

# BUSINESS PLAN CHIP HOLT NATURE CENTER

**JANUARY 2008**



**SUBMITTED BY LEO DOWNEY**

## **EXECUTIVE SUMMARY**

The Holt Nature Center is located on the north end of Conesus Lake, and is 30 miles south of the City of Rochester. The Town of Livonia operates and owns the center. The town's park and recreation committee provides guidance. The nature center is the only environmental and outdoor recreation facility in Livingston County, and should be so recognized by government officials. Moreover, Conesus Lake is arguably the primary environmental resource in Livingston County. The center will be an invaluable source of education and information regarding the lake. A friends group for the center may be established. The purpose of the friends group would be to provide financial assistance and managing the center for the town.

The nature center's two primary programming requirements are interpretive (cultural and nature history) and outdoor recreation. Programming will be developed for the general public, local schools and BOCES and municipal recreation programs. The programs for the schools and BOCES will be based on the NYS Science Syllabus. Instruction will be conducted by the nature center staff, in conjunction with schools and municipal recreation departments. At the south end of Conesus Lake, there are nesting Bald Eagles. The Holt Nature Center will work with the New York State Department of Conservation (DEC) to develop an eagle cam. The public would be able to view the eagle cam at the center. In conjunction with the cam, staff at the center will conduct programs for the public on the Bald Eagle. The Holt Nature Center would become the home of the eagle cam.

The Holt Nature Center is 1000 sq. ft. It is planned to include audio and visual interpretive kiosks, bird feeder and eagle cam for independent interpretation. The interpretive kiosks and eagle cam will be located inside the center. Future expansion of the existing center's current building would include two classrooms, nature store, auditorium and display preparation room. The classrooms would each hold 25 students. The auditorium would have seating for 50. The nature store would be operated by the friends group and about 200 sq. ft. The preparation room will be of sufficient size to allow staff to prepare displays and programming resources. The nature center will seek grant funding from NYS State Parks and other public and private environmental agencies for this capital expansion.

The projected revenues from the nature store would be an average of \$2.00 per visitor. It is expected that 10,000 visitors would attend programs during the center's first year of operation. Based on other nature centers in the area, an increase of 20% per year over the next five years is projected. With an annual attendance of well over 20,000 visitors by the end of 2012.

## **OBJECTIVES**

The Holt Nature Center's objective is to become the leading environmental facility in the western Finger Lakes for interpretive and outdoor recreation programming. The center is targeting four counties as their geographical area of programming service - Livingston, Monroe, Wyoming and Ontario.

- 2008 Livingston and Wyoming
- 2009 Livingston, Wyoming and Ontario
- 2010 Livingston, Wyoming, Ontario and Monroe

The overall programming objectives are as follows:

- Environmental instruction to 100% of all schools within Livingston County
- Outdoor recreation programming to 100% of all youth programs within Livingston County.
- Environmental instruction to 25% of all schools within the four county target area
- Outdoor recreation programming to 25% to all youth programs within the four county target area
- Visitor attendance of 10% of the population in the four county target area.

## **MISSION**

The Holt Nature Center provides interpretive (natural and cultural history) and outdoor recreation programming to the general public and schools for the stewardship of Conesus Lake and environs and the ecosystem of the Finger Lakes.

## **KEYS TO SUCCESS**

The keys to success for the Holt Nature Center are as follows:

1. Hiring of a professional staff person to be Nature Center Director
2. Being the primary source of information on the environment of Conesus Lake.
3. Using college interns and volunteers to augment programming and instruction
4. Securing funding for personnel services, OTPS and maintenance fund.
5. Securing funding for capital expansion.
6. Developing and conducting programming in partnership with schools and BOCES based on NYS Science Syllabus.
7. Developing and conducting outdoor programming for youth and general public.
8. Creating interactive displays that are constantly updated.
9. Establishing a maintenance fund
10. Developing marketing strategies for the four county target service area.
11. Developing public and private partnerships

## **HOLT NATURE CENTER SUMMARY**

The center is positioned to meet the growing needs by schools for tangible learning methods to compliment the NYS Science Syllabus, and the growing trend by the public for participation in outdoor recreation activities and water access. The New York State Comprehensive Outdoor Recreation Plan (SCORP) indicates that over 75% of all New Yorkers participate in some form of outdoor recreation. Furthermore, that there is a high need for nature study and relaxing in the park.

The Holt Nature Center will be clean and inviting to the public. Interpretive displays will be updated regularly to keep the programming fresh and interesting for the public. The nature store will be well merchandized with environmental items that will be reasonably priced for everyone to afford. The staff will make all visitors to the center feel welcome and comfortable. The visitor to the center will want to spend time there and will return often bringing their friends. Excellent customer service will be the rule and not the exception.

### **START UP SUMMARY**

- **EXPENSES** - salaries, other than personnel services (otps), exhibit and display costs, marketing costs. The initial start up funding to open the doors to the public is \$49,000. The breakdown for these expenses is listed under the Strategy and Implementation Strategy. Because the product of the center is instruction and education, the majority of the start up expenses is personnel costs. The current assets for the nature store, buildings and investments would be more workable and realistic after the center has been in operation for one year. Therefore, the business plan defers those numbers at this time. As an example, any investment costs for expansion would be at the mercy of supply and labor costs for that time period. Projecting an expansion cost for classrooms, auditorium, etc. at the current \$1.25 - \$1.50 per square foot would not be a true guide for planning future construction costs.

**TOTAL START UP EXPENSES** \$49,000 (June 1, 2008 through May 31, 2009).

**START UP ASSETS NEEDED**

**CASH BALANCE ON STARTING DATE**

**START UP INVENTORY (nature store)** \$-0-

**OTHER CURRENT ASSETS**

**TOTAL CURRENT ASSETS**

**LONG TERM ASSETS**

**TOTAL ASSETS**

TOTAL REQUIREMENTS  
FUNDING  
INVESTMENT (private and or other) (to be determined)  
TOTAL INVESTMENT  
CURRENT LIABILITIES

ACCOUNTS PAYABLE  
CURRENT BORROWING N/A  
OTHER CURRENT LIABILITIES  
CURRENT LIABILITIES  
LONG TERM LIABILITIES  
TOTAL LIABILITIES  
LOSS AT START UP

TOTAL CAPITAL  
TOTAL CAPITAL AND LIABILITIES

## **PRODUCT DESCRIPTION**

The Holt Nature Center provides instruction and education in outdoor recreation activities and environmental interpretation for schools, general public, youth, seniors, etc., in the four county area of the western Finger Lakes. Many outdoor and environmental enthusiasts would participate more often if they had training and instruction available to them. Interpretive instruction and tactile reinforcement creates a better understanding of one's surroundings and ecosystem. This instruction aids the individual in using all their senses for interpretation, creating a more enlightened appreciation and a sense of stewardship for nature.

The nature center director will provide instructional and educational services in environmental interpretation and outdoor recreation through workshops, programming sessions, self interpretive kiosks, eagle cam display, outreach and assisting teachers with Project Wild, Project Wet, etc., training modalities, when their classes attend the center.

## **COMPETITIVE COMPARISON**

There are no nature centers within the 20 mile radius of the Holt Nature Center (the center is the only nature center in Livingston County). The distance of 20 miles is key, because it includes the geographical area targeted for reach of services within the first year of operation. Also, there are approximately the following schools within this range: Livonia, HFL, Geneseo, Avon, Caledonia, Dansville, York, Honeoye, Mt. Morris and Wayland Cohocton. The closest nature center that offers outdoor recreation programming is Cumming, which is located in Naples. However, Cumming Nature Center does not have access to a water ecosystem like Holt.

By focusing initially on this 20 mile radius, Holt can establish a footing without worrying about competition in a geographical area that consists of 80,000 people. The long term goal of providing instructional outdoor recreation and interpretive services to a four county area is a 40 mile radius that consists of over 900,000 people. Within this range there are a number of established nature centers. The City of Geneva is the closest that provides programming on a Finger Lake. Holt's position on Conesus Lake must be used as an advantage when expanding services to the 40 mile radius.

## **SALES LITERATURE**

The Holt Nature Center will provide brochures that will be distributed to all the schools and recreation departments within the four county catchment area. Points of distribution for the general public should be based on marketing studies and professional organizations (chambers of commerce) that can provide assistance. Other types of literature besides brochures should also be explored. As an example, a newsletter would be a valuable asset.

## **FUTURE PRODUCTS**

It is expected that as the center reaches out to its long range goal of providing services within a 40 mile range that the expansion of the center to include classrooms, auditorium and exhibit preparation room will meet the increased and diversified programming demand.

## **TECHNOLOGY**

The Holt Nature Center will use the audio and visual technologies provided by sister nature centers, such as Cornell Ornithology, to aid program instruction and to display exhibits for schools and the general public. The eagle cam will be a primary interpretive exhibit at the center. The center will create a web page and use this mechanism for internet commerce or business. People will be able to order nature items and the center will use a consignment only purchase procedure in filling these orders.

## **MARKET ANALYSIS**

The four county catchment area has a population of over 900,000 people. The major concentration of the population is within the City of Rochester at 220,000 people. There are suburban areas around the city with an additional population of 500,000 people. This amounts to over 730,000 people for Monroe County, and would fall within the Holt

Nature Center’s 40 mile radius. The remaining counties in the four county target area are basically rural with numerous villages. The only exceptions would be the cities of Canandaigua and Geneva, and they lie within a 40 mile radius. The rural and village makeup would be the primary market of the 20 mile radius.

The trend for “green” programming has increased steadily, and is expected to be a consumer need for the center’s area of service. Ecotourism is a burgeoning market and a perfect “green” program for the center, because it can be packaged as a day trip or weekend activity for the market.

#### MARKET SEGMENTATION

The Holt Nature Center’s market segment as a whole is the entire population of western New York and the Finger Lakes Region. SCORP projects a growth rate of over 5% in all outdoor recreation programs, other than field games and basketball, by the year 2020. This increase in demand will require more programs, instruction and facilities.

#### MARKET ANALYSIS TABLE

##### STATEWIDE FIGURES

<b>Relax in Park</b>	<b>Growth 5.26%</b>	<b>1998 - 10,901,801</b>	<b>2020 - 11,475,000</b>
<b>Hiking</b>	<b>Growth 4.87%</b>	1998 - 3,150,310	2020 - 3,303,280
Historic Sites	Growth 6.38%	1998 - 3,682,223	2020 - 3,917,109

# STRATEGY AND IMPLEMENTATION PLAN

## STRATEGY AND IMPLEMENTATION SUMMARY

Revenues	2008-09	2009-010	2010-11
Member Item	\$30,000	\$30,000	\$20,000
ZBGA Grant	\$ 1,500	\$ 2,500	\$ 2,500
Partnerships	\$ 5,000	\$ 7,500	\$10,000
Christmas Bird Seed	\$ 2,500	\$ 2,500	\$ 2,500
State Education Grant	\$ 0	\$ 5,000	\$25,000
Office of Family	\$ 0	\$ 5,000	\$ 5,000
Web Page Ads	\$ 2,500	\$ 2,500	\$ 2,500
Private Contributions	\$ 2,500	\$ 2,500	\$ 2,500
Office of the Aging	\$ 5,000	\$ 5,000	\$ 5,000
Ecotourism	\$ -0-	\$ 1,500	\$ 2,500
Projected Revenues	\$49,000	\$64,000	\$75,000

### Expenditures

Salary for Director	\$20,000	\$24,000	\$28,000
Admin. Asst.	\$ 8,000	\$10,000	\$12,000
O/M	\$10,000	\$11,000	\$12,000
Displays	\$ 5,000	\$ 7,500	\$10,000
Supplies	\$ 5,000	\$ 7,500	\$10,000
Projected Expend.	\$48,000	\$60,000	\$72,000
BALANCE	+\$1,000	+\$4,000	\$ 2,500

NARRATIVE OF REVENUES/EXPENSES - It is planned that the center has programming for the public starting on June 1, 2008. By doing this, it provides the center 6 months to identify revenue sources. Also, The projected amount of revenues to be raised (\$49,000), for the first year of operation (2008-09), gives the center 18 months rather than 12 months to reach its revenue goal.

The primary revenue source for the first three years of operation is a New York State Member Item. Because of the significance and impact of the center to the residents of Livingston County, the center will present this business plan to the Livingston County Board of Supervisors requesting their assistance in submitting a legislative intent form to Senator Dale Volker and Assemblyman Joseph Errigo for a Member Item. A Resolution

by the Board of Supervisors, indicating the significance of the center to the residents of Livingston County, and the environmental health of Conesus Lake is requested by the center to accompany the application by the county for a Member Item. The grant from the Senator and Assemblyman provides the required fiscal stability for the first several years of operation. It provides a financial basis that allows the center more time to develop other sources of revenue that require planning and development.

The ZBGA (zoos, botanical, gardens and aquariums) grant program is administered by the New York State Office of Parks. The funds are distributed to nature centers and other environmental organizations statewide and require an application for funding. New applicants are usually provided a nominal source of funding the first few years.

Partnerships are a common revenue source for nature centers. Most often businesses and other professional organizations assist environmental and school programs. Due to the obesity epidemic in our country, insurance companies have provided funding to organizations promoting exercise and good health. Rochester based insurance companies have been involved with health promotion and would be a good candidate for a partnership. Noyes Memorial Hospital would be another good candidate.

The Christmas Bird Seed sale is an annual event conducted by most nature centers in conjunction with their annual bird count. This would be an excellent revenue source for the center if the Conesus Lake Association and or Boy Scouts would help promote the program.

A State Educational Grant would be applied for as part of a revenue source for the third year of operation. BOCES and local schools have opportunities to apply for grants that improve pupil performance, Teachers of Tomorrow, extended school day, innovative education strategy programs, etc. All of these grant objectives can be conducted at the center through environmental and recreation programming.

The Office of Children and Family Services and The Office for the Aging have on-going grant programs that are distributed through their county offices. Summer recreation programming for children in the county should include outdoor recreation and environmental interpretation. The county now has the center to offer these programs. Seniors also need a place to recreate in a healthy and natural way that can be relaxing and informative. The center can offer such programs.

Web page ads would be sold as part of the home page the center would have on programs and information. The web cam on the eagles would be part of the web page.

Ecotourism would be offered starting the second year of operation. Basically, it would involve a weekend package using the local businesses for lodging, food and shopping. The center would provide programming from Friday night through early Sunday afternoon. A program fee would be charged for the whole weekend package.

EXPENDITURES - The majority of costs will be personnel for a nature center director and administrative assistant.

MARKETING STRATEGY - As the only nature center in Livingston County, our marketing strategy must focus on the 64,000 residents that live in the county. There are a few hot button issues regarding Conesus Lake. The problem with algae and other environmental issues with Conesus Lake has created high visibility with local government officials and the public. Also, SUNY Brockport and SUNY Geneseo has an on-going study regarding the quality of the lake and its watershed.

The Holt Nature Center can act as a spearhead to develop and disseminate environmental information about the lake, on a regular basis, to the public. This will be done by reaching out to the local schools, the Conesus Lake Association, government officials and the general public, by providing programming through interactive displays, instructional classes, workshops, etc. from professional staff, teachers and environmental staff. During the second year of operation, the center will look into the viability of conducting several weekend ecotourism programs. The Bald Eagle nests at the south end of Conesus Lake makes ecotourism programming a strong possibility.

PRICING STRATEGY (nature store, fee based programming, etc.) It is projected that the nature store will be available by January 1, 2011. During 2008-2010, the Holt Nature Center will consider selling a limited amount of nature supplies on consignment by using their web site, and or contact at the center. The pricing of these items will be provided to the public on a limited profit margin. The amount of 25-30% profit above gross expenditures is reasonable. By creating a limited profit margin, a higher reach and frequency for the target audience (Livingston County residents) can be realized. Thus, becoming a key component of the marketing strategy.

PROMOTION STRATEGY - The Holt Nature Center will become the leading voice in the county on environmental issues confronting Conesus Lake. To initiate this mission, the Holt Nature Center will request that the Livingston County Board of Supervisors issue a Resolution, so stating this responsibility and importance to the environment of Conesus Lake and Livingston County. At the presentation of the Resolution, appropriate press coverage will be scheduled. The Holt Nature Center's mission will be further promoted through the County Board of Supervisors, local schools and the Conesus Lake Association, by all authorities available to them for the benefit of the residents of the county.

MANAGEMENT RESPONSIBILITIES - The Holt Nature Center (friends group) will establish a sub-committee for promotion and marketing. The sub-committee will report to the full Holt Nature Center committee.

TRACK RESULTS - The best tracking result would be attendance at programming at the nature center.

BE SPECIFIC - The goal for attendance at the center is 10,000 visitors for the year 2008.

**PRO FORMA (nature store)**

**The Pro Forma for the nature store would figure on 20,000 visitors at \$2.00 per visitor by the fiscal year 2011**

GROSS PROFITS - \$40,000

NET PROFITS \$20,000

EXPENSES \$8,000

NET BALANCE \$12,000

## **MANAGEMENT SUMMARY**

This section explains the credentials and experience of the management team, the future personnel needs that include projections of personnel costs and the gaps in management that need to be filled.

### **ORGANIZATIONAL STRUCTURE**

The Livonia Town Supervisor and Livonia Town Board are the controlling officers of the center. The current Parks and Recreation Committee provides comments and suggestions on an ad hoc basis to the supervisor and town board. A Friends Group 501(c)3 will be formed to aid the supervisor and town board with operation and funding for the center. The Livonia Town Attorney will assist in the legalities of forming a Friends Group.

### **MANAGEMENT TEAM**

Will be comprised of the Friends Group and Livonia Town Government.

## MANAGEMENT TEAM GAP

The following management personnel will need to be added to effectively grow at the rate projected(example): (VOLUNTEERS)

- Controller/Systems Administrator
- Director of Marketing
- Nature Store Manager
- Audio Visual Technician
- Volunteer and Training Director
- Chief Financial Officer
- Director of Development

## PERSONNEL PLAN

The plan illustrates the personnel needs and salary for the next 3 years.

<u>Position</u>	<u>2008-09</u>	<u>2009-010</u>	<u>2010-011</u>
Nature Center Director	\$20,000	\$24,000	\$28,000
Administrative Asst.	\$ 8,000	\$ 10,000	\$12,000

## WEB PLAN SUMMARY

The Holt Nature Center should establish a plan on how they expect to use the internet. An example of this would be website design and e-commerce.

## FINANCIAL PLAN

The growth of the Holt Nature Center will be financed by grant funding, donations, membership, partnerships, nature store sales, town revenues, Conesus Lake Association, school and BOCES contributions and other government sources. Initially, a maintenance fund will be established by seeking a donation from a private source.

### IMPORTANT ASSUMPTIONS

- There is no projected borrowing
- A trust fund of \$1,000,000 will be established within 5-10 years. The interest from the trust fund will pay for the annual on-going personnel and operating expenses.
- A maintenance fund will be established
- A capital fund will be established
- A nature store will be established to generate revenues and market the center.
- The financial plan and records will be audited by the Town of Livonia on an annual basis.
- The friends group will work independent but in partnership with the Town of Livonia

### KEY FINANCIAL INDICATORS

- Sales
- Gross Margin %
- Operating Expenses
- Inventory Turnover
- Awarding of grants

### BREAK EVEN ANALYSIS

- Monthly Units Break even
- Monthly Revenue Break even
- Assumptions - avg. per unit revenue, avg. per unit variable cost, estimated monthly fixed cost

### PROJECTED PROFIT AND LOSS (Pro Forma)

#### Example for Nature Store Sales

- Sales
- Direct Cost of Goods

- Payroll
- Other
- Cost of Goods Sold
- Gross Margin
- Operating Expenses
- Total Sales
- Marketing Expenses
- Administrative Costs
- Total Operating Costs
- Profit

#### PROJECTED CASH FLOW

The first 9 months of operation is the most critical period of time. This takes on even a more critical nature because of the timing of the awarding of a Member Item grant. Historically, these type of grants cannot be depended on by a specific date. Bridge funds may have to be identified if we do receive a verbal approval from the Assemblyman and or Senator.

#### LONG TERM PLAN

This is usually a 3-5 year plan and projection. It is projected that within 5 years the expansion will be completed and a full time nature center director will be hired. Also, that a trust fund has been established and well over 60% of the corpus has been raised.

