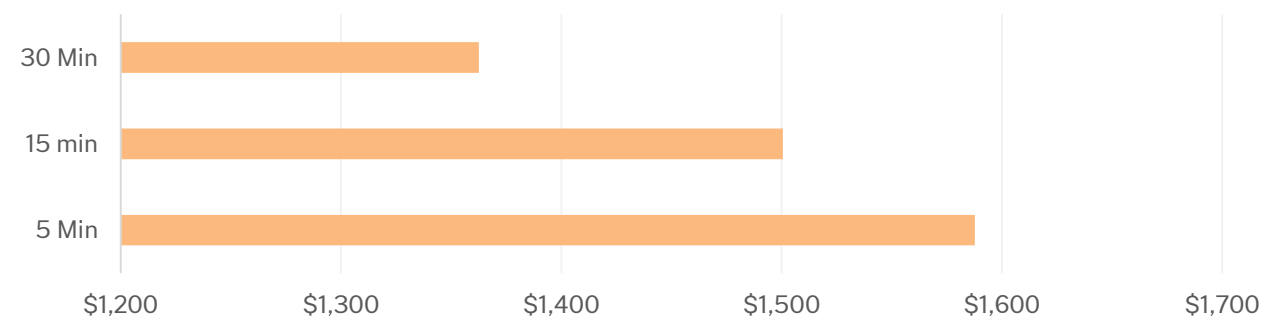


Median Household Income



Average Household Expenditure

Entertainment/Recreation Fees and Admissions (2022)



New Art Center

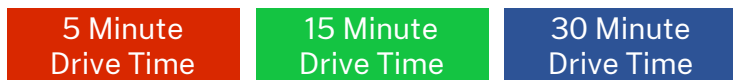
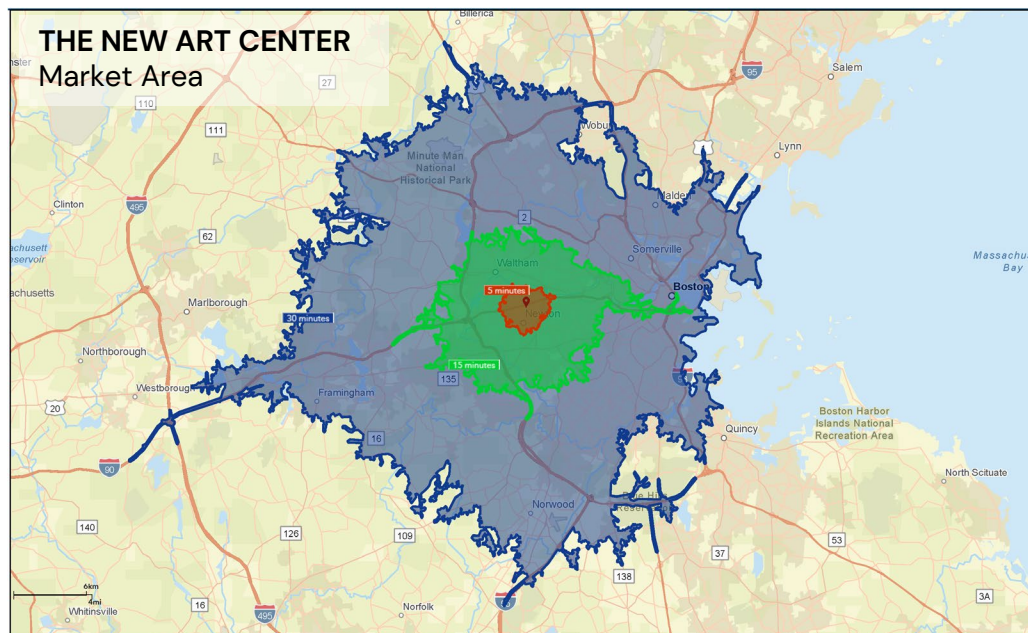
Newton, MA

- Renovated from an unused 19th century church building, the New Art Center was established in 1977 as a community arts education space to lower barriers in participation in the arts
- Offers 400+ classes annually serving more than 3,200 students with scholarships and subsidies available
- Provides facilities for non-profit or community groups to rent for events or programming
- Year-round exhibitions open to visitors 24/7, with a BIPOC curatorial program highlighting the artwork of local Black, Indigenous, and People of Color
- Community Outreach program with free art programming that includes art therapy, inclusive art classes, youth leadership programs, and Community Cultural Days

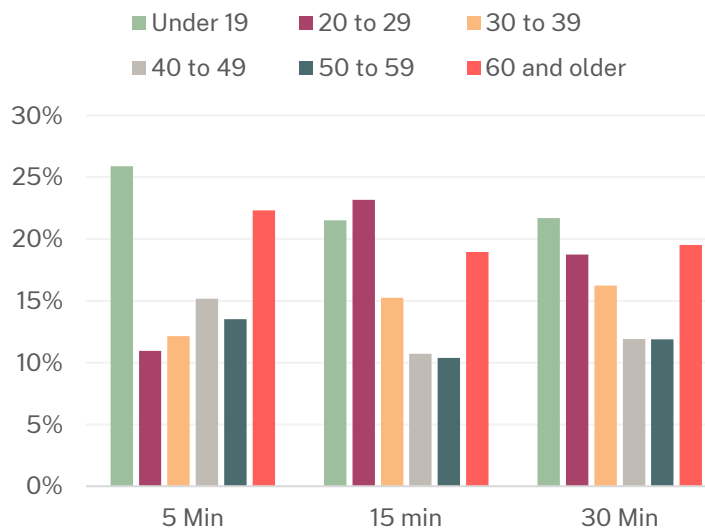


The New Art Center Market Overview

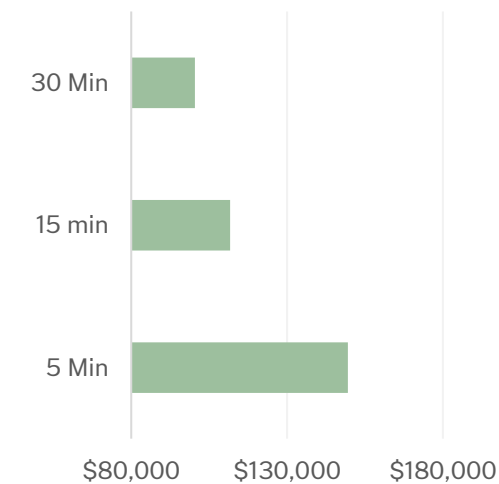
The New Arts Center market is predominately **older millennial family households** and **baby boomer**, which is typical of higher income suburbs. Households are of **higher income** with a median household expenditure of **\$1,474 on arts and entertainment**.



Age Breakdown by Market Area

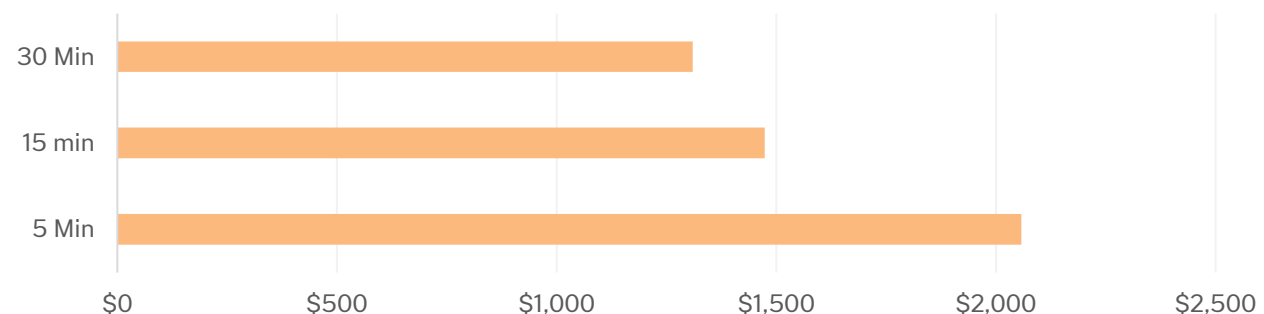


Median Household Income



Average Household Expenditure

Entertainment/Recreation Fees and Admissions (2022)



The Marion Art Center

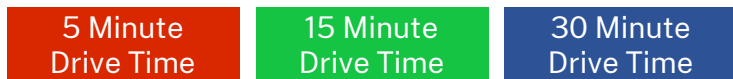
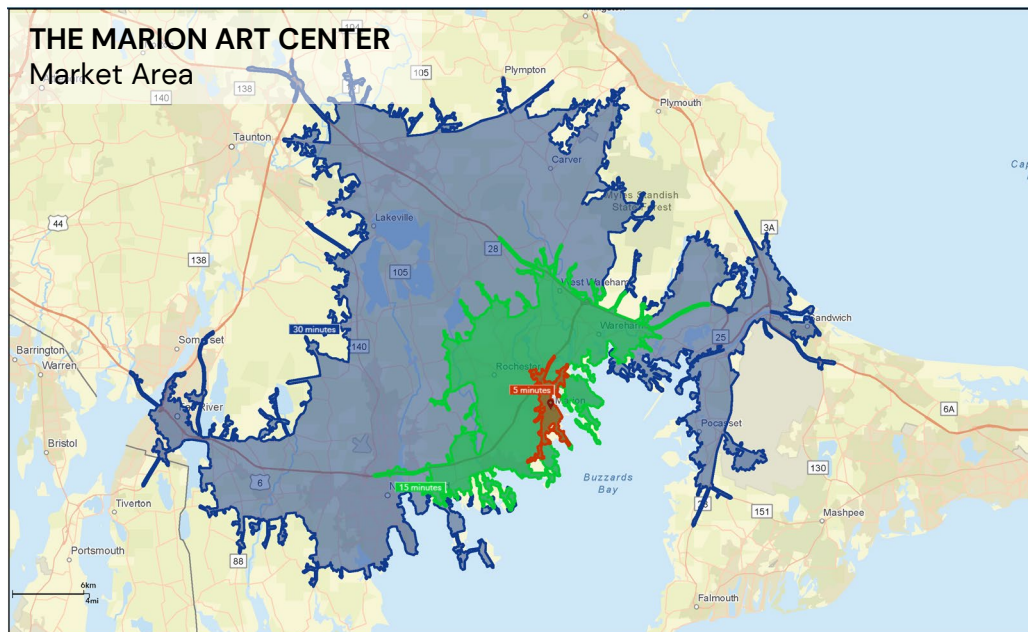
Marion, MA

- Housed in a restored Universalist Church, the MAC has provided educational programming and engagement in arts experiences since 1957
- Facilities include two galleries, a refurbished theater (seats 70), a workshop space, and adjacent outdoor space with a patio
- Offers creative workshops, free art programs, courses in visual arts and music, summer programming for kids, lectures, clubs, and a variety of events (concerts, theater, exhibitions, workshops, and presentations)

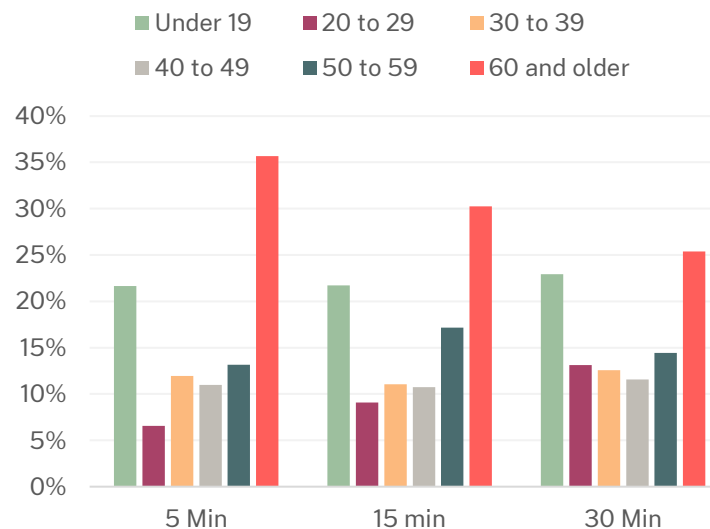


The Marion Art Center Market Overview

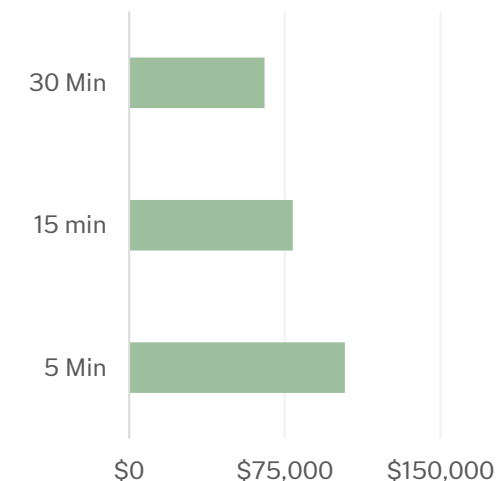
The Marion Arts Center market is predominately **baby boomers** and **millennial family households** of **middle income** with a median household expenditure of **\$990 on arts and entertainment**.



Age Breakdown by Market Area

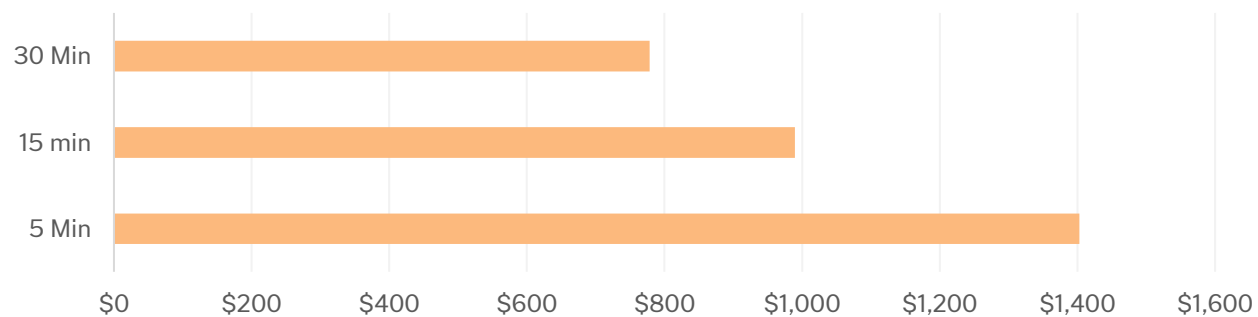


Median Household Income



Average Household Expenditure

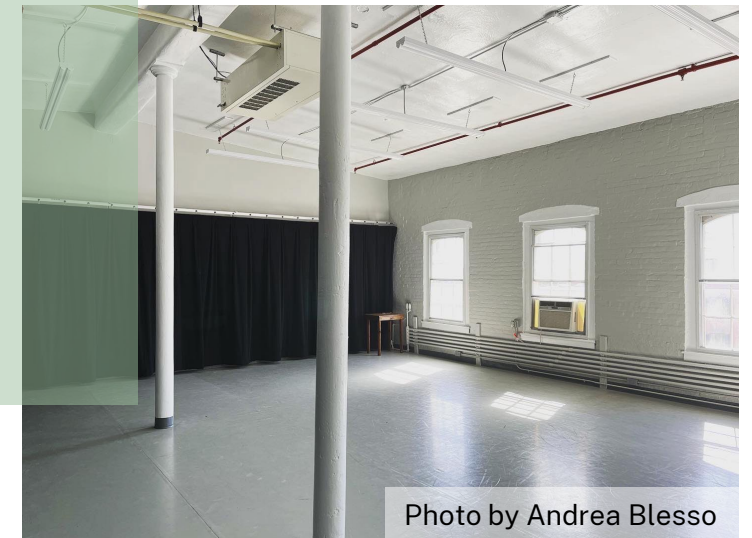
Entertainment/Recreation Fees and Admissions (2022)



Boston Center for the Arts

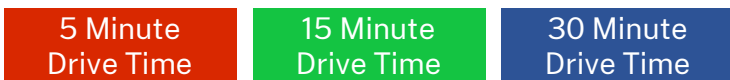
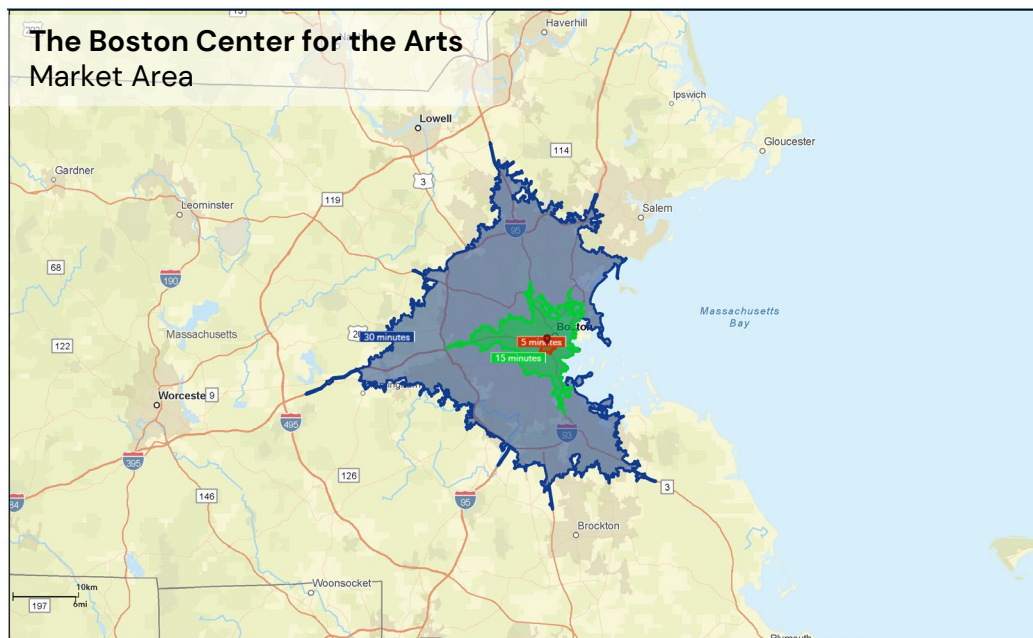
Boston, MA

- The BCA has developed artistic programs over the past 50 years, originally rooted in the visual arts and theatre, their programming has expanded to encompass all forms and disciplines practiced by working artists across Boston
- The BCA hosts artistic events and programming at its theatre and gallery space as well as offering several studio spaces for visual and performance art
- Many of the BCA's studio spaces can be rented for auditions, rehearsals, workshops and meetings

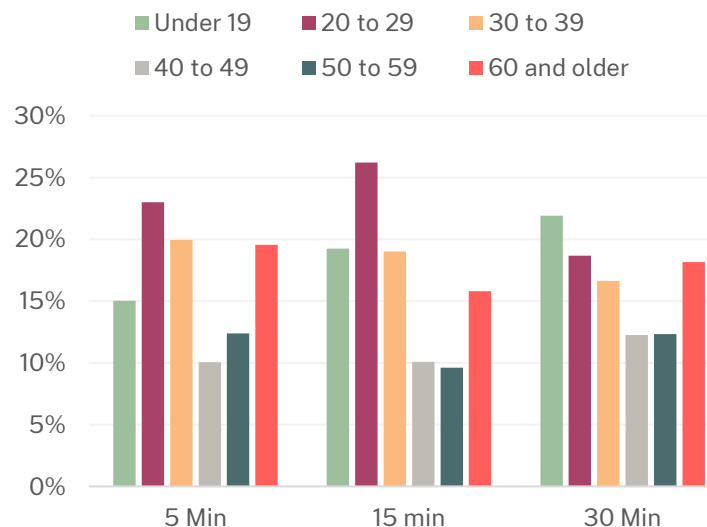


Boston Center for the Arts Market Overview

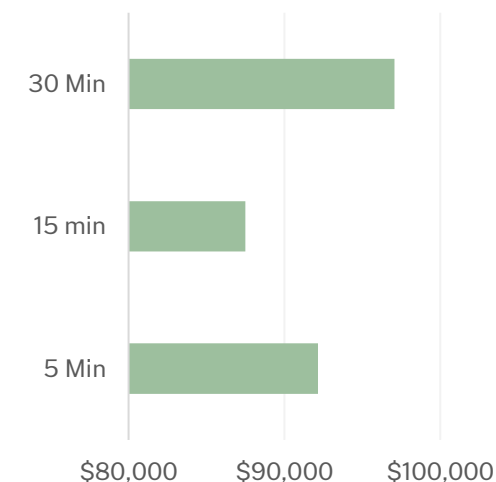
The BCA market is a diverse market of all ages due to its urban location. Households are of **middle to higher income** with an average household expenditure of **\$1,164 on arts and entertainment**.



Age Breakdown by Market Area

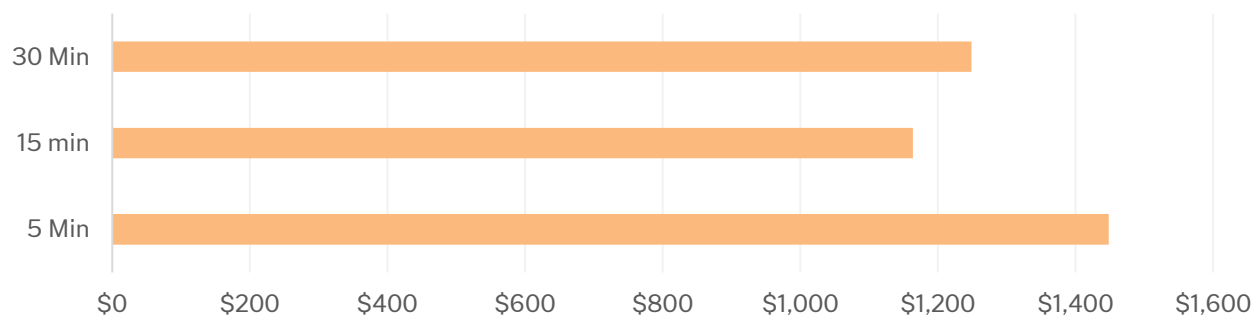


Median Household Income



Average Household Expenditure

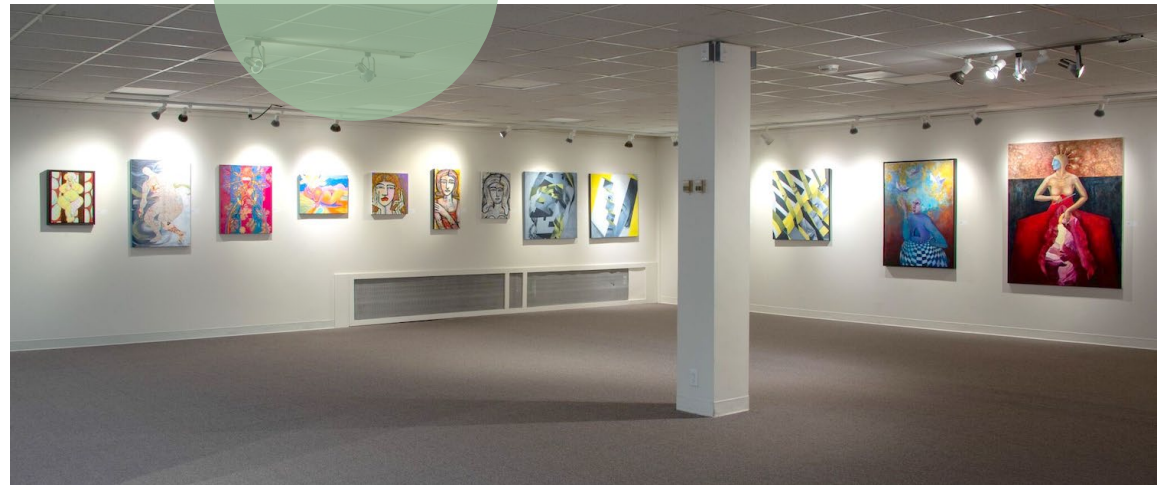
Entertainment/Recreation Fees and Admissions (2022)



ArtSpace Maynard

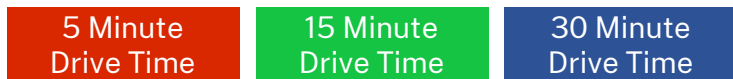
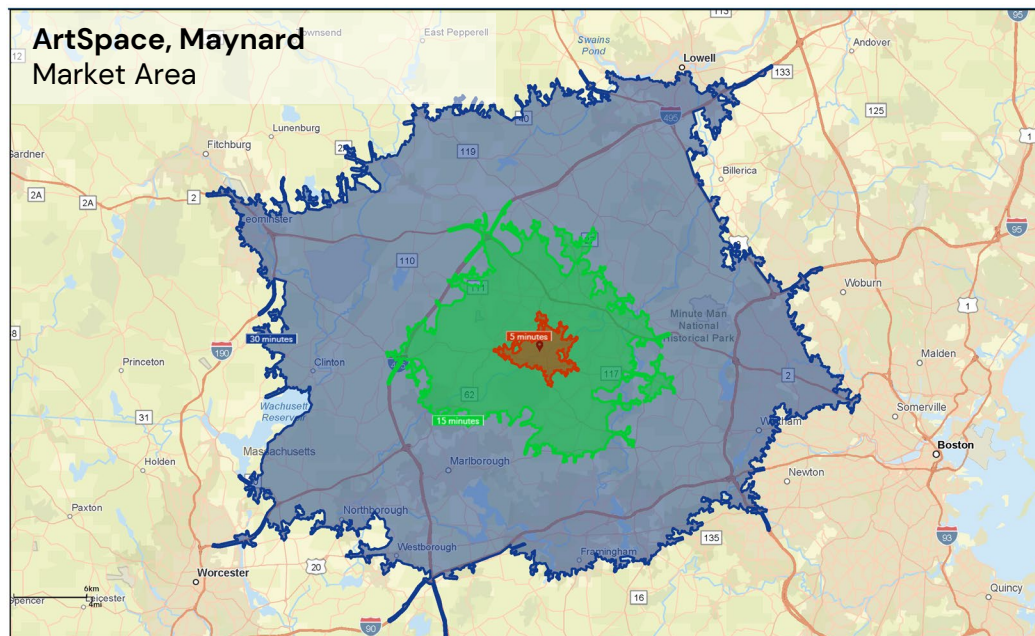
Maynard, MA

- ArtSpace Maynard is a community art center founded in 2001, repurposed from the former Fowler Middle School building
- Facilities include 47 artist studios in a range of sizes (average size of 750 sq feet), a 70-seat theater presenting an assortment of productions, and a gallery for exhibits. Their studios currently house 85 artists
- Events and programming include open studios, holiday sales, art openings, arts education, musical performances, and tours

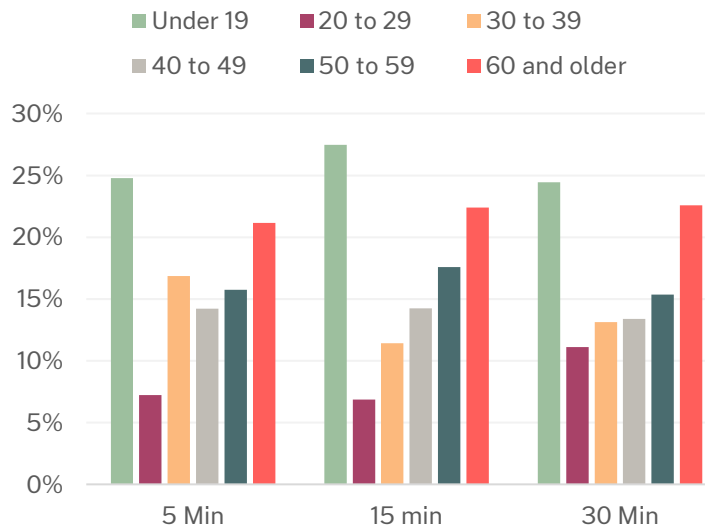


ArtSpace Market Overview

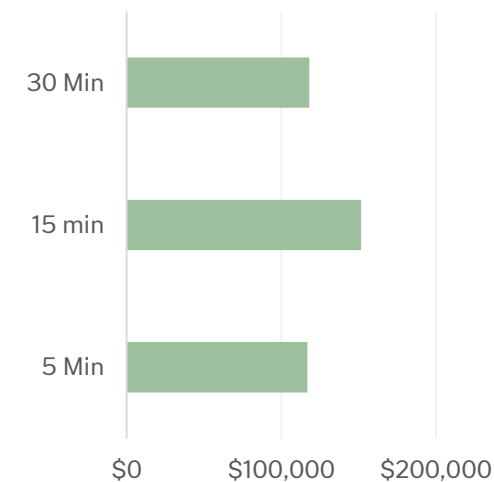
The ArtSpace market is predominantly **millennial family households** and **baby boomers** with higher annual household incomes. On average, households in the ArtSpace market spend **\$1,942** annual on the arts and entertainment.



Age Breakdown by Market Area

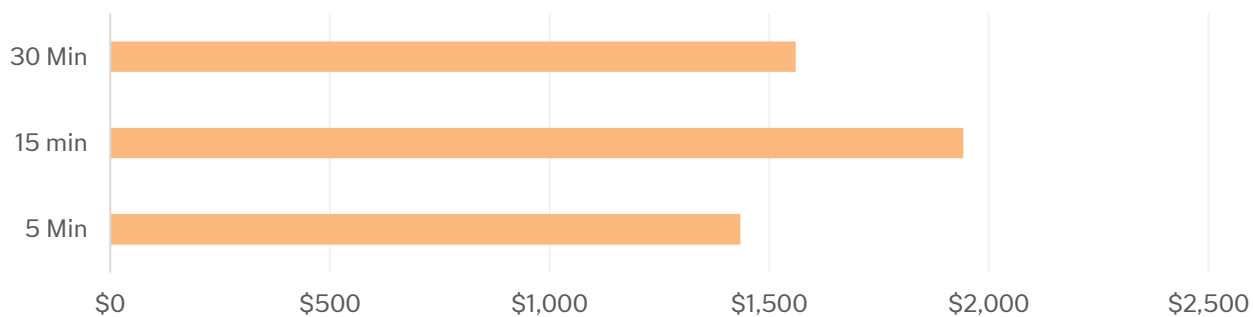


Median Household Income



Average Household Expenditure

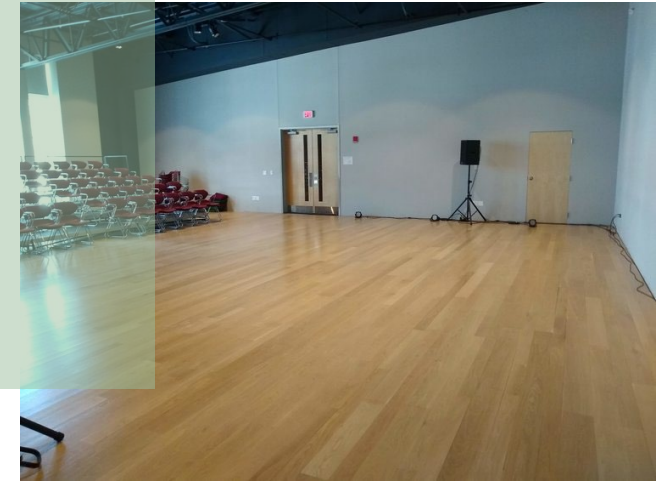
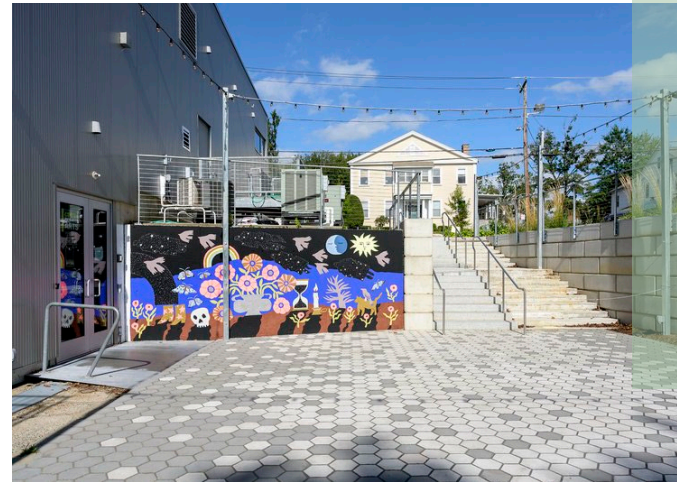
Entertainment/Recreation Fees and Admissions (2022)



Northampton Center for the Arts

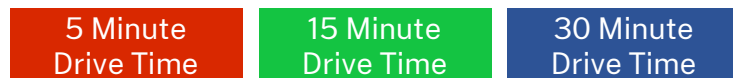
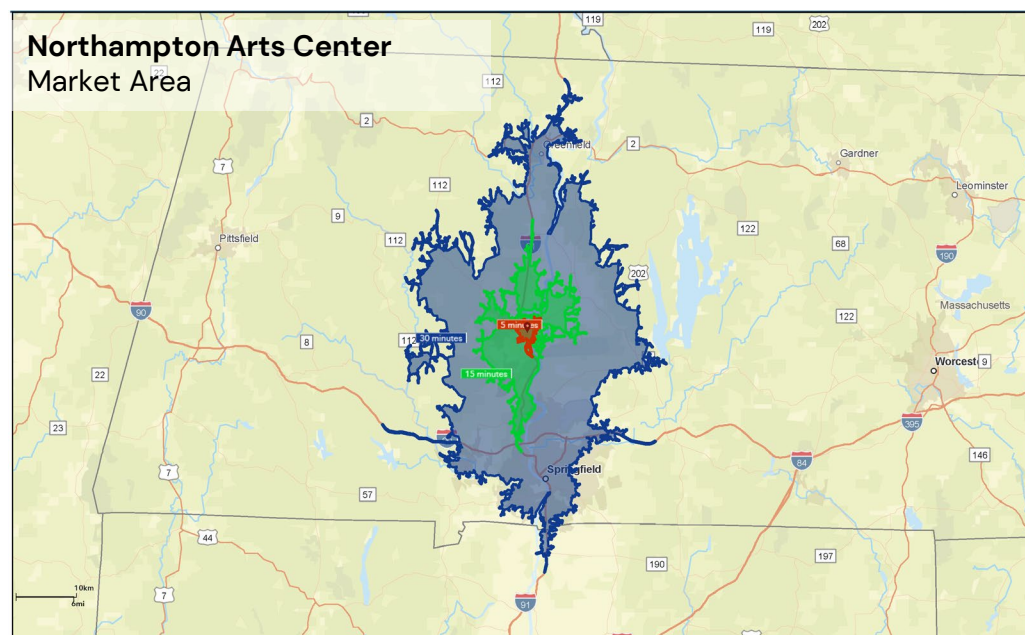
Northampton, MA

- The Northampton Center for the Arts is a nonprofit organization established in 1983 as a result of a partnership between the City of Northampton and the developers of the former Sullivan School
- The center serves as a gallery space, venue for performances, exhibitions, arts education, and community gatherings
- Programming offered include drawing groups, painting, dance groups, and poetry critiques
- Annual events include a Youth Performance Festival, an Artisan Fair, and vacation arts programs
- Space is available for a variety of events for rent. This includes dance studios, classroom space, the courtyard and mezzanine, and a 1,900 square feet flex space. There is a community fund for those in the local community who need financial support to access the spaces and programs (including subsidized rental rates)

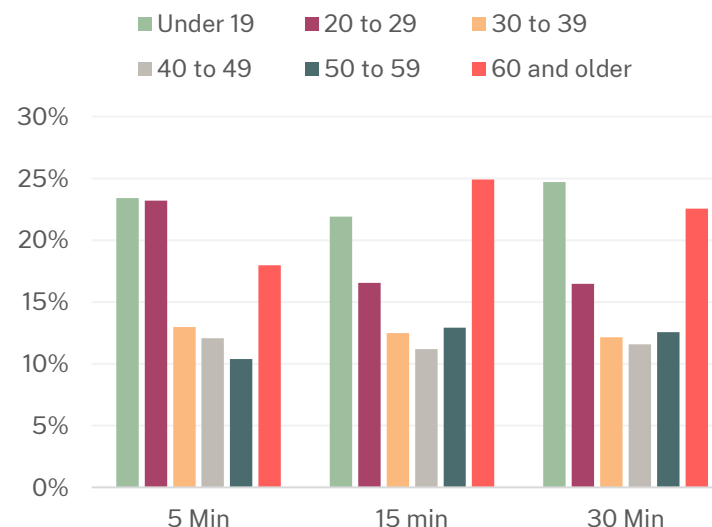


Northampton Center for the Arts Market Overview

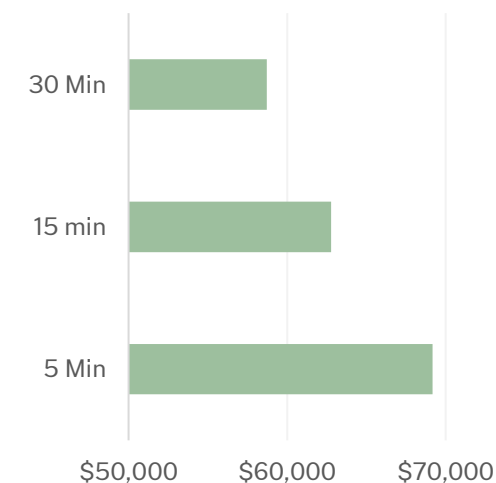
The Northampton Center for the arts market is located in central Massachusetts. The population is predominantly **family households, younger millennials and older adults** of **middle income** with an average annual expenditure of **\$805** on the arts and entertainment.



Age Breakdown by Market Area

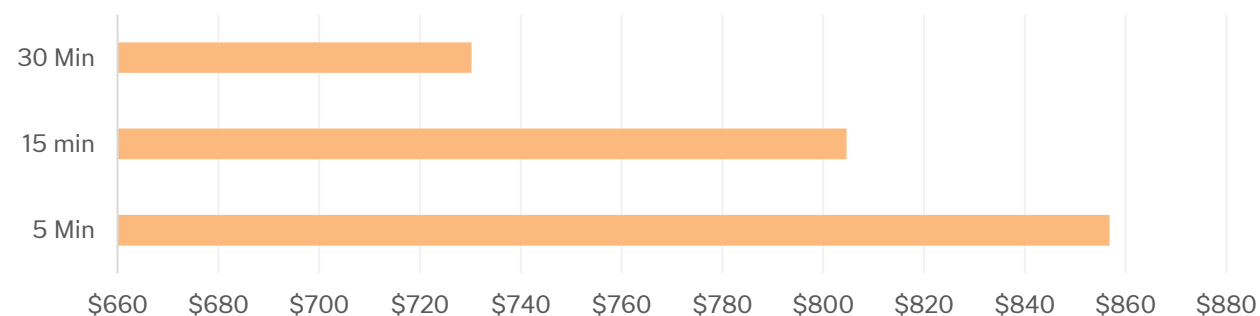


Median Household Income



Average Household Expenditure

Entertainment/Recreation Fees and Admissions (2022)



Arts Center Space Comps Overview

	The Malden Arts Center	The Cambridge Foundry	Center for the Arts at the Armory	Arlington Center for the Arts	The New Art Center (Newton)	The Marion Art Center	The Boston Center for the Arts	Art Space Maynard	Northampton Center for the Arts
Space (Square Feet)	26,500	50,000	20,585	30,964	10,978	4,288	172,346	55,000	20,212
Market (15 Minute)									
Average Annual Expenditure on the Arts/Entertainment	\$1,081	\$1,212	\$1,329	\$1,501	\$1,474	\$990	\$1,164	\$1,942	\$805
Median Household Income	\$91,752	\$92,811	\$106,833	\$118,518	\$111,698	\$78,770	\$87,498	\$151,670	\$62,763
Revenue*									
Annual Revenue (2021-2022)	-	\$1.3 M (est)	\$711,370	\$804,221	\$1,162,941	\$349,515	\$3,151,983	\$291,785	\$55,642
Earned Revenue/sqft	-	\$26/sqft	\$34/sqft	\$25/sqft	\$105/sqft	\$81/sqft	\$18/sqft	\$5/sqft	\$2.75/sqft

Arts Center Comps: Assumptions Reference

	The Malden Arts Center	The Cambridge Foundry	Center for the Arts at the Armory	Arlington Center for the Arts	The New Art Center (Newton)	The Marion Art Center	The Boston Center for the Arts	Art Space Maynard	Northampton Center for the Arts
Space (Square Feet)	26,500	50,000	20,585	30,964	10,978	4,288	172,346	55,000	20,212
Staffing Levels	-	-							
Payroll Expenses	-	-	(\$168,563)	(\$525,024)	(\$484,505)	(\$78,954)	(\$1,139,056)	(\$161,662)	(\$118,792)
Payroll Expenses as a % of Operating Expenses	-	-	40.1%	64.4%	40.2%	52.7%	46.2%	46.3%	69.8%
Year of Budget*	-	-	2020	2021	2021	2020	2021	2020	2021
Program Services	-	-	\$340,090	\$507,750	\$897,657	\$41,371	\$1,515,318	\$298,643	\$93,501
Contributed Income % of Total Revenue	-	-	\$33,031 8.65%	\$410,557 44.67%	\$265,284 22.8%	\$92,894 49.3%	\$1,221,637 34.3%	\$11,843 3.8%	\$131,609 58.3%
Other Revenue	-	-	\$8,900	\$878	-	\$54,033	\$823,667	\$400	-
Total Income	-	-	\$382,028	\$919,185	\$1,162,941	\$188,298	\$3,560,622	\$310,886	\$225,910
Total Operating Expenses	-	-	(\$420,406)	(\$815,154)	(\$1,204,143)	(\$149,819)	(\$2,463,088)	(\$349,136)	(\$170,248)
Net Income	-	-	(\$38,378)	\$104,031	(\$44,350) \$221,936**	\$38,482	\$1,097,534	(\$38,250)	\$55,662

Notes: *Some Budgets are from 2020 because some exempt organizations do not have publicly released detailed filings for 2021

**PPP Loan Forgiveness

04

Operations Proforma



Operating Budget Assumptions

Based on the market analysis and comps, the Malden Arts and Cultural Center should consider a mix of classroom and event space, artist studios for resident artists on a monthly basis with some smaller fraction as hourly-rate rentable studio space, with some gallery and performance space.

The breakdown of rental income, programming revenues and membership rates will be heavily contingent on the types of artists, non-profits and theater companies that have expressed interest or need for more space, as well as other sources of income such as rental income from a coffee shop tenant and potentially parking fee revenues.

The following questions are a handful of guiding questions that will be useful in the determination of the potential use mix and other operating pro forma assumptions.

Pinning down the Assumptions:

- For the arts studio spaces has there been interest in the community for resident artist spaces (monthly basis) or more for temporary workspaces which would be charged on an hourly basis? Will subsidized or sliding scale pricing be implemented for rental spaces?
- Are the performance spaces intended have permanent theater seating or a mix of standing room and temporary seating?
- For performances will there be concessions on-site? Will the potential coffeeshop/teashop provide concessions for performances and events? Have theater companies expressed interest in rehearsal/performance space or is the performance space going to be geared towards music, comedy shows etc.?
- Will there be space set aside specifically for classes separate from event spaces?
- Are seasonal camps for kids and other youth programming going to be included in program options?
- A lot of comparable arts centers rely on some level of grant funding. How will this be addressed?
- What types of artists, non-profits and theater companies have expressed interest or need for more space? Studio space on a monthly rental basis vs hourly rental rates will be contingent on the types and level of demand from local artists. (e.g., painters might not want a basement studio, but a photographer would use a darkroom)