

# The Community & Economic Impact of the Chesapeake Bay Maritime Museum (CBMM)

Assessment of FY20 Impacts & Phase I of CBMM's Master Plan



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Cover photo courtesy of Hunter H. Harris, Aloft Aerial Photography

## **Study Overview**

The Chesapeake Bay Maritime Museum (CBMM) commissioned this study to assess the economic and cultural impact of CBMM and its operations. The research was conducted by Rockport Analytics, an independent market research & consulting company, using a time-tested approach that has been applied to many events and attractions of varying scope and size. The primary goal of the study was to analyze the full economic contribution that CBMM's operations bring to St. Michaels, Talbot County and the state of Maryland. The study also aimed to measure ancillary benefits of CBMM such as the educational, community and cultural benefits that CBMM brings to the immediate region and the state of Maryland. The study covers CBMM's FY20, which ran from March 1, 2019 to February 29, 2020. The study also provides an assessment of the projected impacts from CBMM's Phase I expansion project, which has been underway since late 2019 and is expected to be completed by 2023.

## **About the Chesapeake Bay Maritime Museum (CBMM)**

Established in 1965, CBMM is a non-profit educational organization dedicated to preserving and exploring the history, environment, and culture of the entire Chesapeake Bay region and making this resource available to all. CBMM's campus includes a floating fleet of historic boats, 12 exhibition buildings and changing special exhibitions. CBMM's collection of historic Chesapeake Bay watercraft – maintained by shipwrights and their apprentices in their working Shipyard – is the largest in existence.

## **About Phase I of CBMM's Master Plan**

In mid-2017, CBMM began the process of developing a 20-year Master Plan that would guide the institution through its vision of becoming a world-class museum. The Master Plan's multi-year implementation will take place in several phases and during Phase I, new structures will be built with the goal of expanding the available multi-function space. These construction projects will also improve guest access and enhance their overall experience. Because of the significance of this project for CBMM and for the community (St. Michaels, Talbot County and Maryland), the current economic impact study has separately estimated the additional economic activity that would be generated through the projected construction costs and the resulting economic impact that these capital expenditures would have on Talbot County's GSP, employment and wages.

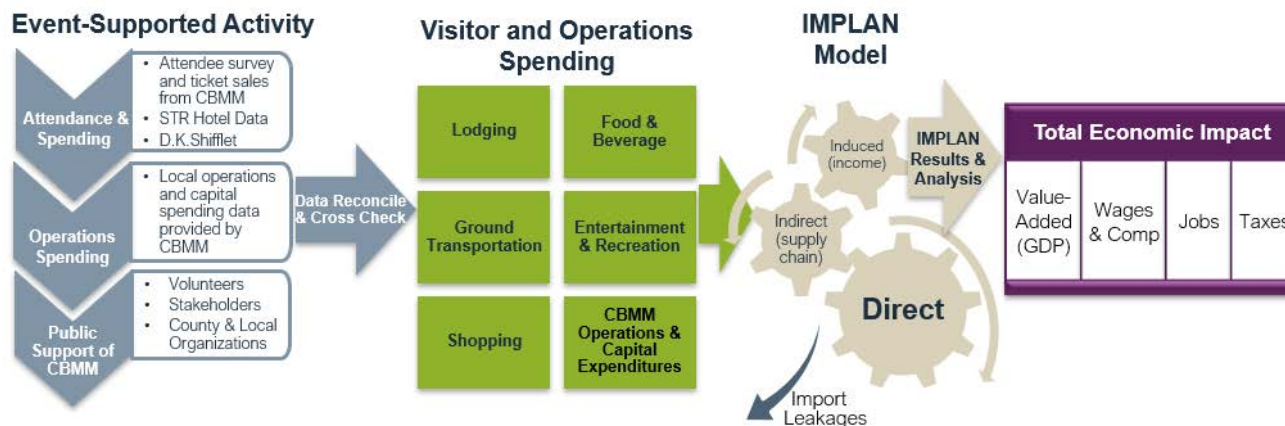


## Methodological Overview

Economic and fiscal impact assessment begins with isolating the various different spending streams that can be directly attributed to the event, attraction or activity that is being analyzed. In the case of CBMM, this measurement includes CBMM's operational and capital expenditures. Also included in our estimates are any visitor expenditures from those traveling at least 50 miles one way or completing an overnight stay. In order to be considered net-new economic activity that is attributable to the organization, CBMM must have been the primary reason for that visitor's trip into the area.

An input/output model is employed to assess how these expenditures flow through the state and local economies. Rockport Analytics has chosen the IMPLAN model for Maryland and Talbot County ([www.implan.com](http://www.implan.com)), a non-proprietary economic model that has become the de facto standard for economic impact assessments in the United States. This model is critical to measuring the direct, indirect and induced impacts of visitation to the county. IMPLAN also measures how much of each tourism dollar remains in the state and local economies. Total attraction-initiated expenditures generally exceed the direct impact of those expenditures. This is because not all goods and services purchased by visitors are supplied by firms located in the local area. The IMPLAN model accounts for these import "leakages"<sup>2</sup> to suppliers located outside of the county. Generally, the more diversified a local economy, the lower the import leakages and the higher the retention and multiplier effect of attraction-initiated expenditures.

For more detailed information regarding the estimation process, modeling specificity or data sources, see the full methodology appendix on pages 34-36 of the report.



<sup>2</sup> Leakages refer to goods and services that must be imported into to the county due to insufficient in-state capacity.

# The Economic Impact of the Chesapeake Bay Maritime Museum FY20

Visitor Profile & Spending Behavior



ROCKPORT  
ANALYTICS

# Visitor Activity is a Critical Component of CBMM's Economic Impact

## CBMM Welcomes Over 84,000 Attendees and 40,000 Main Purpose Visitors in FY20

While both operational and capital expenditures play a big role in the economic impact of CBMM, the primary driver of impact stems from CBMM's ability to attract visitors from outside of the area. When visitors come into town to see CBMM, many of those visitors also eat in local restaurants, shop in local stores and stay in local hotels, B&Bs, rental properties or marinas. The dollars spent by visitors represent new money injected into the local economy. While residents clearly benefit from CBMM as well, any money that residents spend in local establishments when visiting CBMM would likely be spent in the region with or without the existence of CBMM. The estimates included in our study only account for the spending of visitors who (1) traveled at least 50 miles one way to visit CBMM or (2) stayed overnight in the region. Further, it is important to include only the spending of visitors who are in the area *primarily* to visit CBMM as this spending is directly attributable to the existence of CBMM. We have described these visitors throughout the report as “main purpose” visitors.

As highlighted below, CBMM welcomed more than 84,000 attendees in FY20. Slightly less than a third of these attendees (26,715) were residents (visiting from within 50 miles) while the remaining 68% (57,602) of attendees visited from outside of the area or stayed overnight in paid lodging. Among these visitors, 70% were “main purpose” visitors, naming CBMM as the primary reason for their trip into the area. This includes 21,031 main purpose visitors from Maryland and 19,299 main purpose visitors arriving to St. Michaels from outside the state.

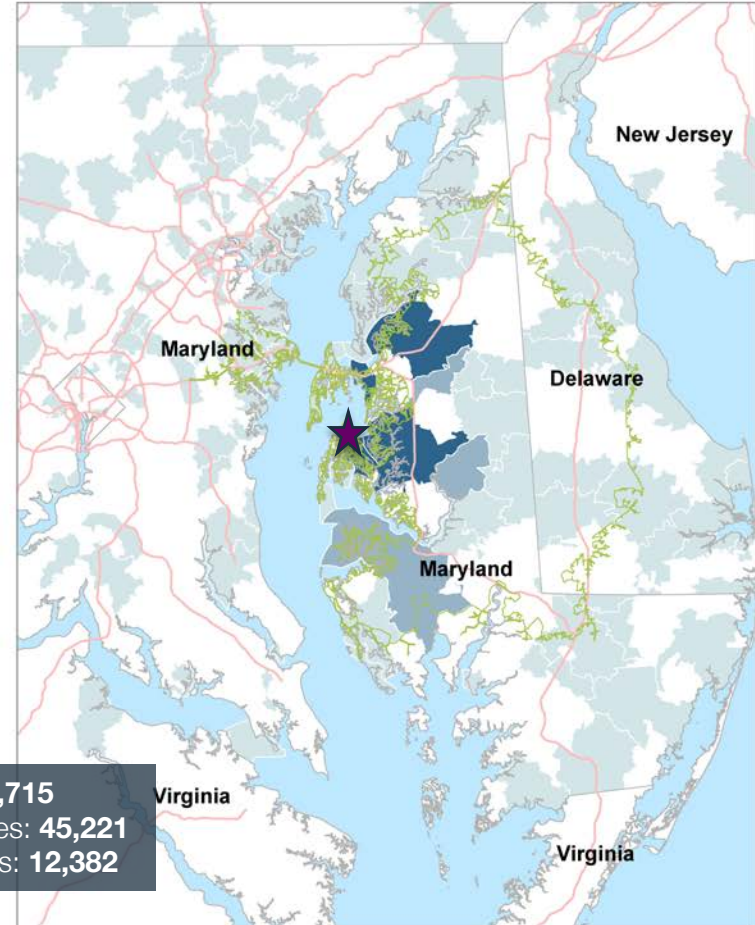
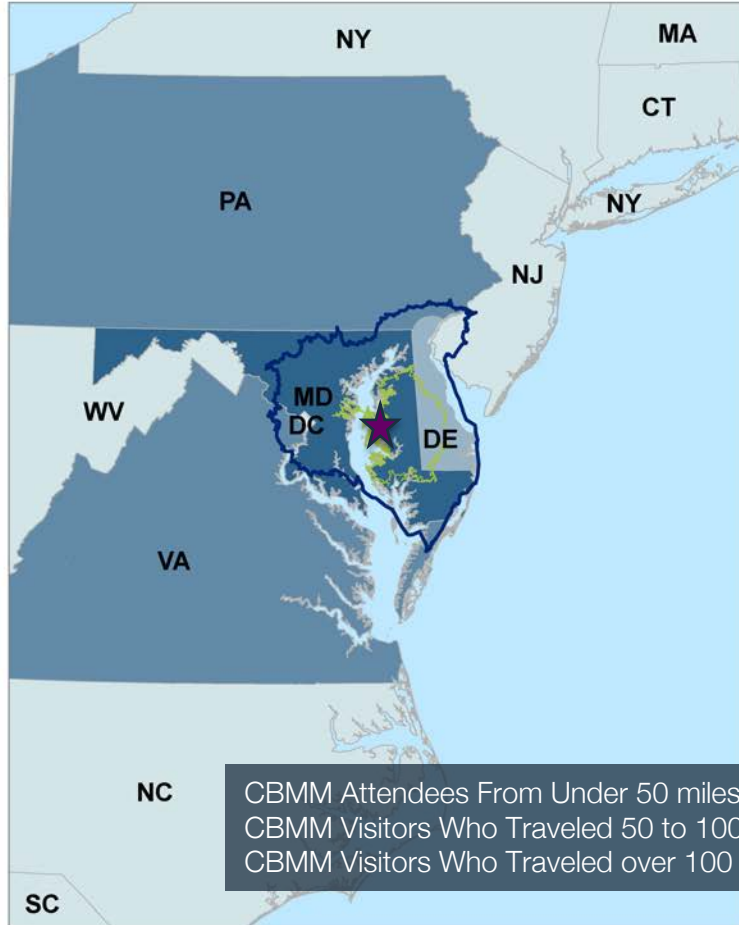
### CBMM Attendance: FY20

Attendee Type	Residents	“Non-Main Purpose” Visitors	“Main Purpose” In-State Visitors	“Main Purpose” Out-of-State Visitors	Total
Event Rental Attendees (e.g., weddings, corporate events, etc.)	2,092	-	552	1,835	4,479
Large Public Events (e.g., OysterFest, Sea Glass Festival, etc.)	3,448	1,273	7,253	5,803	17,777
PK-12 Education Attendance	7,596	-	-	-	7,596
General Admissions, Cruises & All Other Attendees	13,578	15,999	13,226	11,662	54,465
<b>Total CBMM Attendees</b>	<b>26,715</b>	<b>17,272</b>	<b>21,031</b>	<b>19,299</b>	<b>84,317</b>

**“Main purpose” visitors are key to driving economic impact to the region**



# CBMM Attracts Visitors from Across the Mid-Atlantic Region



**Share of Respondents by State**

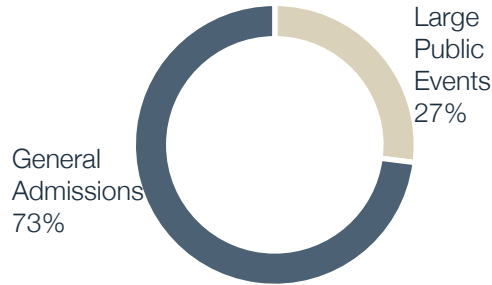


**Share of Respondents by ZIP Code**

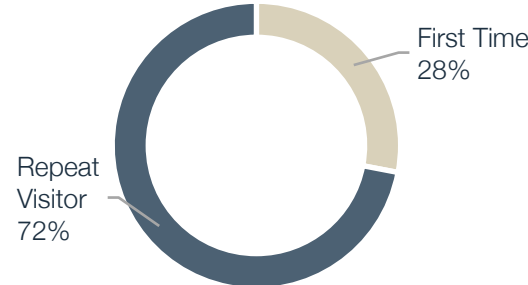


Source: Rockport Analytics, 2020

## Purpose for Attending



## First Time Vs Repeat Visitation



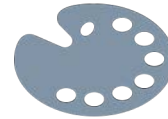
## Participation in Other Activities While in St. Michaels



**Shopping**  
39%



**Food & Beverage**  
57%



**Art Gallery or Museum**  
4%

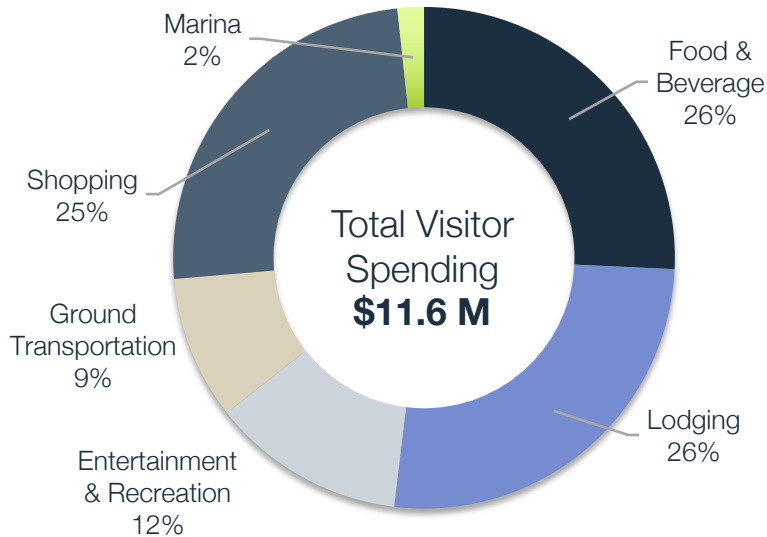
- Slightly more than a quarter (27%) of CBMM visitors attended one of the large public events held on campus in FY20. General admissions made up the remaining 73% of visitors.
- More than a quarter (28%) of CBMM visitors in FY20 were visiting CBMM for the first time while the remaining 72% were repeat visitors.
- Nearly two-thirds (60%) of out-of-state visitors stayed overnight in the region; 88% of those visitors stayed in traditional accommodations (hotel, B&B or vacation rental), while the remaining out-of-state visitors stayed aboard a boat or with friends or relatives.
- States with the largest share of CBMM visitors following Maryland include Virginia (12%), Pennsylvania (15%), Delaware (5%), New Jersey (4%).
- CBMM's visitors also participated in other activities during their trip to St. Michaels and they patronized food & beverage establishments (57%), retailers (39%) and other cultural institutions (4%).

Day vs Overnight Trip	In-State	Out-of-State
Day	66%	40%
Overnight: (Hotel, B&B, or Rental)	17%	53%
Overnight: (CBMM Dockage or Visiting Friend or Relatives)	10%	3%
Overnight: Marina (Outside CBMM)	7%	4%

<sup>1</sup>Profile results do not include outside event attendees



# \$11.6 Million in CBMM-Initiated Visitor Spending in Talbot County



Spending Category	Total Visitor Spending	Share of Total Spending
Food & Beverage	\$3.0 Million	26%
Lodging	\$3.0 Million	26%
Entertainment & Rec*	\$1.4 Million	12%
Ground Transportation	\$1.1 Million	9%
Shopping	\$2.7 Million	25%
Marina	\$198,000	2%
<b>Total</b>	<b>\$11.6 Million</b>	<b>100%</b>

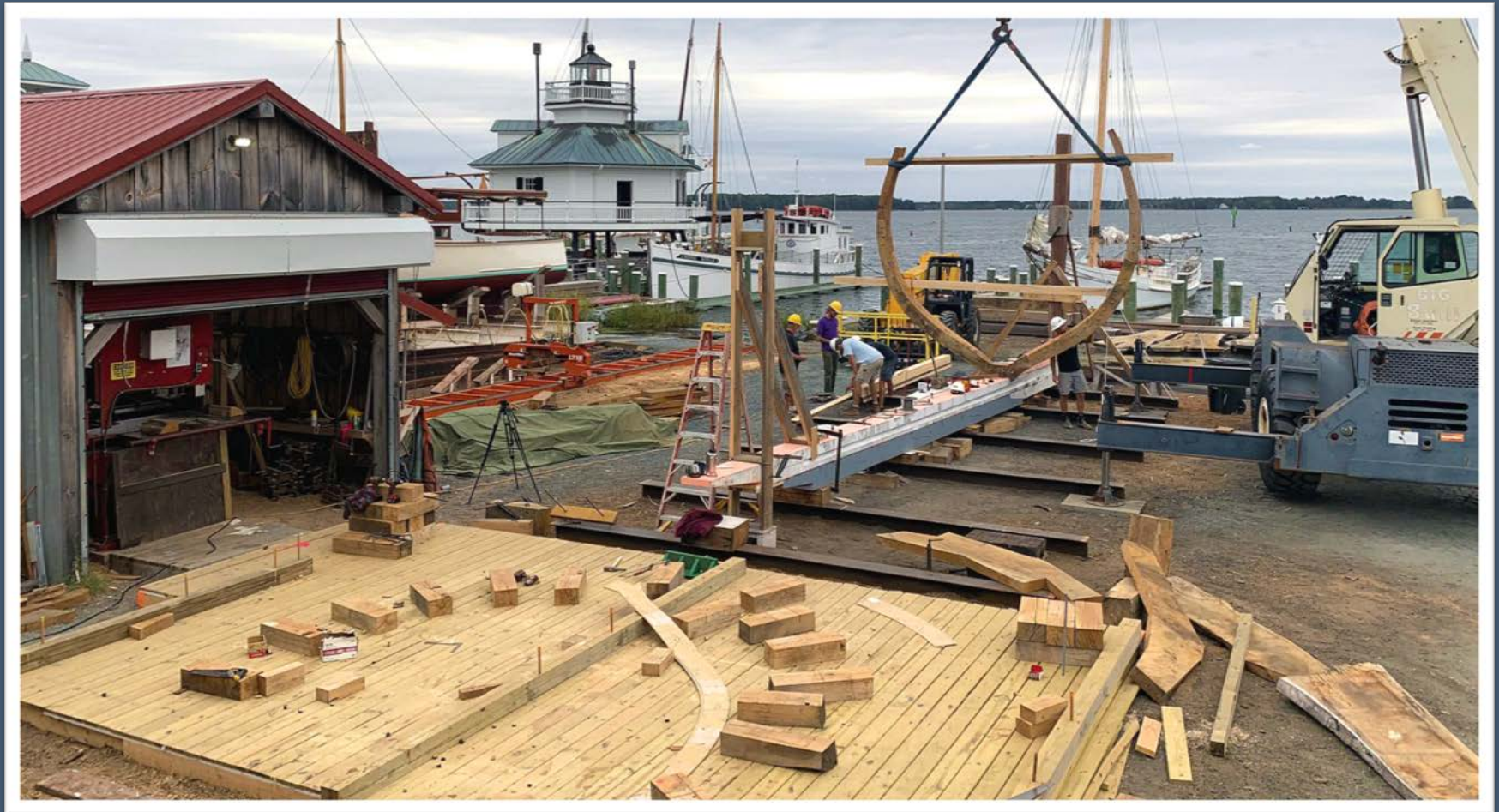
Sources: CBMM, D.K Shifflet, STR, Rockport Analytics

\*Excludes the price of admissions to CBMM which is accounted for in CBMM operations

- In FY20, the 40,330 “main purpose” visitors to CBMM spent more than \$11.6 million in travel-related goods and services. On average, these visitors spent \$288 within Talbot County during their trip, averaging \$220 in local spending per day. Visitors who stayed overnight in traditional accommodations (hotels, rental properties, B&Bs) had the highest per day spend at \$302. In contrast, those staying at nearby marinas spent \$233 per day and those visiting on day trips spent \$169 per day.
- With a variety of shopping and dining opportunities in St. Michaels, it is not surprising that a large proportion of visitor dollars were allocated to the food & beverage and retail categories. Visitors spent a total of \$5.7 million across these two categories, making up over half of CBMM visitor expenditures in FY20.
- Roughly 60% of out-of-state visitors stayed overnight and about 50% of them paid for traditional accommodation such as hotels and B&Bs. These stays coupled with relatively high average daily rates in St Michaels and Talbot County helped to drive \$3 million in lodging spend. Overnight visitors spent an additional \$197,000 on mooring and other fees in local marinas.

# The Economic Impact of the Chesapeake Bay Maritime Museum

Economic Impact Assessment of CBMM Operations



# Summary of Total CBMM-Initiated Spending FY20

<b>FY20 Spending by Source</b>	<b>St. Michaels</b>	<b>Talbot Co. (Includes St. Michaels)</b>	<b>Maryland* (St. Michaels &amp; Talbot Co.)</b>
Primary Visitor Expenditures	\$11,001,000	\$11,606,000	\$6,523,000
CBMM Operating Expenditures	\$239,000	\$696,000	\$1,263,000
CBMM MD Dove Expenditures	\$16,000	\$99,000	\$287,000
CBMM Capital Expenditures**	\$25,000	\$162,000	\$197,000
<b>Total</b>	<b>\$11.3 Million</b>	<b>\$12.7 Million</b>	<b>\$8.3 Million</b>

Sources: CBMM, D.K Shifflet, STR, IMPLAN, Rockport Analytics

**\*Maryland impacts only include the expenditures of out-of-state visitors**

\*\*Excluding Phase I Capex

- The visitor spending figures include only dollars spent by “main purpose” visitors: those traveling more than 50 miles or completing an overnight stay and naming CBMM as the primary reason for their trip.
- We estimate that main purpose visitors spent a total of \$11.6 million in Talbot County in FY20 with the lion’s share of that spending activity happening within the town of St Michaels. Net-new visitor expenditures in Maryland totaled over \$6.5 million and includes only the spending activity of out-of-state visitors.
- CBMM operations expenditures in Maryland were nearly \$1.3 million with nearly \$700,000 of those expenditures taking place within Talbot County. There were an additional \$2.6 million<sup>1</sup> in local payroll expenditures that benefit local workers directly and also add to the downstream impact of CBMM through wages that are re-spent in the local economy.
- The Maryland Dove project generated an additional \$287,000 in state expenditures in FY20 with nearly \$100,000 of those expenditures taking place within Talbot County, including \$16,000 in St. Michaels.
- Visitor spending and operational expenditures were reconciled with one another to avoid any double counting. For example, the price of CBMM admissions was subtracted from total reported visitor spending as this revenue directly funds CBMM.
- Master Plan Phase I capital expenditures were excluded from these FY20 capital spending totals and analyzed separately on pages 18-23 of the report.

<sup>1</sup>The \$2.6M does not include benefits & taxes of \$480,000



Location of Impact	Impact	Direct	Indirect	Induced	Total
St. Michaels	<b>Total Spending<sup>1</sup></b>	<b>\$11,282,000</b>			
	Employment	133	23	23	180
	Wages	\$3,974,000	\$960,000	\$1,013,000	\$5,947,000
	Value Added	\$5,408,000	\$1,381,000	\$1,820,000	\$8,609,000
Talbot County (Includes St. Michaels)	<b>Total Spending<sup>1</sup></b>	<b>\$12,562,000</b>			
	Employment	199	27	34	259
	Wages	\$6,297,000	\$1,089,000	\$1,516,000	\$8,902,000
	Value Added	\$6,063,000	\$1,564,000	\$2,724,000	\$10,351,000
Maryland (Includes St. Michaels & Talbot Co.)	<b>Total Spending<sup>1,2</sup></b>	<b>\$8,270,000</b>			
	Employment	169	14	37	220
	Wages	\$6,141,000	\$835,000	\$1,859,000	\$8,835,000
	Value Added	\$4,094,000	\$1,408,000	\$3,339,000	\$8,841,000

Sources: CBMM, D.K Shifflet, STR, IMPLAN, Rockport Analytics

<sup>1</sup> The FY20 impacts exclude Phase I capital expenditures which are analyzed separately in this report (pp.18-23)

<sup>2</sup> The visitor spending figures for Maryland include only net-new spending to the state (i.e., spending by out-of-state visitors)

- **Direct Impact** – Benefit that accrues to those Talbot County businesses that directly serve CBMM visitors and provide goods and services to support CBMM's operations.
- **Indirect Impact** – Benefit to the many local upstream firms that make up the supply chain of direct businesses.
- **Induced Impact** – Both direct and supply chain businesses pay wages to their workers. Most of the wages paid to local employees will be spent in Talbot County throughout the year at regional business that provide a broad range of consumer goods and services. This impact is sometimes referred to as the “ripple effect”.

# CBMM-Supported Economic Impact in Talbot County Exceeded \$10 Million in FY20

## FY20 CBMM-Generated Economic Impact in Talbot County (Value Added/Gross State Product)

Industry (NAICS) <sup>1</sup>	Direct	Indirect	Induced	Total
Accommodation & Food Services	\$3,796,000	\$128,000	\$171,000	\$4,094,000
Real estate & Rental	\$98,000	\$268,000	\$760,000	\$1,126,000
Arts- Entertainment & Recreation	\$1,025,000	\$40,000	\$49,000	\$1,114,000
Retail Trade	\$747,000	\$43,000	\$266,000	\$1,056,000
Professional- Scientific & Tech Services	\$169,000	\$295,000	\$158,000	\$622,000
Health & Social Services	-	-	\$578,000	\$578,000
Administrative & Waste Services	\$72,000	\$203,000	\$88,000	\$363,000
Finance & Insurance	\$2,000	\$127,000	\$177,000	\$306,000
Other Services	\$2,000	\$59,000	\$175,000	\$236,000
Wholesale Trade	\$39,000	\$79,000	\$95,000	\$214,000
Transportation & Warehousing	\$65,000	\$90,000	\$50,000	\$205,000
Information	\$4,000	\$112,000	\$57,000	\$173,000
Management of Companies	-	\$66,000	\$13,000	\$79,000
Educational Services	\$25,000	\$6,000	\$25,000	\$57,000
Construction	-	\$29,000	\$20,000	\$49,000
Utilities	-	\$6,000	\$37,000	\$43,000
Manufacturing	\$20,000	\$6,000	\$3,000	\$29,000
Ag, Forestry, Fish & Hunting	-	\$4,000	\$3,000	\$7,000
Mining	-	\$150	\$100	\$250
Government & non-NAICS	-	-	-	-
<b>Total</b>	<b>\$6,064,000</b>	<b>\$1,561,000</b>	<b>\$2,725,000</b>	<b>\$10,351,000</b>

Sources: Rockport Analytics, IMPLAN

<sup>1</sup>North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

- CBMM-initiated visitor spending and expenses for operations in Talbot County reached almost \$12.6 million in FY20 resulting in nearly \$10.3 million in total economic impact (value added) for the county's economy.
- More than \$6 million was generated in industries that typically are directly associated with visitor spending such as accommodation & food services and arts, entertainment & recreation.
- Fueled by expenditures from both museum visitors and CBMM's operations, the local supply chain and other downstream businesses benefited from an additional \$4.3 million.
- Numerous Talbot County industries that are not typically associated with CBMM activity benefit significantly from CBMM's operations including professional services, real estate, finance & insurance and health & social services.

# CBMM-Initiated Spending Directly Supported 200 Employees in Talbot County

## FY20 CBMM-Supported Employment<sup>1</sup> in Talbot County

Industry (NAICS) <sup>2</sup>	Direct	Indirect	Induced	Total <sup>3</sup>
Arts- Entertainment & Recreation	101	2	1	104
Accommodation & Food Services	72	3	4	79
Retail Trade	17	1	5	23
Administrative & Waste Services	2	5	2	9
Health & Social Services	-	-	8	8
Real Estate & Rental	-	5	2	7
Professional- Scientific & Tech Services	2	4	2	8
Transportation & Warehousing	4	2	1	7
Other Services	-	1	5	6
Finance & Insurance	-	1	2	3
Educational Services	1	-	1	2
Wholesale Trade	-	1	1	1
Information	-	1	-	1
Management Of Companies	-	1	-	1
Construction	-	-	-	-
Manufacturing	-	-	-	-
Ag, Forestry, Fish & Hunting	-	-	-	-
Utilities	-	-	-	-
Mining	-	-	-	-
Government & non-NAICS	-	-	-	-
<b>Total</b>	<b>199</b>	<b>27</b>	<b>34</b>	<b>259</b>

Sources: Rockport Analytics, IMPLAN

<sup>1</sup>Total employment includes both part-time and full-time workers

<sup>2</sup>North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

- Spending initiated by CBMM visitors and operations supported 199 direct jobs in Talbot County. This includes 73 local employees on CBMM's payroll.
- An additional 61 jobs were supported by CBMM's supply chain and other downstream businesses.
- Outside of arts, entertainment & recreation (where CBMM staff are employed), the accommodations & food services sectors were the largest employment beneficiary with 79 jobs supported by CBMM activity. These jobs are primarily supported by spending from out-of-area visitors to CBMM and catered events hosted by CBMM.



# CBMM-Supported Wages in Talbot County Totalled More than \$8.9 Million

## FY20 CBMM-Generated Labor Income in Talbot County

Industry (NAICS) <sup>1</sup>	Direct	Indirect	Induced	Total
Arts- Entertainment & Recreation	\$3,290,000	\$28,000	\$29,000	\$3,347,000
Accommodation & Food Services	\$2,202,000	\$90,000	\$108,000	\$2,400,000
Retail Trade	\$426,000	\$24,000	\$157,000	\$607,000
Health & Social Services	-	-	\$507,000	\$507,000
Professional- Scientific & Tech Services	\$123,000	\$214,000	\$113,000	\$451,000
Administrative & Waste Services	\$70,000	\$169,000	\$73,000	\$312,000
Real Estate & Rental	\$60,000	\$123,000	\$68,000	\$250,000
Other Services	\$1,000	\$56,000	\$168,000	\$225,000
Finance & Insurance	\$1,000	\$75,000	\$108,000	\$185,000
Transportation & Warehousing	\$58,000	\$80,000	\$39,000	\$177,000
Information	\$5,000	\$95,000	\$30,000	\$130,000
Wholesale Trade	\$20,000	\$42,000	\$42,000	\$104,000
Management Of Companies	-	\$56,000	\$11,000	\$66,000
Educational Services	\$26,000	\$6,000	\$28,000	\$60,000
Construction	-	\$23,000	\$15,000	\$38,000
Manufacturing	\$15,000	\$4,000	\$2,000	\$20,000
Utilities	900	\$1,000	\$17,000	\$18,000
Ag, Forestry, Fish & Hunting	-	\$4,000	\$3,000	\$6,000
Mining	-	\$90	\$60	\$150
Government & non-NAICS	-	-	-	-
<b>Total</b>	<b>\$6,297,000</b>	<b>\$1,090,000</b>	<b>\$1,518,000</b>	<b>\$8,903,000</b>

Sources: Rockport Analytics, IMPLAN

<sup>1</sup>North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

- Wages paid to employees directly supported by CBMM-initiated visitor and operations spending in Talbot County reached nearly \$6.3 million. Nearly \$2.6 million of these wages were paid to CBMM's 73 local employees.
- The annual average wage of CBMM-supported workers (full- and part-time) was more than \$33,000.
- An additional \$2.6 million in wages were paid to employees of supply chain and other downstream businesses. Most of these local wages will continue to circulate through the economy as residents spend their dollars on goods and services throughout the region and state.

# CBMM-Supported Spending Generated More than \$3.7 Million in Total Tax Revenue

## FY20 CBMM-Initiated Taxes

	2019	Share of Total*
<b>Federal – U.S.</b>		
Corporate Income	\$29,000	1%
Personal Income	\$684,000	35%
Excise & Fees	\$173,000	9%
Social Security & Other Taxes	\$1,099,000	55%
<b>Federal Tax Total</b>	<b>\$1,985,000</b>	<b>100%</b>
<b>State – Maryland</b>		
Corporate Income	\$11,000	1%
Personal Income	\$276,000	25%
Social Insurance Taxes	\$14,000	1%
Other Business Taxes	\$62,000	6%
Other Household Taxes & Fees	\$22,000	2%
MD Rental Car Surcharge	\$12,000	1%
Sales Taxes	\$701,000	64%
<b>Maryland Tax Total</b>	<b>\$1,098,000</b>	<b>100%</b>
<b>Local – Talbot County</b>		
Hotel Occupancy Tax	\$122,000	19%
Property Taxes	\$497,000	79%
Other Licenses, Fines & Fees	\$14,000	2%
<b>Local Tax Total</b>	<b>\$633,000</b>	<b>100%</b>
<b>Total Tourism - Supported Taxes</b>	<b>\$3,716,000</b>	

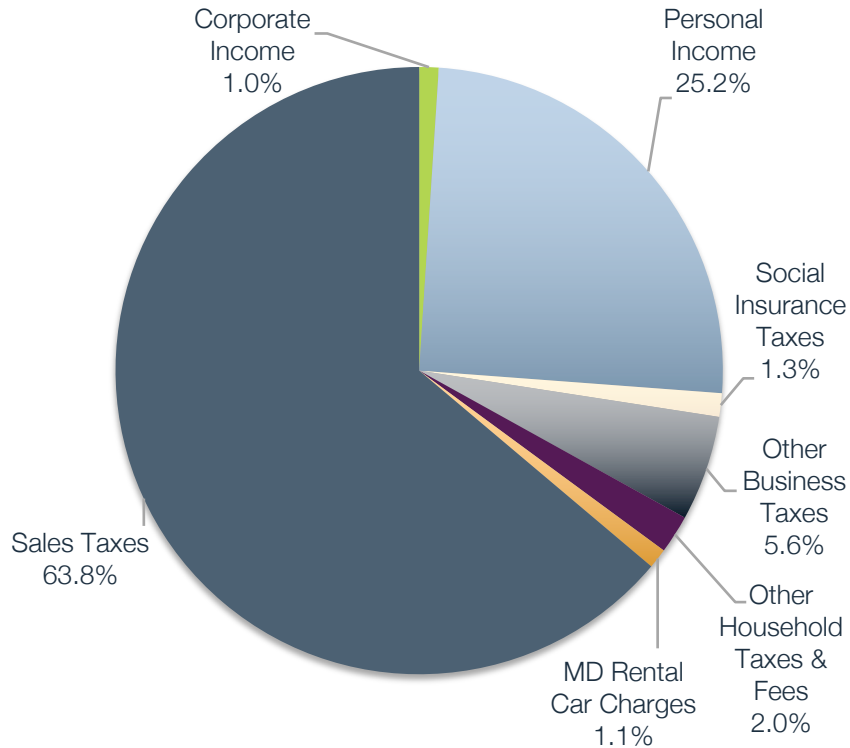
Sources: Rockport Analytics, IMPLAN, Talbot County Finance Office, Maryland Comptroller

\*Not all categories sum to 100% due to rounding errors

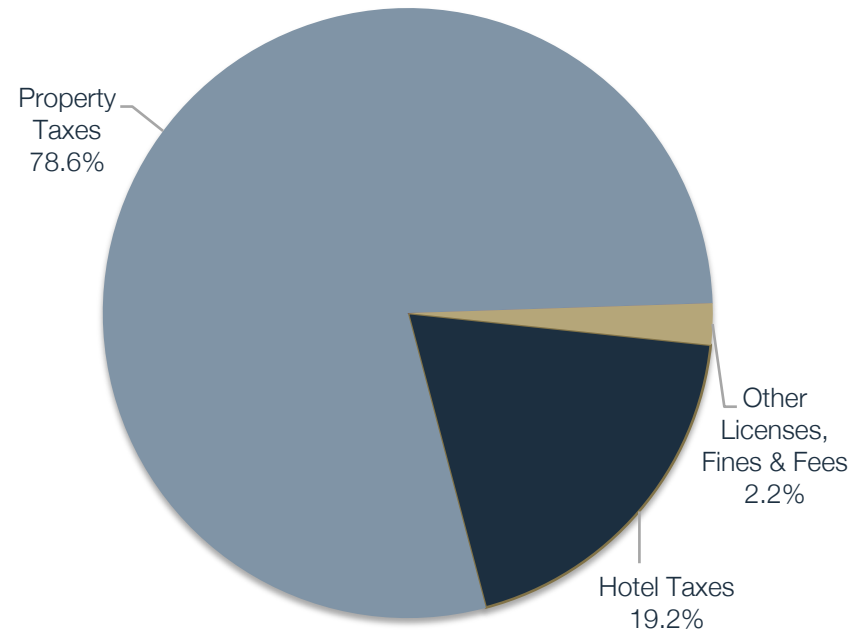
## CBMM Visitor, Operations and Capital Spending in FY20 Supported More than \$1.7 Million in State & Local Tax Receipts.

- CBMM-supported activity resulted in more than \$3.7 million in tax revenues with more than \$1.9 million going to the federal government. Federal taxes represented roughly 55% of CBMM-initiated tax collections.
- Maryland sales tax collections attributed to CBMM-initiated spending eclipsed \$700,000 in FY20. The state sales taxes collected represented more than 41% of the combined state and local collections and almost 65% of the Maryland taxes supported by CBMM activity.
- Spending by CBMM's overnight visitors contributed nearly \$122,000 in hotel taxes and nearly \$12,000 in state taxes & fees associated with car rentals. Hotel taxes represented more than 19% of CBMM-generated local tax collections.
- The spending generated by CBMM activity contributed 79% of local property tax collections. Property taxes are calculated by the IMPLAN model. The model allocates a portion of total property tax receipts based upon a visitor's contribution to residential wages and commercial revenue.

**FY20 CBMM-Initiated State Taxes**  
**\$1.1 Million**



**FY20 CBMM-Initiated Local Taxes**  
**\$633,000**



Sources: Rockport Analytics, IMPLAN, Talbot County Finance Office, Maryland Comptroller



# The Economic Impact of the Chesapeake Bay Maritime Museum

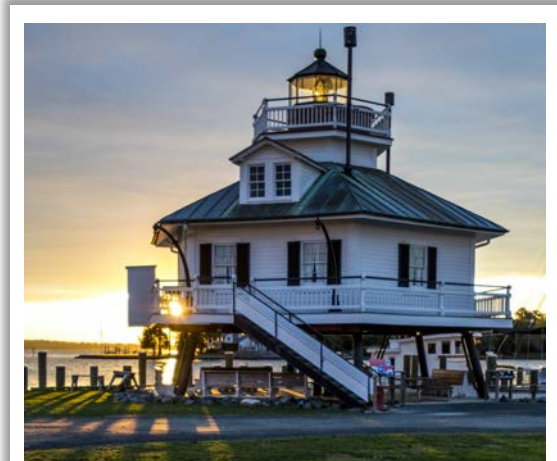
Assessment of Phase I Expansion Project (FY20 - FY23)



In mid-2017, CBMM initiated a Master Plan process with the goal of increasing space for its exhibitions, Shipyard and other educational capabilities. The entire Master Plan is made up of multiple phases and the timeline is expected to take approximately 7-10 years, contingent upon funding, estimated at a range of \$15 to \$20 million.

The Master Plan and the Phase I Expansion projects are vital to the future of CBMM as they will enable it to continue to preserve the maritime history and culture of the Chesapeake Bay through enhanced exhibitions and educational activities. Phase I is also vital to the community and local residents for several reasons.

- First, the one-time capital expenditures of the project will generate significant economic impact, jobs and tax revenues for St. Michaels, Talbot County and Maryland.
- Second, the expansion will result in increased annual expenditures by CBMM on ongoing operations, maintenance, marketing and payroll, to name a few. The improvements and enhancements will allow CBMM to maintain or grow employment levels.
- Third, the expansion of CBMM's campus and offerings will have a lasting impact on CBMM's ability to attract additional visitors. Visitors looking to experience the upgrades will bring additional spending that supports the many local small businesses. The new facilities will aim to enhance the guest experience and increase visitors' overall satisfaction and willingness to recommend CBMM to others. Recommendations from guests are vital to attracting more visitors, illustrated by the fact that 43% of "main purpose" visitors in FY20 heard about CBMM through friends and family.
- Lastly, raising the grade of new buildings and walkways above the floodplain will ensure that campus is better prepared to withstand the impact of rising sea levels and prevent damage to CBMM's valuable collections.



- Phase I of CBMM's Master Plan is a direct, one-time injection of capital spending to the local and state economies that will occur during the construction period of 2019 – 2023 and has been assessed separately from the FY20 impacts in our study.
- The total expenditures of the Phase I expansion project in Talbot County for the four-year construction period are estimated at more than \$5 million, which will add \$4.2 million to the Talbot County economy. St. Michaels will realize just over \$2 million of that economic impact. The state of Maryland will benefit from \$7.5 million in total capital expenditures and \$5.8 million in Gross State Product (GSP) from the project.
- There are likely to be additional ongoing impacts that will stem from the Phase I improvements as well, brought about by a rise in museum visitation and incremental increases in capital and operating expenses.

<b>FY 19-23</b>	<b>St. Michaels</b>	<b>Talbot Co.</b> <i>(Includes St. Michaels)</i>	<b>Maryland</b> <i>(St. Michaels &amp; Talbot Co.)</i>
CBMM Phase I Expansion Total Capital Expenditures	\$2,480,000	\$5,026,000	\$7,517,000
Total Value Added	\$2,051,000	\$4,167,000	\$5,835,000
Total Employment	10	20	22
Total Wages	\$1,501,000	\$3,046,000	\$3,940,000
Total Taxes	\$442,000	\$898,661	\$1,301,000
Federal Taxes	\$293,000	\$594,347	\$848,000
State & Local Taxes	\$149,000	\$304,314	\$452,000

Source: CBMM, Rockport Analytics, IMPLAN



Location of Impact	Impact	Direct	Indirect	Induced	Total
St. Michaels	<b>Total Spending<sup>1</sup></b>	<b>\$2,480,000</b>			
	Employment	7	1	2	10
	Wages	\$1,095,000	\$149,000	\$256,000	\$1,501,000
	Value Added	\$1,359,000	\$233,000	\$460,000	\$2,051,000
Talbot County <i>(Includes St. Michaels)</i>	<b>Total Spending<sup>1</sup></b>	<b>\$5,026,000</b>			
	Employment	14	2	4	20
	Wages	\$2,216,000	\$310,000	\$520,000	\$3,046,000
	Value Added	\$2,752,000	\$481,000	\$933,000	\$4,167,000
Maryland <i>(Includes St. Michaels &amp; Talbot Co.)</i>	<b>Total Spending<sup>1</sup></b>	<b>\$7,517,000</b>			
	Employment	13	4	5	22
	Wages	\$2,392,000	\$725,000	\$823,000	\$3,940,000
	Value Added	\$3,188,000	\$1,168,000	\$1,479,000	\$5,835,000

Sources: CBMM, Rockport Analytics, IMPLAN

<sup>1</sup>The total spending figures include only Phase I Expansion Project Capital Expenditures for FY20, FY21, FY22 and FY23



# CBMM's Phase I Expansion Brings an Estimated \$4.2 Million in Value Added for Talbot County

## CBMM Phase I Expansion Estimated Economic Impact in Talbot County (Value Added)

Industry (NAICS) <sup>1</sup>	Direct	Indirect	Induced	Total
Construction	\$2,716,000	\$3,000	\$7,000	\$2,726,000
Real Estate & Rental	\$3,000	\$72,000	\$260,602	\$335,752
Health & Social Services	-	\$3	\$197,878	\$197,881
Professional- Scientific & Tech Services	\$33,060	\$99,000	\$54,094	\$186,569
Wholesale Trade	-	\$116,000	\$32,368	\$148,502
Retail Trade	-	\$41,000	\$90,437	\$131,819
Finance & Insurance	-	\$26,000	\$60,883	\$86,532
Other Services	-	\$13,000	\$59,987	\$73,429
Administrative & Waste Services	-	\$42,000	\$30,345	\$72,172
Accommodation & Food Services	\$100	\$6,000	\$58,359	\$64,772
Transportation & Warehousing	-	\$27,000	\$17,181	\$43,975
Information	-	\$15,000	\$19,267	\$34,421
Arts- Entertainment & Recreation	-	\$2,000	\$16,876	\$18,791
Utilities	-	\$560	\$12,713	\$13,270
Management Of Companies	-	\$6,000	\$4,297	\$10,456
Educational Services	-	\$80	\$8,939	\$9,020
Manufacturing	-	\$5,000	\$1,126	\$6,208
Mining	-	\$4,00	\$40	\$4,257
Ag, Forestry, Fish & Hunting	-	\$2,000	\$897	\$2,448
Government & non-NAICS	-	-	-	-
<b>Total</b>	<b>\$2,752,000</b>	<b>\$481,000</b>	<b>\$933,000</b>	<b>\$4,167,000</b>

Sources: Rockport Analytics, IMPLAN

<sup>1</sup>North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

- CBMM will spend approximately \$5 million in Talbot County during the four-year Phase I expansion capital project.
- These Phase I expenditures will deliver \$4.2 million in value added to Talbot County over the four years.
- Nearly two-thirds of this impact will accrue to the construction sector. Other key beneficiaries will be the real estate, health & social services and professional services sectors.
- CBMM's Phase I capital expenditures will generate nearly \$500,000 in local supply chain purchases and another \$933,000 in impact through the re-spend wages among direct and indirect workers.

# CBMM's Phase I Expansion is Projected to Contribute \$3 Million in Talbot County Wages

## CBMM Phase I Expansion Estimated Labor Income in Talbot County

Industry (NAICS) <sup>1</sup>	Direct	Indirect	Induced	Total
Construction	\$2,189,000	\$3,000	\$5,000	\$2,197,000
Health & Social Services	-	-	\$173,000	\$173,000
Professional- Scientific & Tech Services	\$25,000	\$74,000	\$39,000	\$137,000
Retail Trade	-	\$22,000	\$54,000	\$75,000
Wholesale Trade	-	\$58,000	\$14,000	\$73,000
Other Services	-	\$12,000	\$58,000	\$70,000
Real Estate & Rental	\$1,000	\$41,000	\$23,000	\$65,000
Administrative & Waste Services	-	\$35,000	\$25,000	\$60,000
Finance & Insurance	-	\$16,000	\$37,000	\$54,000
Accommodation & Food Services	\$100	\$4,000	\$37,000	\$41,000
Transportation & Warehousing	-	\$22,000	\$13,000	\$36,000
Information	-	\$9,000	\$10,000	\$20,000
Arts- Entertainment & Recreation	-	\$1,000	\$10,000	\$12,000
Educational Services	-	\$80	\$10,000	\$10,000
Management Of Companies	-	\$5,000	\$4,000	\$9,000
Utilities	-	\$100	\$6,000	\$6,000
Manufacturing	-	\$3,000	\$590	\$4,000
Mining	-	\$3,000	\$20	\$3,000
Ag, Forestry, Fish & Hunting	-	\$2,000	\$1,000	\$3,000
Government & non-NAICS	-	-	-	-
<b>Total</b>	<b>\$2,216,000</b>	<b>\$310,000</b>	<b>\$520,000</b>	<b>\$3,045,583</b>

Sources: Rockport Analytics, IMPLAN

<sup>1</sup>North American Industrial Classification System (NAICS). For specific industry definitions, see [www.census.gov](http://www.census.gov)

- Phase I expansion efforts will support over \$3 million in wages paid to Talbot County construction workers and nearly \$1 million in additional wages paid to workers elsewhere in Maryland.
- CBMM's Phase I expansion capital expenditures will also reach other downstream Talbot County businesses providing almost \$830,000 in wages during the four-year project.
- During the four-year period, the project is expected to support 20 employees annually with an annual average wage of nearly \$57,760.

# The Economic Impact of the Chesapeake Bay Maritime Museum

Assessment of the Broader Economic & Community Impacts of CBMM





Since its inception, CBMM has worked with residents, leaders and the business community to preserve and showcase the heritage and traditions of the Chesapeake Bay. CBMM also works with business partners who provide their support for several large-scale events that are a draw for both residents and out-of-area visitors.

*CBMM offers programming for attendees of all ages that allow them to learn news skills, meet other residents and to stay involved in the community.*

Community volunteers play a vital role in these events; in the daily activities of CBMM through volunteer opportunities residents have become important ambassadors for the community. In FY20 CBMM engaged 230 volunteers who recorded 26,692 combined hours of service. These figures include only direct service volunteers and do not include the valuable contribution of time by CBMM's Board of Governors and Friends Board.

Knowing that there are opportunities to become involved in the community is an aspect that has convinced some volunteers to move to St. Michaels upon their retirement. For example, Anne and Mike Sweeney have been volunteering at CBMM since 2002 when they moved to the Eastern Shore. For the Sweeneys, volunteering at CBMM has been about getting involved. According to Ms. Sweeney, *"We both feel that when you have a mission, when you have something that's important — that's why you stay."*

CBMM's ability to draw visitors from all over the world by championing the Chesapeake Bay is an aspect that fosters a deep sense of pride among residents. Kimberly Weller, Communications Manager for the Town of St. Michaels commented on the importance that CBMM has on all who are

inspired by the Chesapeake Bay and have made a living from it. *"CBMM is not only an iconic landmark, but also a source of pride for sailors and boaters who love to visit St. Michaels on a regular basis."*

Furthermore, cultural institutions are important amenities that contribute to a community's quality of life. They can attract new residents and foster a sense of pride among existing ones. Quality of life attributes are key for economic development because of their ability to attract new businesses that bring jobs and economic opportunity. CBMM is recognized by community leaders as an important economic and tourism asset for the region, receiving the Talbot County Community Impact Award in 2018.

*The town loves CBMM and it is a huge asset. We can't imagine St. Michaels without CBMM.*

-Bill Boos, President, Town of St. Michaels Commissioners



# CBMM's Impact on the Preservation of the Chesapeake Bay's Culture, History & Traditions

CBMM's exhibitions and the buildings within its campus provide unique opportunities for visitors to experience the Chesapeake Bay's historic, cultural and environmental importance. Through CBMM's working Shipyard, visitors encounter living traditions by interacting with shipwrights engaged in restoring historic watercraft.

The Shipyard is a special and valuable asset for St. Michaels, Talbot County, Maryland and the region. Its restorations and building projects serve as a major draw for maritime enthusiasts from around the world. Beyond the importance of restoration and public programming, the Shipyard provides a place where shipbuilding apprentices hone their skills.

*The Shipyard also gives local community members the opportunity to gain valuable skills through hands-on projects and to become inspired to learn the craft of boatbuilding.*

One important recent project for CBMM's Shipyard was *Edna Lockwood*, the last historic working Chesapeake Bay sailing log bugeye in the world. The restoration project, estimated at \$2.4 million, enabled CBMM to support the local economy and employed three new shipwright apprentices. During the two-year project CBMM worked with important partners such as the Maryland Heritage Areas Authority, Calvert Marine Museum, and filmmaker Sandy Cannon-Brown, among others, in efforts to document and tell stories about the significance and context of the historic vessel.

At the culmination of the restoration, *Edna Lockwood* toured the Chesapeake Bay, offering community members free tours and an opportunity to experience the original oyster dredging gear that was used in 1889 when the boat was first built. As audiences learn about the vessel and its history, they in turn learn about the importance of oystering in the Chesapeake Bay. This is just one example of how CBMM's projects and programming are educating and inspiring residents and visitors and further encouraging the preservation of regional heritage, the history of shipbuilding and the Chesapeake Bay.

CBMM has also been able to develop successful programming on African American heritage and the role that African Americans played in maritime history. By relocating the Mitchell House to campus, CBMM has kept alive what was once the home of Eliza Bailey Mitchell, an abolitionist and Frederick Douglass' closest sibling. Corey Pack, President of the Talbot County Council mentioned the valuable role that CBMM has played and will continue to play in bringing to life the important stories and contributions made by African Americans on the maritime industries and the history of the Eastern Shore.



# The Educational Benefits of CBMM's PK-12 Programming

Through exhibitions and educational programming, CBMM engages PK-12 students and their educators who visit from several counties in Maryland as well as other states. CBMM provides free classroom resources and workshops for professional educators and families delivering content to enhance the educational experiences of all students including those outside the local community.

Every year, in partnership with Talbot County Public Schools and the Maryland Department of Education, all Maryland public school students receive a discount on their admission and Talbot County students attend free of charge. In an effort to offset the cost of transporting students from further away, CBMM offers bus scholarships of up to \$250 per bus.

During FY20, CBMM served a total of 5,871 Maryland public school students, teachers, and chaperones and issued 28 bus scholarships to help pay for 59 buses. More than 35% of these Maryland participants came from a Title 1 school or another special education program. Through the educational programs offered free of charge, Talbot County Public Schools were able to realize nearly \$13,000 in savings. The combined savings to the Maryland Department of Education of CBMM's discounted programming and bus scholarships totaled close to \$27,000. Additionally, CBMM welcomed 1,421 students, educators and chaperones from public and private schools in other states.

	Talbot Co. Public Schools	MD Public Schools (Excl Talbot)	Total Maryland
Cost of Programming	\$8/person	\$8/person	\$8
Discounted Rate (Students, Teachers, Chaperones)	\$0/person	\$5/person	NA
Total Attendees (Students, Teachers, Chaperones)	1,585	2,467	4,052
Total Value of Programming	\$12,680	\$19,736	\$32,416
Bus Scholarships	\$250	\$6,613	\$6,863
Savings to Schools	\$12,680	\$7,401	\$20,081
<b>Savings + Scholarships</b>	<b>\$12,930</b>	<b>\$14,014</b>	<b>\$26,944</b>

*"CBMM's excellent programs have garnered them a loyal membership and professional staff; CBMM is a "must visit" for students from schools in the region."*

-Kimberly Weller, Communications Manager for the Town of St. Michaels



# The Impact of CBMM in Developing Tomorrow's Workforce

CBMM is an active community partner in the development of career pathways for youth. The Rising Tide program, an afterschool and summer youth program, allows students to participate in hands-on projects, at no cost, that will prepare them to achieve success academically and in the workplace. By educating students about the environment, maritime history and shipbuilding, CBMM fosters a sense of pride among local students for the culture of the Chesapeake Bay and inspires the historians, conservationists and boat builders of tomorrow. The program is an excellent example of CBMM's collaboration with other local organizations. CBMM allows students to be transported from Easton to St. Michaels at no cost, ensuring that students maintain regular attendance during the school year and summer.



Since 2000, CBMM has hosted a two-year shipwright apprenticeship program, which has seen more than 50 graduates. In 2018, the program received certification as a registered four-year apprenticeship from both the Maryland and the U.S Departments of Labor. Through the 8,000-hour program, the apprentices work under the auspices of master shipwrights and learn the skills necessary to work in the commercial shipbuilding industry. Most importantly, through the apprenticeship CBMM is working to invest in the talent and labor force of the region. CBMM estimates that the starting salary for their apprentices upon graduation will be in the range of \$18 to \$22 per hour.

*CBMM is providing the trade skills that can lead to rewarding and profitable careers.*

-Nancy LaJoice, Senior Development Representative, MD Dept of Commerce

The apprenticeship program is instrumental in the restoration of historic vessels and protecting traditional maritime and boat-building skills from extinction. Through CBMM's apprenticeship program and the working Shipyard, master shipwrights are passing on their knowledge to future generations of boat builders. The program offers a one-of-a-kind opportunity and according to Cliff Coppersmith, President at Chesapeake College, the apprenticeship program is "one of the few national resources for graduate-level study for shipwrights".



# The Economic Impact of the Chesapeake Bay Maritime Museum

Summary of Finding: CBMM's Impact in Perspective, Study Methodology & Glossary



# How Does CBMM Benefit St. Michaels, Talbot County & the State of Maryland?

## Helping to Relieve the Tax Burden of State & Local Households



- Without CBMM, Talbot County's 37,181 households would each have to pay \$46 more in state & local taxes to maintain current levels of tax receipts.
- Tourism transactions were responsible for nearly half (48%) of the total state & local taxes generated by CBMM. Tourism dollars brought by primary visitors are net-new for the local economy.
- CBMM was responsible for over \$1 million in additional annual tax revenue for the state.
- For every \$1 spent in Talbot County by CBMM visitors and operations, the county's economy retained about 82 cents. About 14 cents of this total spending is retained as local tax revenue.

## Contributing to Public Education



- The state & local taxes collected from CBMM-supported spending were enough to educate 130 Talbot County public school students for one school year.\*
- CBMM-initiated spending generated enough state & local taxes to support the annual starting salary of 38 Talbot County public school teachers.\*\*
- Through its PK-12 educational programs, CBMM served a total of 5,871 Maryland public school students, teachers, and chaperones with 35% of them coming from a Title 1 school or another special education program.

Sources: CBMM, IMPLAN, Rockport Analytics, Talbot County Finance Office, Maryland Department of Education, Maryland Department of Legislative Services, U.S Census, Bureau of Labor Statistics (BLS)

\*Estimate based on the average, annual cost per student in Talbot County in FY19 of \$13,261

\*\* Estimate based on the average, annual, starting salary of a Talbot County public school teacher of \$45,700.

## Promoting the Heritage of Shipbuilding & the Chesapeake Bay



- CBMM's 12 exhibit buildings trace the social, cultural and economic history of the Chesapeake Bay.
- CBMM's collection of indigenous Chesapeake Bay watercraft is the largest in existence. Nine of the collection's largest vessels are on floating display at CBMM's docks.
- 95% of visitors report that they believe a great effort is underway at CBMM in preserving history.

## Benefiting State & Local Businesses



- CBMM operations and primary visitors generated top-line sales totaling nearly \$12.6 million, resulting in almost \$10.4 million in economic impact.
- Talbot County businesses that directly supported CBMM visitors and operations saw value-added of almost \$6.1 million.
- Talbot County supply chain businesses received value-added of almost \$4.3 million.

## Promoting a Healthy Job Market



- CBMM-initiated spending supported a total of 260 full- and part-time jobs in Talbot County with an average annual wage of \$33,000. This total includes 95 staff members employed by CBMM.
- 44 cents of every dollar spent by visitors goes towards the wages of St. Michaels' workers in the town's restaurant, lodging and retail establishments.
- CBMM has prepared 50 apprentices for employment in the maritime and related industries.

# CBMM's Economic Impact on **Talbot County** in FY20: By the Numbers



**\$956K**

Total Local Operations  
Spending<sup>1</sup>



**\$11.6M**

Total Local Visitor  
Spending<sup>2</sup>



**\$10.3M**

Total Economic Impact  
(Value Added)



**\$1.7M**

State & Local Tax  
Collections



**259**

Total Full- & Part-Time  
Jobs<sup>3</sup>



**\$8.9M**

Total Wages &  
Salaries<sup>4</sup>

# Economic Impact of CBMM's Phase I Expansion on **Talbot County**: By the Numbers



**\$5M**

Total Local Capital  
Expenditures<sup>1</sup>



**\$4.2M**

Total Economic Impact  
(Value Added)



**20**

Average Annual Full- &  
Part-Time Jobs<sup>2</sup>  
during the four-year  
period



**\$3M**

Total Wages & Salaries<sup>3</sup>  
during the four-year period



**\$304K**

Total State & Local Tax  
Collections

<sup>1</sup> Operating expenditures for FY20 exclude Phase I capital expenditures  
<sup>2</sup> Includes only local spending by main purpose visitor, excludes resident spending  
<sup>3</sup> This figure includes the 73 employees in Talbot County on CBMM's payroll  
<sup>4</sup> These salary figures include the salaries and benefits of CBMM's employees in Talbot County  
Sources: CBMM, IMPLAN, Rockport Analytics

<sup>1</sup> Includes only Phase I capital expenditures from FY20 through FY23. Any potential increases in operations and visitor spending as a result of the expansion project were not estimated in this analysis  
<sup>2</sup> This figure excludes the 75 employees in Talbot County already on CBMM's payroll  
<sup>3</sup> These salary figures exclude the salaries and benefits of CBMM's employees  
Sources: CBMM, IMPLAN, Rockport Analytics

# CBMM's Economic Impact on **St. Michaels** in FY20: By the Numbers



**\$280K**

Total Local Operations Spending<sup>1</sup>



**\$11M**

Total Local Visitor Spending<sup>2</sup>



**\$8.6M**

Total Economic Impact (Value Added)



**\$1.3M**

State & Local Tax Collections



**180**

Total Full- & Part-Time Jobs<sup>3</sup>



**\$5.9M**

Total Wages & Salaries<sup>4</sup>

<sup>1</sup> Operating expenditures for FY20 exclude Phase I capital expenditures  
<sup>2</sup> Includes only local spending by main purpose visitors, excludes resident spending  
<sup>3</sup> This figure includes the 19 employees in St. Michaels on CBMM's payroll  
<sup>4</sup> These salary figures include the salaries and benefits of CBMM's employees in St. Michaels  
 Sources: CBMM, IMPLAN, Rockport Analytics

# Economic Impact of CBMM's Phase I Expansion on **St. Michaels**: By the Numbers



**\$2.5M**

Total Local Capital Expenditures<sup>1</sup>



**\$2M**

Total Economic Impact (Value Added)



**10**

Average Annual Full- & Part-Time Jobs<sup>2</sup> during the four-year period



**\$1.5M**

Total Wages & Salaries<sup>3</sup> during the four-year period



**\$149K**

Total State & Local Tax Collections

<sup>1</sup> Includes only Phase I capital expenditures from FY20 through FY23. Any potential increases in operations and visitor spending as a result of the expansion project were not estimated in this analysis  
<sup>2</sup> This figure excludes the 19 employees in St. Michaels already on CBMM's payroll  
<sup>3</sup> These salary figures excludes the salaries and benefits of CBMM's employees in St. Michaels  
 Sources: CBMM, IMPLAN, Rockport Analytics



# CBMM's Economic Impact on **Maryland** in FY20: By the Numbers



**\$1.7M**

Total Local Operations  
Spending<sup>1</sup>



**\$6.5M**

Total Local Visitor  
Spending<sup>2</sup>



**\$8.8M**

Total Economic Impact  
(Value Added)



**\$1.2M**

State & Local Tax  
Collections



**220**

Total Full- & Part-Time  
Jobs<sup>3</sup>



**\$8.8M**

Total Wages &  
Salaries<sup>4</sup>

# Economic Impact of CBMM's Phase I Expansion on **Maryland**: By the Numbers



**\$7.5M**

Total Local Capital  
Expenditures<sup>1</sup>



**\$5.8M**

Total Economic Impact  
(Value Added)



**22**

Average Annual Full- &  
Part-Time Jobs<sup>2</sup>  
during the four-year  
period



**\$3.9M**

Total Wages & Salaries<sup>3</sup>  
during the four-year period



**\$452K**

Total State & Local Tax  
Collections

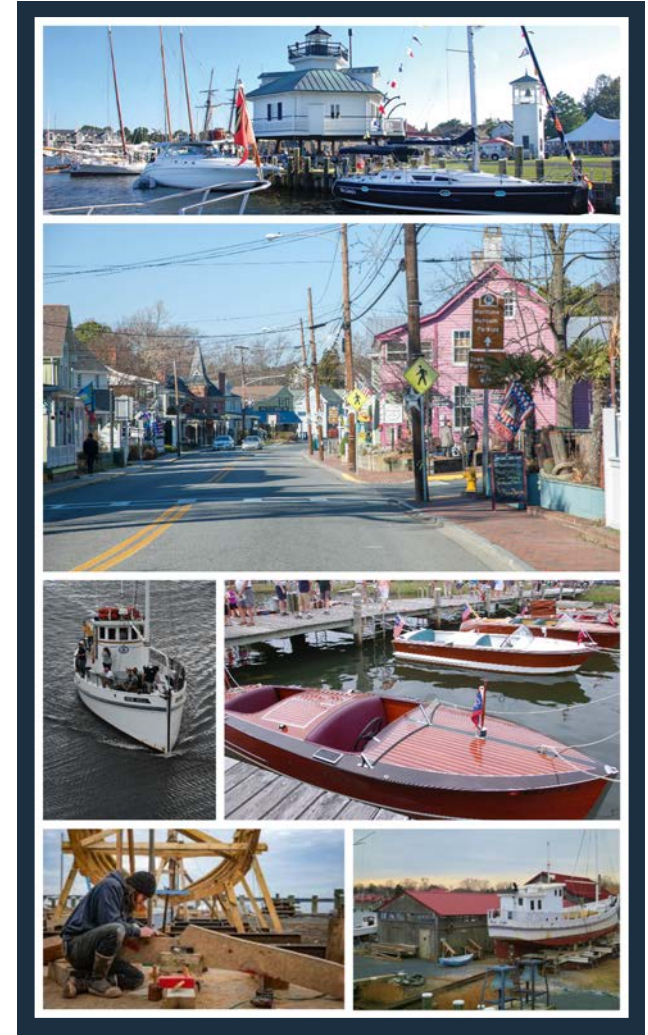
<sup>1</sup> Operating expenditures for FY20 exclude Phase I capital expenditures  
<sup>2</sup> Includes only spending by main purpose visitors from outside of Maryland  
<sup>3</sup> This figure includes the 93 employees who live across Maryland on CBMM's payroll  
<sup>4</sup> These salary figures include the salaries and benefits of CBMM employees in who live in Maryland  
Sources: CBMM, IMPLAN, Rockport Analytics

<sup>1</sup> Includes only Phase I capital expenditures from FY20 through FY23. Any potential increases in operations and visitor spending as a result of the expansion project were not estimated in this analysis  
<sup>2</sup> This figure excludes the 93 Maryland employees already on CBMM's payroll  
<sup>3</sup> These salary figures excludes the salaries and benefits of CBMM's employees in Maryland  
Sources: CBMM, IMPLAN, Rockport Analytics

Task	Methodology/Approach	Data Sources
Estimate of FY20 CBMM-initiated visitor activity	<p>The ancillary spending by out-of-town visitors to CBMM was estimated using a combination of sources. The primary data source was CBMM’s survey of attendees, which allowed us to measure a number of key visitor behavior and descriptive attributes:</p> <ol style="list-style-type: none"> <li>1) Day vs overnight stays</li> <li>2) CBMM event participation</li> <li>3) Primary reason for visit</li> <li>4) Zip codes allowed us to determine the proportion of CBMM visitors that traveled more than 50 miles to visit CBMM as well as in-state vs. out-of-state visitation</li> </ol> <p>The survey data was reconciled with other key data for Talbot County and the State of Maryland including: (1) hotel data from STR, (2) visitor behavior data for the county and state from D.K Shifflet and the Maryland Office of Tourism Development, (3) economic activity by sector from the U.S Bureau of Economic Analysis and (4) tax revenue collections from the Talbot County Finance Office.</p>	<ul style="list-style-type: none"> <li>• CBMM post-attendance survey</li> <li>• D.K Shifflet &amp; Associates</li> <li>• Maryland Office of Tourism Development</li> <li>• Smith Travel Research (STR)</li> <li>• U.S Bureau of Economic Analysis</li> <li>• Talbot County Finance Office</li> <li>• Rockport Analytics</li> </ul>
Estimate of FY20 CBMM Opex & Capex spending	<p>Actual operating expenditures were collected directly from CBMM. Care was taken to eliminate any double counting, as well as material, service and supply purchases that were made with vendors from outside of the study area. These expenditures were also estimated based on the location of the supply chain (St. Michaels, Talbot County, Maryland or elsewhere) for individual CBMM expense items.</p>	<ul style="list-style-type: none"> <li>• CBMM</li> <li>• Rockport Analytics</li> </ul>
Translate spending into economic impact to St. Michaels, Talbot County & Maryland	<p>Spending streams for visitors and operations by detailed category were entered into the latest IMPLAN economic model for Talbot County and the state of Maryland. This model estimated the direct, indirect and induced contributions to state and local value added, jobs, wages and taxes.</p>	<ul style="list-style-type: none"> <li>• IMPLAN (<a href="http://www.implan.com">www.implan.com</a>)</li> </ul>

Task	Methodology/Approach	Data Sources
Calculate Fiscal Impact of CBMM Operations	Taxes directly applicable to visitor and operational transactions are calculated using the categorical spending totals described above against appropriate current tax rates less any exemptions. These calculated taxes are reconciled with the IMPLAN modeled results of all spending streams to compile the final reported values.	<ul style="list-style-type: none"> <li>• IMPLAN</li> <li>• Talbot County Finance Office</li> <li>• Maryland Comptroller</li> <li>• Rockport Analytics</li> </ul>
Calculate the Impact of Phase I Expansion	Expenditure estimates were generated from a pro forma of Phase I capital expenditures provided by CBMM. The impacts for each study were generated by separating detailed categories into the appropriate IMPLAN model and impact year. All reported dollar figures are adjusted to current (2020) dollars.	<ul style="list-style-type: none"> <li>• Rockport Analytics</li> <li>• CBMM</li> </ul>
Qualitative Assessment of CBMM's Community Impact	In order to gain a deeper understanding of the role that CBMM plays in the local community, we conducted a series of one-on-one interviews with key community and regional stakeholders. We also deployed an online questionnaire with similar questions, which was sent to stakeholders who we were unable to schedule via phone interviews.	<ul style="list-style-type: none"> <li>• Rockport Analytics</li> <li>• CBMM</li> <li>• Various stakeholder participants</li> </ul>

- **Visitor** – Someone who has either stayed overnight (regardless of origin) or traveled a distance of at least 50 miles one way during a day trip.
- **Value Added (or GSP)** – Refers to the total spending in an economy net of any leakages outside the state. The total spending reflects the difference between revenues and expenses on intermediate inputs.
- **Employment** – Total employment is an annual average that accounts for seasonality and it refers to full-time, part-time, seasonal and self-employed workers.
- **Wages** – Wages reflect the combined cost of total payroll paid to employees (e.g., wages, salaries, benefits, payroll taxes) and payments received by self-employed individuals and/or unincorporated business owners.
- **Direct Impact** – Benefit that accrues to those Talbot County businesses that directly serve CBMM visitors and provide goods and services to support CBMM's operations.
- **Indirect Impact** – Benefit to the many local upstream firms that make up the supply chain of direct businesses.
- **Induced Impact** – Both direct and supply chain businesses pay wages to their workers. Most of the wages paid to local employees will be spent in Talbot County throughout the year at regional business that provide a broad range of consumer goods and services. This impact is sometimes referred to as the “ripple effect”.
- **Leakages** – The portion of gross spending that leaves the Talbot County economy: (1) as profits to non-Talbot County headquartered businesses, (2) because of unavailable or insufficient local supply, (3) non-local vendor choice, and/or (4) from reduced downstream spending caused by savings, debt reduction, or excess inventories.







## Rockport Analytics

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