



San Luis Obispo Museum of Art (SLOMA)

New Building Facilities and Operations Focused
Feasibility Study

Final Report

Prepared by:

Lord Cultural Resources
Cost+Plus

February 2024

Lord Cultural Resources is a global professional practice dedicated to making the world a better place through culture.

We assist people, communities, and organizations to realize and enhance cultural meaning and expression.

We distinguish ourselves through a comprehensive and integrated full-service offering built on a foundation of key competencies: visioning, planning and implementation.

We value and believe in cultural expression as essential for all people. We conduct ourselves with respect for collaboration, local adaptation and cultural diversity, embodying the highest standards of integrity, ethics and professional practice.

We help clients clarify their goals; we provide them with the tools to achieve those goals; and we leave a legacy as a result of training and collaboration.

Our Toronto office is located within the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples. Our New York office is located on the traditional lands of the Lenape peoples. Our Long Beach office is located on the land of the Tongva/Gabrieleño and the Acjachemen/Juaneño Nations, who have lived and continue to live here.

We encourage you to acknowledge the presence of the people who came before, wherever you are.

EXECUTIVE SUMMARY

This operations-focused feasibility study is intended to provide the foundation for a subsequent fundraising feasibility study, detailed architectural design, and then a capital fundraising campaign to lead to a long anticipated and needed new building for the San Luis Obispo Museum of Art (SLOMA) at its existing site. The current building has a wide variety of deficiencies and its small size limits opportunities to display more works of art, offer additional community programming, and to generate revenue from venue rentals and other earned income sources.

The recommendations in this feasibility study take into account the experience of comparable art museums, especially those without permanent collections, as well as other existing museums in and near San Luis Obispo. The recommendations also emerge from an analysis of the existing SLOMA operation, and of potential resident, school and tourist markets for San Luis Obispo and SLOMA in particular. And the recommendations take into account feedback and direction from internal workshops, an external interview process, the SLOMA strategic plan, and the judgment and experience of the consultant team.

The SLOMA Board-approved recommendations became assumptions for a new SLOMA facility and operation that in turn became the basis for capital cost estimates and projections of attendance, operating revenues and expenses for the future SLOMA. Among the key assumptions are the following points:

Key Assumptions for Future SLOMA

- SLOMA will remain a non-collecting institution for the foreseeable future. This helps to limit the size of the building and the capital and operating cost requirements.
- The SLOMA brand will be retained.
- The start of construction will be in 2028, which will be tied to the 60th anniversary of SLOMA, with the opening of the new building in 2030.
- At this pre-design stage, the net useable square footage for the new building is assumed to be 19,250 net square feet (nsf), of which 9,000 nsf will be gallery/exhibition space, compared to the current 3,814 nsf of exhibition space. The new building will also include a multi-purpose space for programs, events and venue

rentals and a classroom/artmaking space. Other assumptions include more building and exhibit support and additional office space.

- The total building size at this pre-design stage of planning is 26,950 gross square feet, which takes into account circulation, mechanical and electrical spaces, as well as wall thicknesses.
- The larger SLOMA facility and more exhibitions, public programs, venue rentals and other revenue generation will require a growth in the SLOMA staff from the current 6.5 FTE to 12.5 FTE.
- Rather than the current completely free admission, the assumption is that visitors in the future will be asked to “pay what you can.” This will still allow for free admission to those who believe they cannot afford to pay, but also encourage many visitors to value their experience in SLOMA by donating to it.
- With additional spaces and staff, more substantial earned income will be generated from admissions, venue rentals, retail sales, including an integrated coffee bar, artmaking and other public programs, There will also be additional revenues from memberships, donations and sponsorships and the seeking of additional operating funds from government sources.
- The capital campaign for the new SLOMA will include raising an additional \$1 million in endowment principal. Ideally, the capital fundraising campaign will include a larger endowment amount.

Capital/Project Costs

At this stage of planning, the capital and project cost estimates total about \$54.8 million. This includes construction and demolition costs, other capital costs and contingencies and escalations to the construction bid period in the first quarter of 2028, with assumed construction completion by 2030.

In addition to demolition and construction costs, the capital costs include an allowance for furniture, fixtures and equipment, as well as professional and other fees. There is also a preliminary allowance of \$2 million for development of a sculpture park, taking site development uncertainties into account, and the acquisition of works of art for the park. Project costs also include an assumed endowment growth of \$1 million.

Attendance, Operating Revenue and Expense Projections

On-site attendance levels are estimated to be a stabilized 75,000 annual visitors. Attendance figures will be higher in the opening two years, especially in Year 1 when the curiosity factor and media coverage lead to a projected attendance of 90,000 annual visitors compared to the current 45,000.

The total annual operating budget, in 2024 dollars, is estimated to grow from close to \$1 million to the \$2.1 to \$2.2 million range, which is similar to those of comparable art museums. Earned income levels are projected to stabilize in the range of 32% of

operating revenues, which is also within the common range, compared to the current level of about 11%.

After taking operating expenses into account the gap between earned income plus base level figures for private and government support and the operating expenses of the future SLOMA, the *additional* amount required to break even on operations from private and government sources is projected to be in the range of \$424,000 to \$490,000 per year.

The projections reflect the reality that a substantially expanded and enhanced SLOMA will lead to better service to the community and region and result in increased attendance and earned income, but higher staffing and other operating costs will exceed the revenues that may be generated.