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# *Market Study for Plymouth Arts and Recreation Complex*

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Commissioned by:

Plymouth Arts and Recreation Complex



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## *I. Executive Summary*

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**PURPOSE OF REPORT** Community leaders in Plymouth, Michigan came together to form Plymouth Arts and Recreation Complex (PARC), Inc., a non-profit entity, with the goal of seeing the historic Central Middle School and adjoining property restored and repurposed as an arts and recreation complex.<sup>1</sup> In 2015, the Plymouth-Canton Community School district entered into a multi-year agreement to sell the Central Middle School property. In the interim, the property is being leased and operated by PARC management. Since the PARC opened in August 2015, the complex has gained tenants and hosts theater, music, and recreational programs. PARC management plans to renovate the building, improve the grounds, and construct an 800-seat performing arts theater to provide the greater Plymouth community with a center for arts and recreation to serve all ages. In preparation of fundraising, PARC management retained Anderson Economic Group to analyze the market opportunity for the PARC and assess the economic and other benefits that the project may have on the Plymouth community.

### **OVERVIEW OF APPROACH**

To complete our analysis, we took the following steps:

1. Reviewed information about the PARC, including its current uses and proposed uses and developments, provided to us by PARC management;
2. Reviewed demographic and socioeconomic characteristics for Plymouth city and township and for nearby comparable communities;
3. Delineated a primary and extended market area for recreation and arts programming at the PARC;
4. Conducted a supply and demand analysis for arts and recreation facilities in the Plymouth market; and
5. Assessed potential benefits to the community, the quality of life, and the economy of Plymouth that may stem from the PARC.

### **OVERVIEW OF FINDINGS**

Based on our analysis, we have found that:

*1. The PARC currently has a strong presence in the Plymouth community.*

1. The building which houses the PARC has been a part of the Plymouth community for 100 years and has a prominent and highly-visible location in the downtown area.

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1. Throughout the report, we refer to the entity operating Plymouth Arts and Recreation Complex, Inc. and leasing the building as the “PARC management” or “PARC Board.” We refer to the complex itself as “the PARC.”

2. Because the building was so recently closed by the Plymouth-Canton Community School district, many residents in the Plymouth and Canton communities have a strong sense of attachment to the building and the memories of friends and activities they enjoyed there.
3. The PARC has strong support in the community and already hosts a number of programs for all ages, including swim classes, cooking classes, and arts and cultural events.
4. Local sports teams and organizations use the PARC grounds, including the pool and playing fields, to provide sports programs.
  - See “Overview of PARC” on page 5.

*2. The proposed uses of the PARC will serve primarily the Plymouth community and will likely draw a number of occasional visitors from the surrounding communities.*

1. The proposed uses at the PARC would be served by a primary trade area and an extended trade area.
2. The primary trade area includes the geographic area from which the PARC draws its users that visit on a regular basis, daily or weekly. This is represented by the residents of the city and township of Plymouth, which are currently also the primary users of the PARC activities.
3. The extended trade area includes many surrounding communities such as Canton, Salem Township, Livonia, Northville, Novi, Farmington, and Farmington Hills. Users from this area will likely visit the PARC for fewer occasions, including sporting events or theatrical and musical performances at the proposed 800-seat performing arts theater.
  - See “Current Functions and Users of the PARC” on page 6, “Proposed Improvements and Functions” on page 10, and “Primary and Extended Trade Areas” on page 13.

*3. Our supply and demand analysis shows unmet demand in the Plymouth community and the surrounding communities for the proposed uses of the PARC, compared to a scenario in which the PARC ceases its operations.*

1. The Plymouth community is well-educated, with above-average median household income, and the right mix of age groups to participate and support the arts, cultural, and recreational uses proposed at the PARC. See Table 1 on page 3.
2. Households in the Plymouth community spend, on average, \$845 annually for arts and recreation activities. This is nearly double the state average on art and recreation activities.
3. There is substantial demand for such a facility in the Plymouth community. Most of the classrooms and offices in the PARC facility are currently filled. Further, local and regional organizations including the Michigan Philharmonic and the Detroit Symphony Orchestra, among others, have indicated an interest in performing in the proposed theater.

4. While neighboring communities have community recreation centers or small performance venues, there is not currently a center with the same capacity of the 800-seat theatre proposed for the PARC.
  - See “Supply and Demand Analysis” on page 13.

**TABLE 1. Summary Demographics for PARC PTA, ETA, and State of Michigan, 2016**

	PARC Primary Trade Area	PARC Extended Trade Area	State of Michigan
Population	36,098	468,813	9,954,631
Median Age (years)	44.8	41.5	39.9
Per Capita Income	\$46,643	\$37,071	\$27,184
Median Household Income	\$83,872	\$69,753	\$50,744
Share of Population 25 and older with a Bachelor’s Degree	30.1%	24.0%	16.8%
Share of Population 25 and older with a Graduate or Professional Degree	32.3%	16.9%	11.1%
Total Entertainment/Recreation Spending	\$845	\$693	\$475

Source: ESRI, Inc.; Anderson Economic Group, LLC

Analysis: Anderson Economic Group, LLC

*4. The proposed renovations and the performing arts theater at the PARC will bring numerous long-term benefits to the Plymouth community, including quality of life and economic benefits.*

1. The Plymouth Arts and Recreation Complex, after the completion of the proposed renovation and construction, will likely generate increased spending in the community, which has widespread effects throughout the local economy; and potential impacts on property values.
2. Events at the PARC enrich the local culture by preserving the historic building in which it is housed; providing art and cultural experiences to residents; and facilitating educational programs and demonstrations on a variety of topics.
3. The PARC will provide access to recreation facilities and physical activity programs, which increase the level of physical activity among residents and likely have lifelong health benefits among users of the recreational programs.
4. Cultural enrichment and health benefits stemming from the PARC will likely contribute significantly to the quality of life of the Plymouth residents and attract skilled workers, facilitating reinvestment in the community.
  - See “Economic and Other Long-Term Benefits” on page 25.

**ABOUT ANDERSON ECONOMIC GROUP**

Anderson Economic Group, LLC is a boutique research and consulting firm, with offices in East Lansing, Michigan; Chicago, Illinois; New York, New York; and Istanbul, Turkey. The experts at AEG specialize in market and industry studies, economics, public policy, and business valuation. Since AEG’s founding in 1996, the company has conducted market and feasibility studies for a

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variety of land uses, including retail, housing, mixed-uses, entertainment, and hotel uses, for private, public, and non-profit clients across the United States.

For more information, please see “Appendix D. About AEG” on page D-1 or visit [www.AndersonEconomicGroup.com](http://www.AndersonEconomicGroup.com).