



Business Plan

Fiscal Years 2021-2026 "Come Experience Where Montana's History Lives"

Virginia City was Montana's Territorial Capital from 1864 to 1875 ★

Virginia City & Nevada City is considered to be one of the largest historic sites in the United States 🏛️

Reeder's Alley is one of the few original structures from Helena's territorial time period 💡

3-7-77 Virginia City started the Montana Vigilantes movement.

Virginia City may have been the largest placer gold strike in the United States and helped fund the Union Army 🛠️

Sources: American Alliance of Museums, Rocky Mountain Economic Improvement District & Circa Analytics
montanaheritagecommission.mt.gov | virginiacity.com | reederalley.com

74.4M 74.4 million economic footprint in Montana

1,226 1,226 jobs in Montana

276 276 heritage properties from the 1860s to 1875 time period

1.2M 1.2M Americana artifacts from the 1860 to 1960 time period

500K 500k tourists visit Virginia and Nevada City from Memorial Day to Labor Day each year, making it Montana's #1 state-owned tourist destination

“We Preserve and Promote Montana's Territorial Capital History for our Future”

LEGENDARY VIRGINIA CITY AND NEVADA CITY MONTANA

Reeder's Alley



Compiled by: Elijah Allen | MHC Executive Director
Open Window and Atomic Biz Solutions



Business Highlights and Introduction

Following are some highlights that reflect the successful path MHC is on and point to successful business opportunities.

MHC operating budget FY 2020:

\$1,343,708 (expenses)
 ÷ \$74.6 Million (economic footprint)
 = 5,536% Return on Investment

Investing in history pays for Montana!

VIRGINIA AND NEVADA CITY ARE MONTANA'S NUMBER ONE STATE-OWNED DESTINATION:



Virginia City/Nevada City continue to be the number one state-owned destination with an estimated 566,313 visitors during the 2020 season (May - September).

ECONOMIC FOOTPRINT OF MHC



According to the Rocky Mountain Economic Improvement District and Circa analytics, the economic footprint for Virginia and Nevada City was 74.4 million for Montana and contributed to 1226 jobs. The Montana Heritage Commission has business relationships with over 42 businesses in Virginia and Nevada City and Reeder's Alley in Helena, MT.

LARGE INCREASE IN VISITOR REVENUE

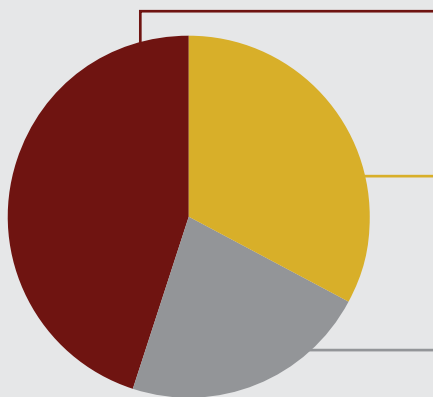


Visitor revenues from earned revenue increased 237% from 2012-2020 (from \$204,080 to \$688,611). MHC earned revenue includes Virginia City and Nevada City visitor services, donations and MHC operated businesses.

WE ARE FUNDED ON TOURIST RELATED INCOME AND DONATIONS

(We receive no general fund/taxpayer dollars)

HOW WE ARE FUNDED: FISCAL YEAR 2020



- **51.30% \$688,611 - MHC Earned Revenue**
(visitor services, accommodations, rent from concessionaires and donations)
- **29.77% \$400,000 - Bed Tax Allocations**
(Doesn't adjust with inflation and has remained the same amount since 1997)
- **19.68% \$264,426 - VOLUNTARY Vehicle License Fee**
(\$0.38 of the \$10 voluntary vehicle license fee)

Over the last 20 years, the Montana Heritage Commission has been funded with long range building and House Bill 2 allocations, however that is not a consistent source of revenue.

Business Highlights and Introduction

RENTS FROM CONCESSIONAIRES AND RESIDENTIAL



All available state-owned spaces from concessionaires and residential tenants have been fully occupied since 2016. The Montana Heritage Commission has seen a 26.60% increase in collected rents from 2012-2020 (\$184,550 in 2012 - \$233,645 in 2020). The increase comes from increase in visitor tourism, MHC setting a cost of living adjustment and concessionaires paying on a percentage of revenue.



OVERALL MHC REVENUE



Overall MHC Revenue has increased by 33.75% from 2012 (\$1,011,598) to 2020 (\$1,353,037).

(All increase in revenue has come from earned revenue)

Year:	2012	2013	2014	2015	2016	2017	2018	2019	2020
Visitor services + merchandise	\$136,614	\$224,422	\$204,962	\$270,489	\$285,902	\$293,608	\$284,915	\$369,255	\$416,387
Donations	\$30,556	\$14,710	\$72,741	\$55,886	\$24,324	\$45,436	\$45,507	\$36,515	\$38,579
Rent collected + rentals	\$184,550	\$163,865	\$158,202	\$169,078	\$204,986	\$192,238	\$221,412	\$234,410	\$233,645
Bed + vehicle tax	\$659,878	\$668,608	\$665,871	\$665,700	\$666,732	\$668,739	\$671,096	\$668,181	\$664,426
Total Revenue	\$1,011,598	\$1,071,605	\$1,101,513	\$1,161,153	\$1,181,944	\$1,200,021	\$1,222,930	\$1,308,361	\$1,353,037

Table 1. Trends in revenues 2012-2020. House Bill 2, long range building funding and land sales have been excluded to reflect accurate trends in business-related revenue.

Business Highlights and Introduction

The Montana Heritage Commission (MHC) continues to assess and implement business ideas that provide visitors high quality experiences, encourage visitors to spend money, and provide for preservation of significant historical assets that both support visitor and historical experience and provide for the assets to generate revenue. This plan is part of the implementation of the MHC Strategic Plan – it contains some of the more significant revenue generation ideas that have been underway for years and new ones that will be assessed for implementation. This plan also discusses preservation plans, including revenues, expenditures, and partnerships that are key to this preservation.

In order to move forward with our business and to meet our strategic goals, we view our business through three lenses and identify activities to support or grow each. These three lenses are “Stability – Tradition – Growth” and each provides for a variety of revenue generation and historic preservation activities.

Stability is focused on maintaining a firm financial footing or baseline. Further, stability means that our historic preservation goal can be planned and executed predictably.

Tradition is focused on executing well our traditional or long-standing programs and activities, whether they are for revenue generation or historic preservation. We continue to analyze the benefits of making minor or major modifications to these traditional programs and activities and we assess at intervals whether we can expand them to reach greater audiences, serve a greater number of visitors, include partners, or complement current or future programs or activities.

Growth is focused on analyzing new ideas to generate revenue and preserve assets and then choosing the most promising ones for implementation. We describe in this document some initiatives that are underway and some that we will analyze and possibly implement in the future.

Figure 1 shows a summary of the programs and activities in each of the three areas.



Figure 1. The three lenses to view our business: “Stability – Tradition – Growth”

Stability

It is important for MHC to have a stable platform on which to build its business and continue to preserve artifacts and history. From this stability, new programs, activities, revenue generation sources, and preservation activities can be introduced, maintained, grown, or eliminated.

We identify both economic stability and preservation stability.

MHC'S ECONOMIC STABILITY

State law modified MHC's mandate in 2015 to require that MHC be economically stable rather than self-sufficient. This change importantly affects MHC's business decisions moving forward by allowing us to focus on long-term rather than short-term preservation and revenue generation decisions. It supports decision-making such as funding our reserve fund – important for successfully running a business.

Ongoing state financial support through the bed and vehicle taxes provides a funding baseline. In the past few years, we have successfully built upon this baseline by increasing visitor counts, increasing the length of visitors' stays, and increasing revenues. We have the goal of continuing acute preservation projects such as stabilization of key historic buildings, cataloging our extensive historical assets, and rehabilitating structures in order to allow new revenue generation opportunities. Maintaining the value of our core historical assets is fundamental to stable revenue generation into the future.



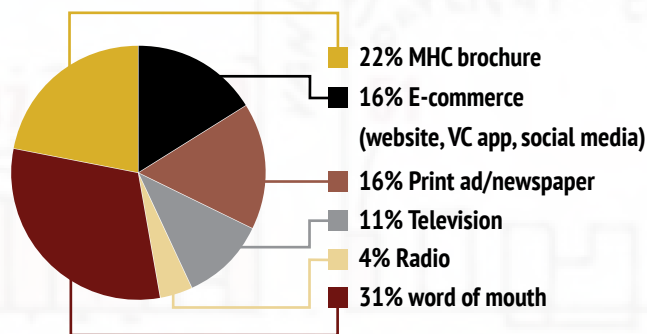
We have also been able to focus on new revenue generation activities – providing visitors high quality experiences that generate revenue for MHC. We discuss a number of these in this document. These innovations and their successful execution (once chosen as a feasible activity) are critical to long-term economic stability in a competitive and ever-changing tourism market.

We will continue to maintain \$100,000 in our STIP fund, which acts as our reserve fund.

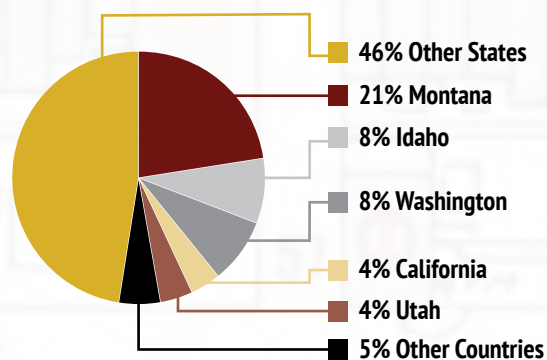
Advertising Venues & Tourist Locations

Promoting Virginia City and Nevada City Through Advertising and Marketing (Promote)

Through questionnaires completed at MHC visitor services, we can estimate that people visited Virginia City/Nevada City following contact with:



Top locations where visitors are coming from:



Data collected from four strategic locations on-site and through Google Analytics

The Montana Heritage Commission is committed to contributing 10% of approved budget towards marketing/advertising and public relations expenditures. With word of mouth resulting in such a large percentage of visitors, it is important to encourage visitors to spread the word. An enjoyable visitor experience is likely the strongest way to provide this encouragement and the longer the visitor spends in Virginia City/Nevada City and the more experiences they have to enjoy, the stronger the memory becomes and the stronger the likelihood of visitors spreading the word. As a result, our efforts to keep people in town longer and overnight, in particular, are likely the best ways to strengthen these memories.

We will continue to provide MHC brochures to outlets in Montana and surrounding states. Additionally, we are considering methods to bring additional visitors from West Yellowstone (a bus approach is described below, for example). Distributing brochures in areas from which we draw visitors and providing transportation options such as tours from these areas might boost the number of visitors, for example. This would be most beneficial for high value visitors – i.e., those staying overnight or those that have purchased packages including a number of visitor activities. The Montana Heritage Commission will continue to evaluate the best return on investments with each marketing venue.

Business Projects Being Implemented

We currently have business ideas that we are focused on analyzing for implementation in the next five years. We will discuss the opportunities and note our general expectations for them as revenue generators and preservation support initiatives.

More generally, our intent is to introduce activities and approaches that will increase spending opportunities. These are most available by having approaches that:

- Lengthen the time a visitor stays in Virginia City/Nevada City or Reeder's Alley
- Increase the overnight stays and thereby also increase evening and early morning activities
- Increase awareness of Virginia City/Nevada City through cooperative arrangements with other attractions and in other nearby locations that could generate traffic for Virginia City/Nevada City
- Provide visitors with more numerous appealing activities on which to spend time and money (often catering to different interest groups)
- Provide cheaper admission to museums to provide greater value to visitors and to increase the likelihood of staying rather than simply visiting the main street on a brief visit while "passing through"

The following business ventures are realistic ventures that we feel we can implement based on our current operating revenue, appropriated funds and current staffing levels.



Business Projects Being Implemented

1

The Vigilante Family and Stay & Play Packages (Sustain/Experience/Promote)

Status:
Completed/In Process



\$199.00

\$99.00

“Come Experience
Where Montana’s
History Lives”

The Montana Heritage Commission has seen an increase in visitor service revenue with the implementation of the Vigilante Family Pass and Stay and Play packages that were implemented in 2016. In the past few years, we increased the length of the Virginia City/Nevada City Family or Day Pass to two days without increasing the price. The Stay and Play packages also provide great value to visitors and benefits to MHC. These packages increase the likelihood of overnight stays with zero to negligible changes in our costs. We will be looking for these types of approaches that benefit the visitors and our operations and preservation efforts. The Vigilante Family pass is good for a group or family of 5 and it includes unlimited rides on the train, gold panning and entrance into the Living history museum for \$99.00. The Vigilante Stay and Play package includes all of the activities in the family pass but also includes lodging at the historic Fairweather Inn or Nevada City hotel for \$199.00.

Business Projects Being Implemented

2

Convention Center and Park Rentals for Social or Business Gatherings (Preserve/Sustain)

Status: Completed/In Process

The Montana Heritage Commission has invested in preserving activities that will create a return on investment to help with the ongoing maintenance and future preservation of the many heritage properties and artifacts it needs to preserve, repair and maintain.

MHC has completed the Reeder's Alley Convention Center, the Virginia City Meeting Hall and Discovery Park. These venues will serve as meeting places for the public to hold social gatherings such as family reunions, weddings or town venues for music festivals or gatherings.

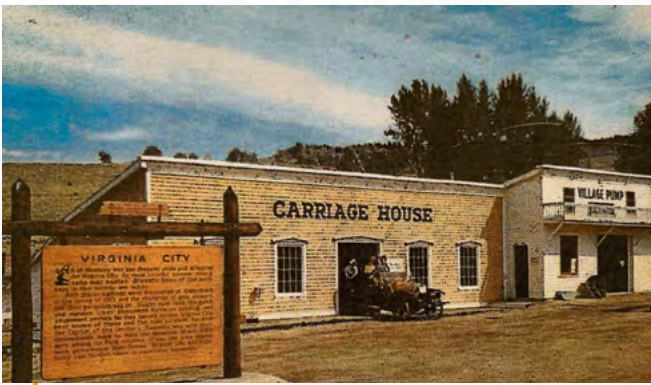


**“Converting
Historic Places
into Event Venues”**

Business Projects Being Implemented

Virginia City Information Center and Village Pump (Preserve/Promote)

Status: Completed/In-Process



1944

“Virginia and Nevada City - Pumping the way to the future”

We repaired and remodeled the Virginia City Carriage House and convert it into a Visitor Information Center with functional historic gas pumps. Visitors will stop to get information about Virginia and Nevada City on their way into town, and will learn about the history and many attractions available to visit. Gas stations and visitor centers at town entrances have a proven track record of increasing revenue streams for the local businesses. This addition will contribute to existing MHC business ventures.



2020

Business Projects Being Implemented

“Stay in Montana’s History”

HeritageAccommodations.com | AlderGulchAccommodations.com

Vacation Rentals (Preserve/Experience) Status: Completed/In-Process

We have the opportunity to develop several buildings as vacation rentals. These include the Sarah Bickford Cottage, Governor Thomas Frances Meagher Cabin, Historic Harding Home, and the Dr. Daems and Corbett Homes. These vacation rentals will help provide much needed lodging to help our customer base increase their overnight stays, staying in town longer versus quick one-day visits. This opportunity to “Stay in Montana’s History” will help them to understand the early history with each vacation rental being a interpretive history of the residence and area from 1864-1875 (Our 5 year goal is to be able to accommodate 500 people a night for weddings, family reunions, music festivals and social gatherings.)

Completed Vacation Rentals and Inns: Sarah Bickford Cottage, Governor Thomas Frances Meagher Cabin, Historic Harding Home, and Dr. Daems and Corbett Homes.



In Process: “Montana Pioneer Residences” Gilbert, Hickman, Jack Taylor (African-American Heritage)
www.savemontanashistory.com



Business Projects Being Implemented

Wedding Coordination, Family Reunions, Large Groups, School & Group Tours (Experience/Promote)



Status:
Completed/In Process

The MHC is in the process of creating packages and working with the Virginia City Chamber of Commerce on hiring a tourism coordinator. There is a significant increase in Montana destination weddings and in order to attract and accommodate the wedding market, we are considering the MHC acting as a destination wedding and group package tourism coordinator and charging 25 percent per venue for overhead. We will explore different models for this undertaking, such as managing these contracts completely in-house or hiring contractors to develop and manage the weddings. Weddings have the potential to occur both within and outside the prime visitor season. We will work with each group to create a customized package including accommodations, theatre, convention centers, and activities to suite their group objectives.



**“Virginia and Nevada City,
Montana - Your Wedding and
Family Reunion Destination”**

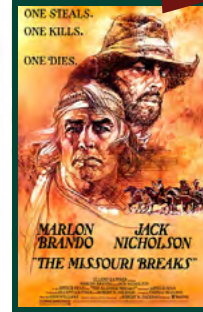
Business Projects Being Implemented

6

Film and Photography Income (Promote/Experience)

Virginia City
wins film friendly
community of
the year

David Yarrow and Animals of Montana Photography Shoot



Virginia City won Film Friendly Community of the year in 2018. VC/NC has produced 26 major hollywood productions from 1970s to present, from Dustin Hoffman in the 1970s to Bill Pullman in 2018. 2019-2020, famous English photographer David Yarrow had a photo shoot in Virginia City and Nevada City, Montana. The photos featured Cindy Crawford "America's Supermodel," Olivia Culpo (Miss Universe) and Kate Bock (Sports Illustrated Model of the Year).



Cindy Crawford
"America's Super Model"



Business Projects Being Implemented

7

“The Must See Destination Between the Parks” (Experience/Promote)



Status: Completed/In Process

1. Maximize National Park tourists by educating them on our destination and services.
2. Implement and advertise Montana Highway Corridor “The Vigilante Trail” from West Yellowstone to Butte, getting them to come this direction vs Big Sky/Bozeman.
3. “Come Visit brochure stands” at all Montana Visitor Centers and Key Locations in Idaho, Utah and Wyoming. See Come Visit photo
4. Grow Yellowstone tours to daily and weekly stops from West Yellowstone to Virginia City.
5. Grow E-Commerce for google maps and gear advertising towards google analysis of where tourists are coming and where they are accessing data.

“The Must See Destination
Between the Parks”



Strategic Priorities

The Montana Heritage Commission has the following (4) strategic priorities:

- (1) **PRESERVE:** Establish a more effective system to ensure proper allocation of resources, preservation and maintenance prioritization, and cataloging of historic buildings and artifacts.
- (2) **PROMOTE:** Expand marketing and promotional efforts to strengthen image and identity of the historic resources managed by The Montana Heritage Commission.
- (3) **PARTNER:** Broaden local, state, and federal support and understanding of the important contribution heritage makes to Montana's economy, cultural identity and sense of historic community.
- (4) **PROTECT:** Implement programs to enhance inventory to be compliant with insurance guidelines, fire suppression services and safe practices for our tourists to avoid injury and exposure to litigation.

PRESERVING AND PROMOTING OUR HISTORY



Strategic Highlights



We Preserve Montana's Territorial History, for our Future

MHC operating budget FY 2020:

\$1,343,708 (expenses)

÷ **\$74.6 Million** (economic footprint)

= **5,536%** Return on Investment

Investing in history pays for Montana!



74.4 million economic footprint in Montana

Contributes to 1,226 jobs in Montana



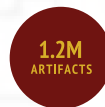
Has stewardship over 276 heritage properties from the 1860s to 1875 time period



Over 500k tourists visit Virginia and Nevada City from Memorial Day to Labor Day each year, making it Montana's #1 state-owned tourist destination



Reeder's Alley is one of the few original structures from Helena's territorial time period



Over 1 million Americana artifacts from the 1860 to 1960 time period

