

Fort Worth Botanic Garden Task Force Report

Park & Recreation Advisory Board Work Session
September 26, 2018, 3:00 PM

Presented by: Sal Espino, Task Force Chair
Susan Alanis, Assistant City Manager
Richard Zavala, Director, Park & Recreation Department
Bob Byers, Director, Fort Worth Botanic Garden

Task Force Members

- Chair Salvador Espino
- Co-Chair John Avila
- Greg Bird
- Walter Dansby
- Ralph Emerson
- Jim Estill
- Pete Geren
- Laura Harrison
- Sheila Hill
- Adelaide Leavens
- Marty Leonard
- Elaine Petrus
- Scott Wilcox
- Julie Wilson
- Mitch Whitten
- Harvey Yamagata

Strategic Plan: Task Force

Purpose: To formulate **prudent** financial management **policy recommendations** that will **strategically ensure** the **sustainability** of the Fort Worth **Botanic Garden** and effectively **maximize the full potential** of the Garden as a **world class** museum while maintaining **accessibility** to all citizens.

Key concerns for the Task Force

1. Establish the **current condition** and **long term needs** of the Garden,
2. Determine what **additional funding** was **needed** to assure **sustainability** and review possible new funding sources,
3. Consider the **impact of potential fees** on the public and develop mechanisms that would assure **accessibility**, and
4. Evaluate various **governance options** and recommend which would **best serve the Garden**.

Overview

Strategic Plan Implementation

Strategic Plan: Action for next 12 months

November 15, 2016 – M&C G-18885

Accepted the Strategic Plan and referred the Plan to the City Manager and staff for further review and evaluation to develop strategies and policies for the implementation of the Plan.

Strategic Planning Process

- **Planning Committee Representatives:**
 - 3 FWBS, Inc.; 3 FWGC, Inc.; 1 BRIT
 - 1 Texas Garden Clubs
 - 1 Park & Recreation Advisory Board member; Botanic Garden and City staff
- **Three public meetings**
- **Web comments, emails from the public, individual meetings with consultant team, all public documents posted on website**
- **Reports/Presentations**
 - Park and Recreation Advisory Board 2016: April 27, May 25, July 27, August 24
 - City Council: Informal Report No. 9880, May 3, 2016 “Report on the Fort Worth Botanic Garden Strategic Plan Process”

Resulting Strategic Plan Objectives

- Transform the **Guest Experience**
- Establish the Fort Worth Botanic Garden as a **leader in public programs**
- Implement key parts of the City Council adopted **2010 Master Plan**
- **Repair, renovate, and improve** gardens, features and facilities
- **Reorganize the Garden's support groups** to improve the Garden's management and to increase support

Clear conclusion: \$15M+ in needed capital maintenance and repairs before we can pursue larger aspirations.

Direction from City Council

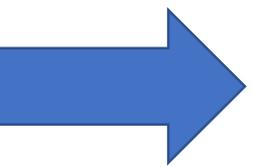
- Realign governance and existing financial resources
- Identify capital infrastructure costs
- Assemble more visitor information
- Subsequent process to consider fees and non-profit status

Seized opportunity to develop **partnership with BRIT** starting with volunteer management and education programs along with collaboration for marketing.

An aerial photograph of a large, rectangular building under construction. The building's structure is overlaid with a white grid pattern, representing a steel framework. The building is situated on a green lawn. To the right of the building, there is a paved parking lot with several cars parked. A road curves around the right side of the property. The text "\$15 million" is superimposed in large, bold, red letters across the center of the building's grid.

\$15 million

Direction from City Council



Realign governance and existing financial resources



Identify capital infrastructure costs



Assemble more visitor information

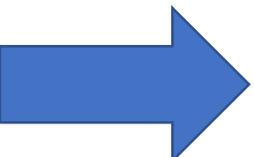


Subsequent process to consider fees and non-profit status

Accomplishments

1. Setup **Special Revenue Fund** for Fort Worth Botanic Garden
2. **Redirected income** currently flowing to support groups and for **contract maintenance services** and operational support
3. City assumed **expenses** (and **corresponding revenues** to fund positions)

Direction from City Council

- Realign governance and existing financial resources
-  **Identify capital infrastructure costs**
- Assemble more visitor information
- Subsequent process to consider fees and non-profit status

Our Team

**Elements of
Architecture, Inc.**
Architects

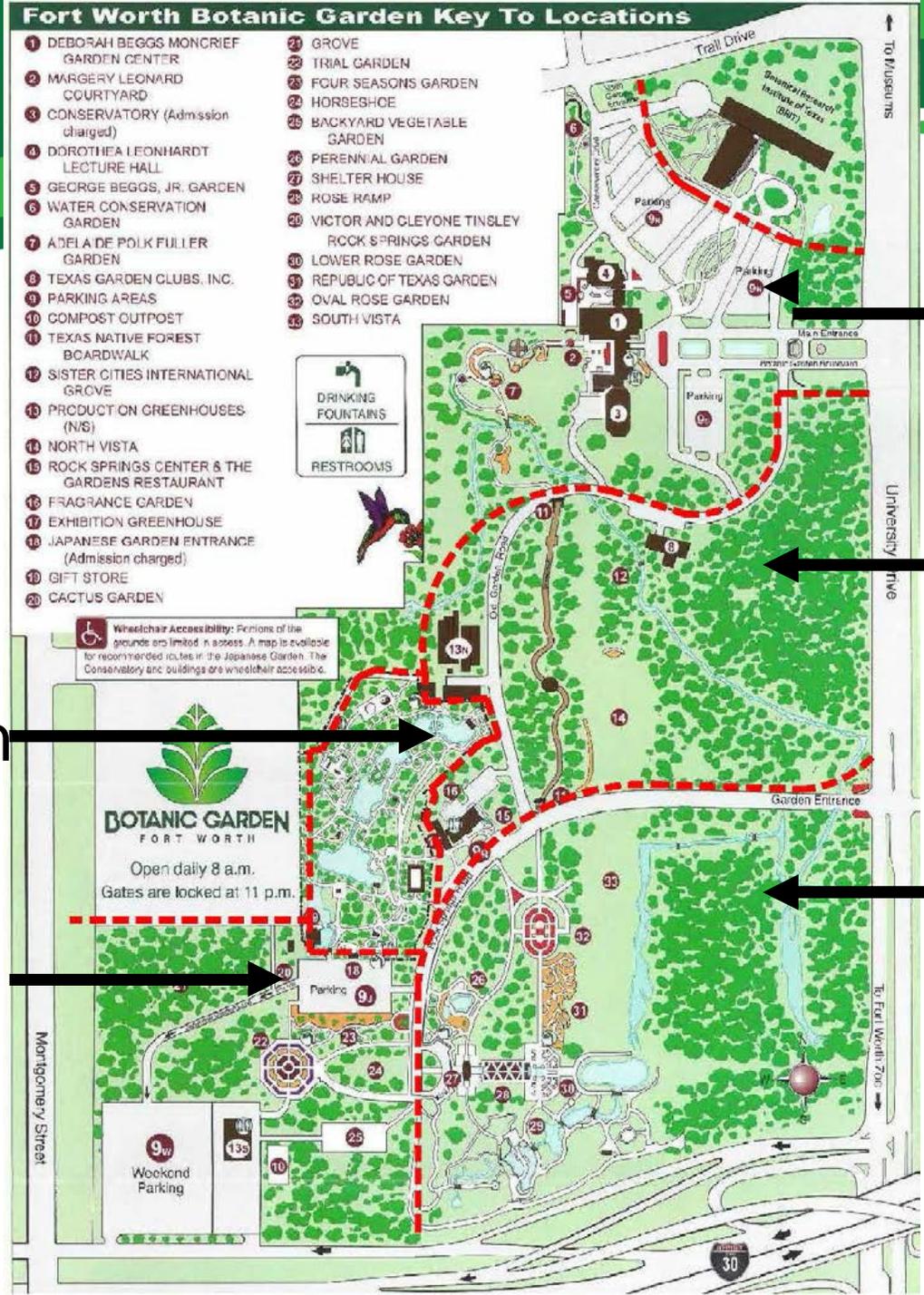
**Dunaway
Associates, L.P.**
Civil Engineers

**R. L. Woods &
Associates, LLC**
Structural Engineer

**Torres Engineering
Services, Inc.**
MEP Engineers

**Rough Brothers,
Inc.**
Greenhouse Consultant

**Greenscape Pump
Service, Inc.**
Water Feature Consultant



ZONE 1 - \$5.1 million

ZONE 2 - \$6.8 million

ZONE 3 - \$1.7 million

ZONE 5 - \$2.0 million

ZONE 4 - \$266,000

TOTAL
\$15.8 million

Facilities Assessment – Examples

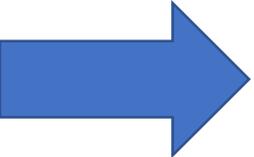
ZONE 1	\$5,076,087
Conservatory	\$2,266,314
Deborah Beggs Moncrief Garden Center	\$1,431,059
Dorothea Leonhardt Lecture Hall	\$696,950
ZONE 2	\$6,758,376
Parking Areas and Miscellaneous Site Areas	\$2,679,600
Production Fiberglass Greenhouse	\$1,001,880
Production Glass Greenhouse	\$691,866
ZONE 3	\$1,702,907
Karesanui (“Dry landscape”) Garden	\$476,100
Miscellaneous Site Elements	\$423,000
Waterfall	\$300,000

Facilities Assessment – Examples

ZONE 4	\$266,061
Weekend Parking	\$128,720
Trial Garden	\$46,770
Japanese Garden Parking	\$31,200
ZONE 5	\$1,965,530
South Vista	\$846,000
Victor & Cleyone Tinsley Rock Springs Garden	\$787,314
Rose Ramp	\$159,600
TOTAL	\$15,768,961



Direction from City Council

- Realign governance and existing financial resources
- Identify capital infrastructure costs
-  **Assemble more visitor information**
- Subsequent process to consider fees and non-profit status



2017 Fort Worth Botanic Garden

Special Analysis of 1,600 Visitors



2017 Fort Worth Botanic Garden

Special Analysis of 1,600 Visitors



Prepared by: Highland Market Research, LLC



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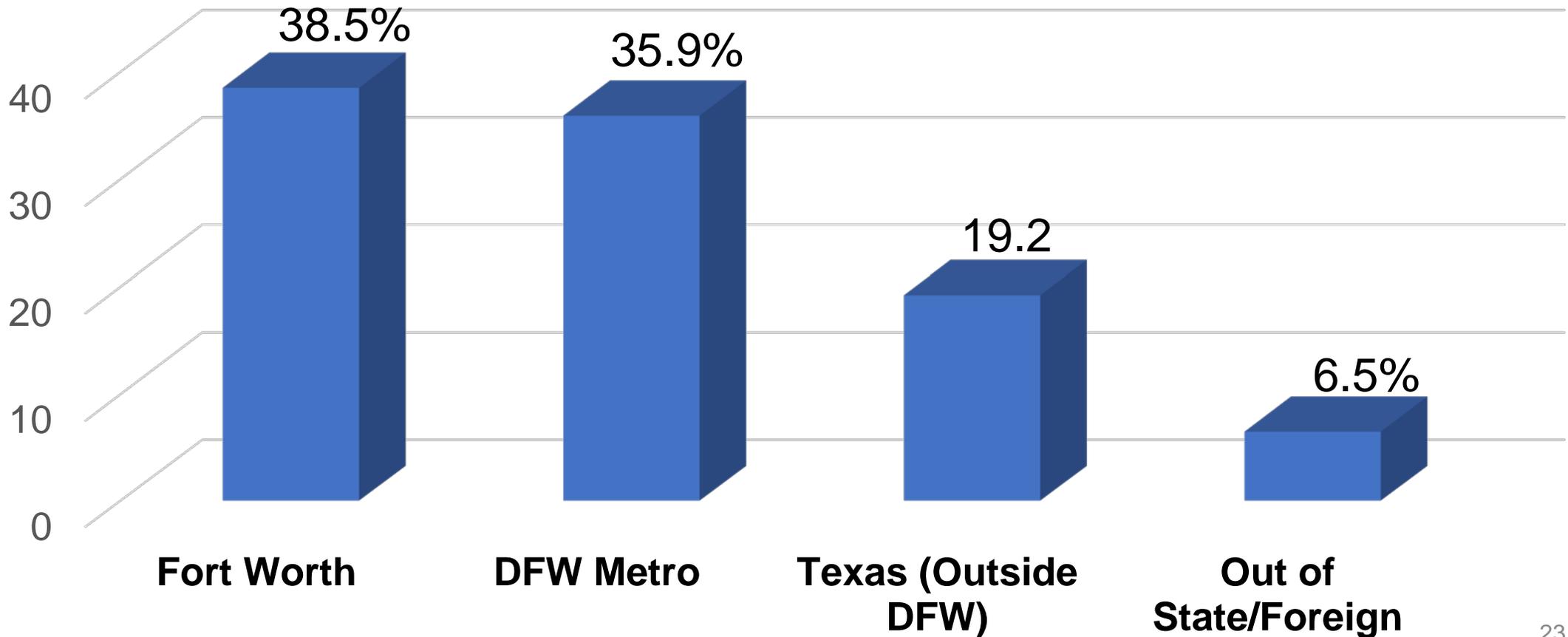
Intercept Survey Statistics

Japanese Garden admission tickets sold	120,705
Conservatory admission tickets sold	31,267
Other people who visited the Botanic Garden	182,468
Total projected visitors, 1/1/17 – 12/31/17	334,440
Total projected economic impact	\$10,223,831

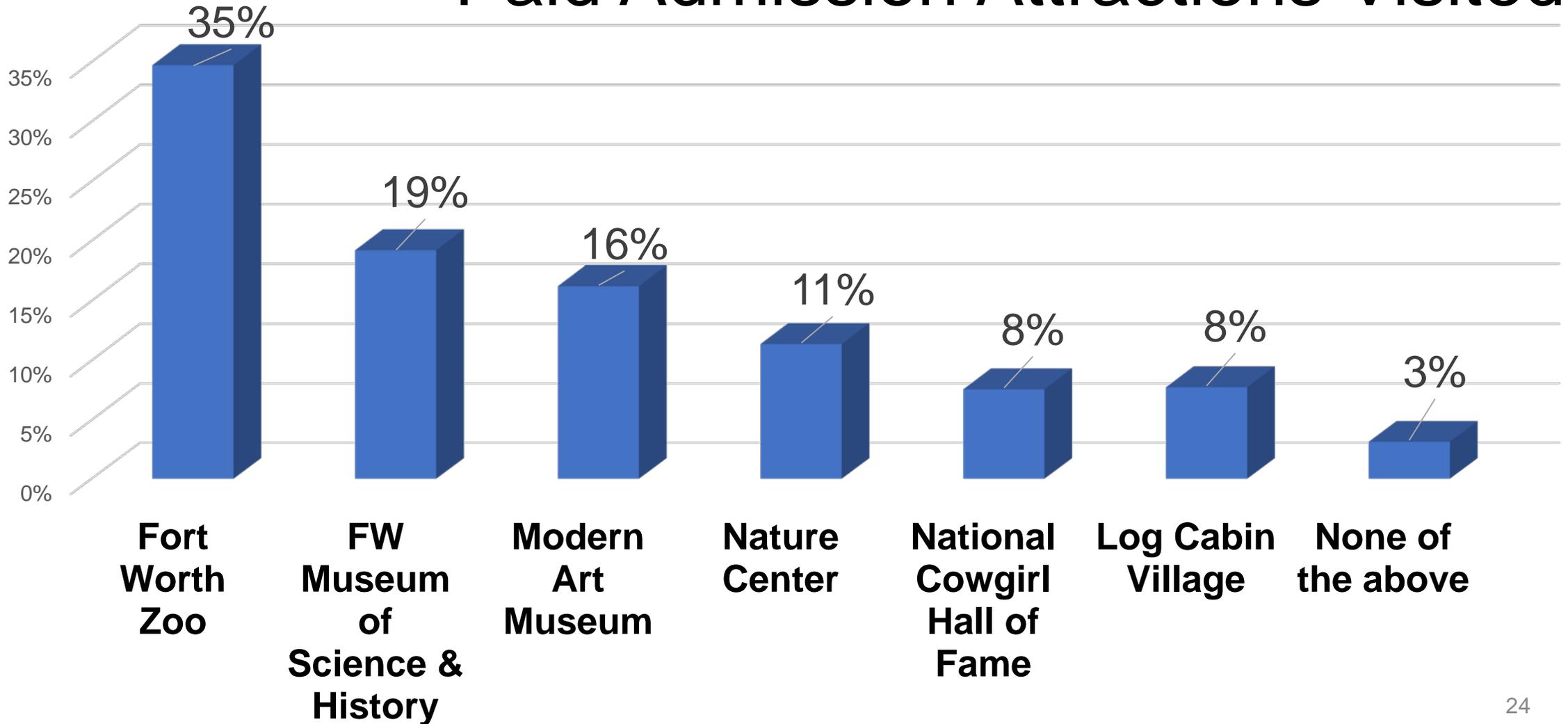
General Information on Purpose of Visit

Question	Response	All Visitors	FW Visitors
First Time Visit?	Yes	32.7	78.3
	No	67.1	21.3
Average # of Visits		6.95	7.36
What Areas to Visit	General Area	60.5	72.1
	Japanese Garden	34.2	24.3
	Conservatory	5.3	3.6

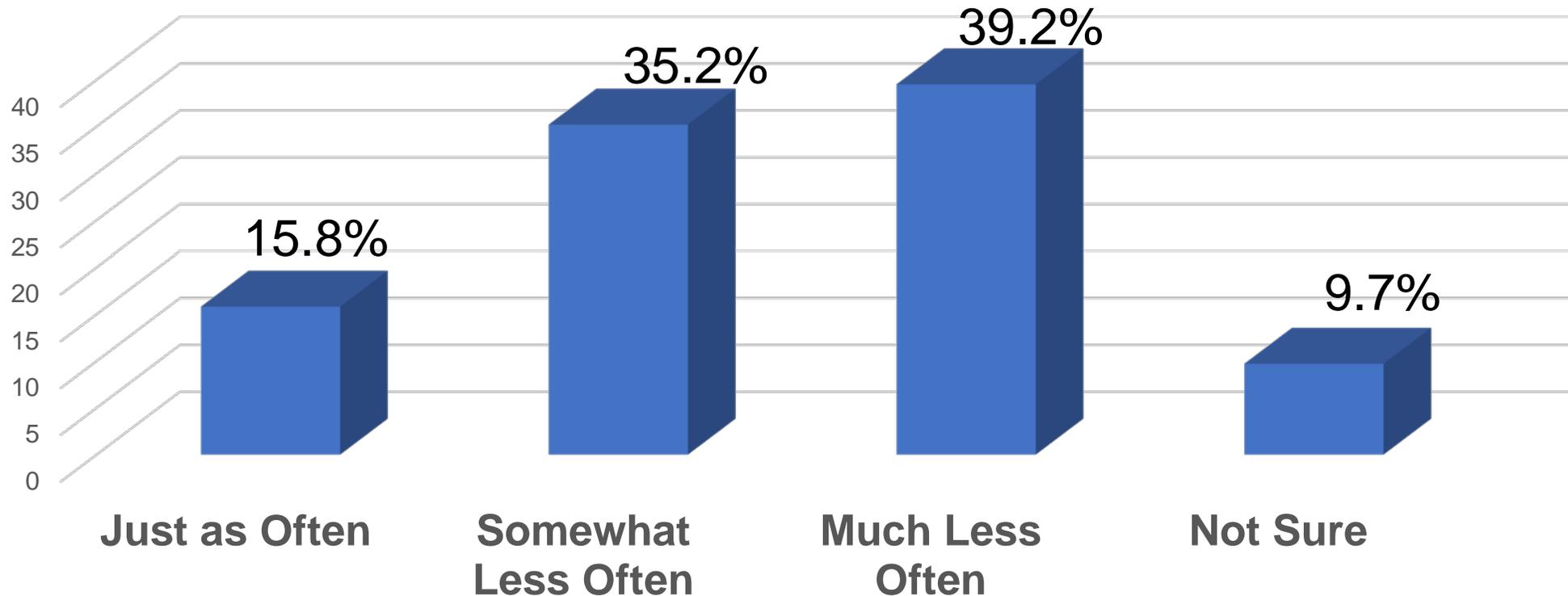
Fort Worth residents versus all visitors



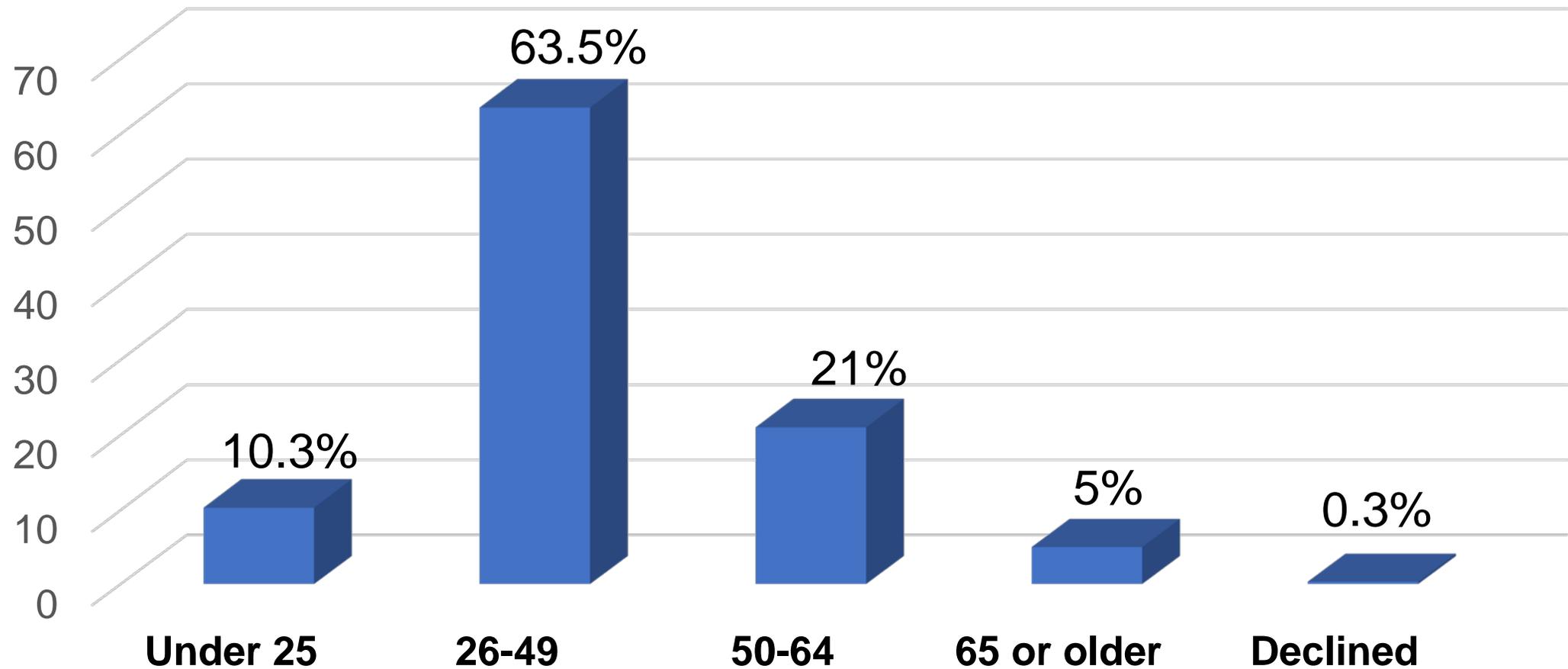
Paid Admission Attractions Visited



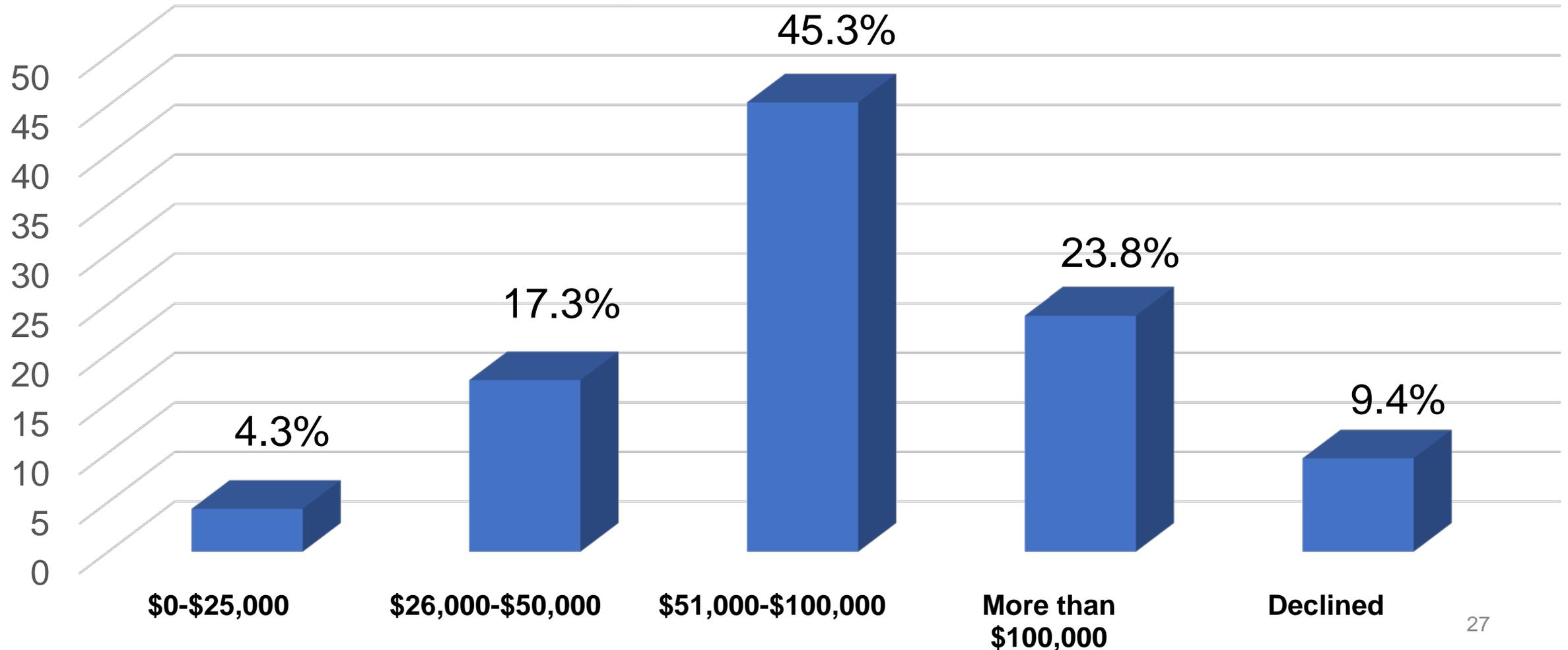
If the Botanic Garden had an Admission Fee Do you think people would come:



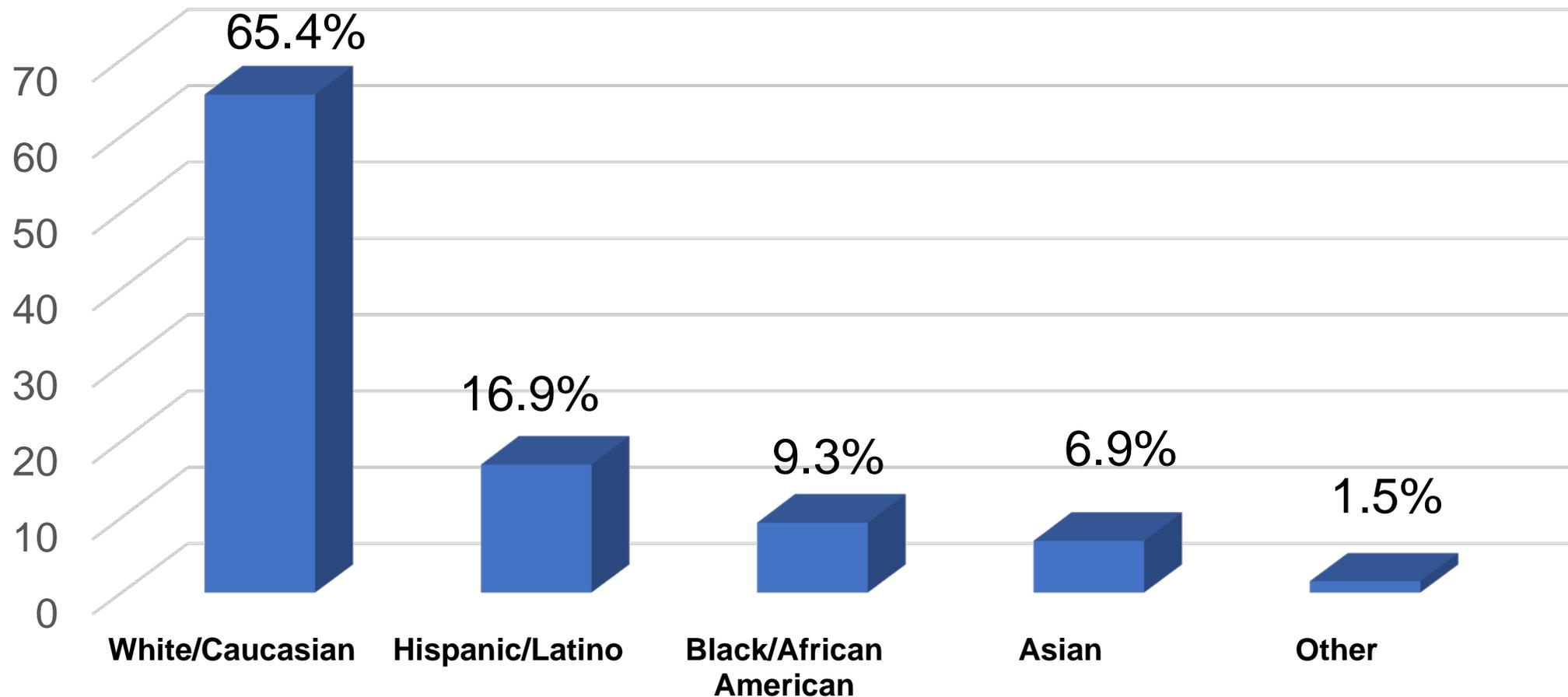
Demographics: Age



Demographics: Household Income



Demographics: Ethnicity Recorded by Interviewer Observation

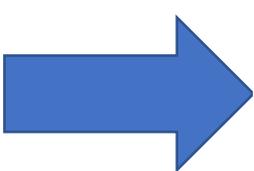


Direction from City Council

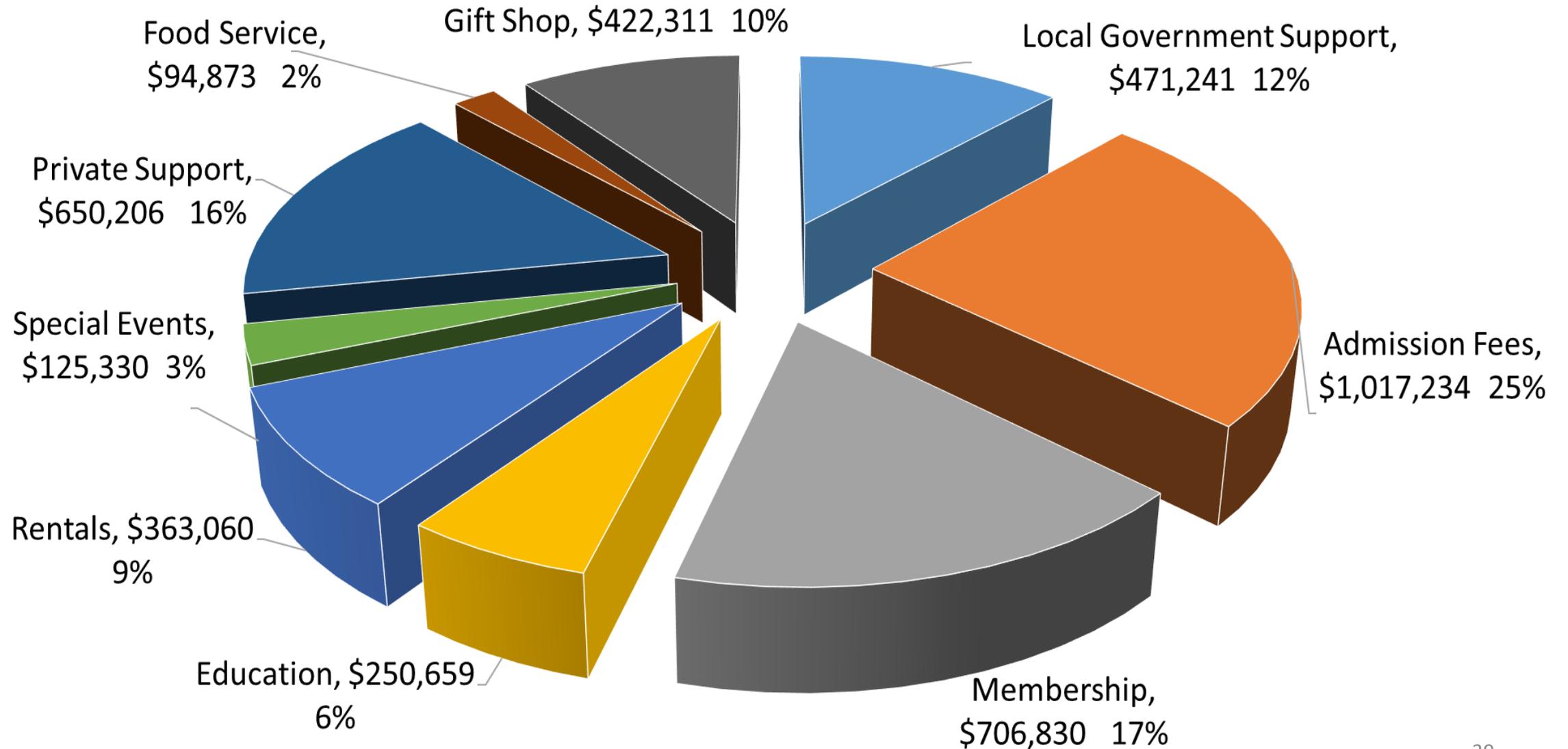
Realign governance and existing financial resources

Identify capital infrastructure costs

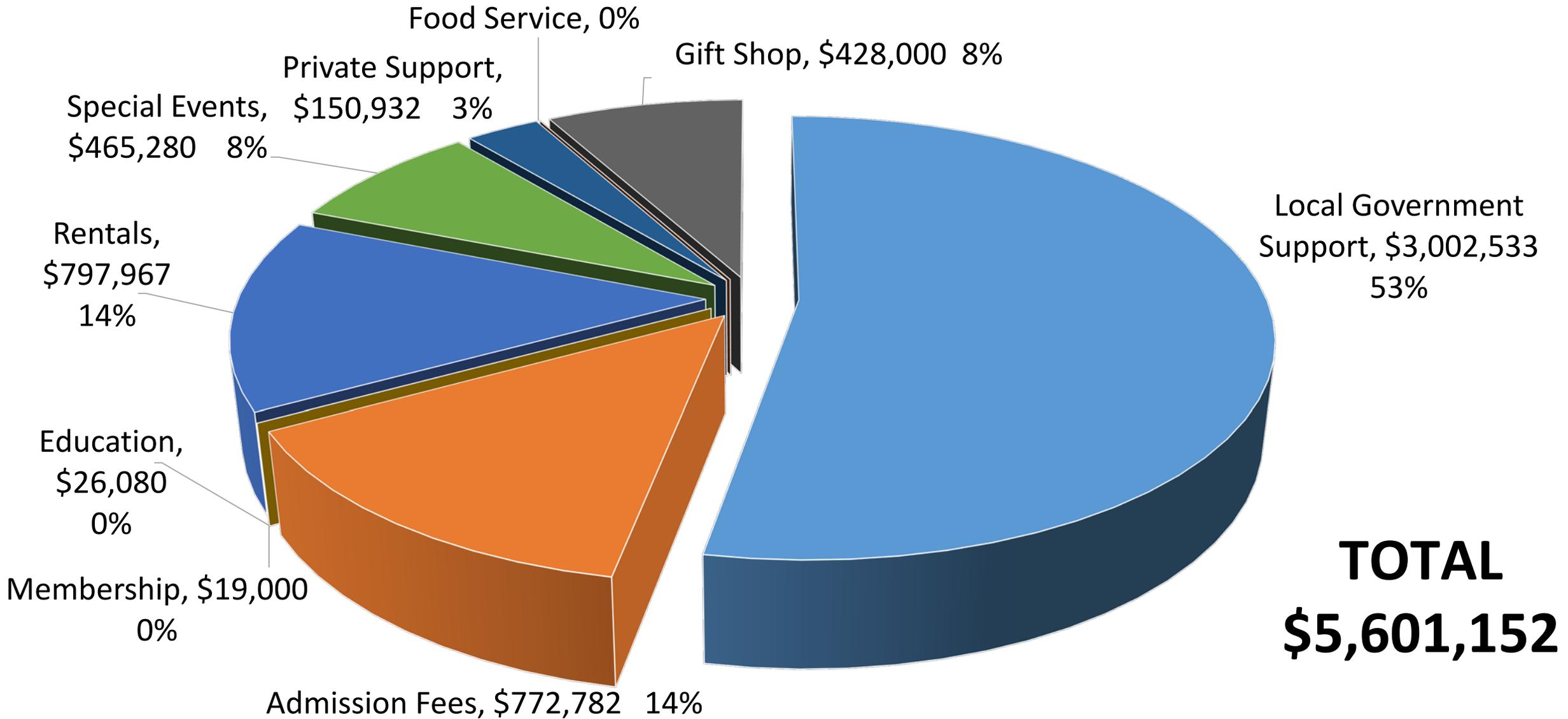
Assemble more visitor information

 **Subsequent process to consider fees and non-profit status**

Average National Revenue Mix Peer Gardens (Budgets \$4.2 million+)



FY2018 Fort Worth Botanic Garden Budget



General Conclusions

1. Strategic Plan identifies specific actions toward implementing 2010 Master Plan and identified a **\$1.2M annual operating shortfall**
2. More than **\$15M in capital repairs** are required to maintain the status quo and is symptomatic of chronic underfunding
3. 2/3 of visitors are **not residents** of Fort Worth

General Conclusions

4. **Doing nothing is not an option** or we risk the rest of the garden disappearing like the Fragrance Garden
5. Long-term, **bond program support and significant philanthropic giving** are necessary to achieve the full potential



Revenue



General Findings and Recommendations

- **Finding:** There is a **clear financial need** to better fund general operations and maintain the current Garden infrastructure. **Without transformational change, the Garden is not financially sustainable.**
- **Finding:** The Garden will require **significant additional financial support** to realize the aspirations of the **2010 Master Plan.**

General Findings and Recommendations

Recommendation: A broad based funding approach utilizing **city funding, enhanced generated revenues, and bond funding** should be used to address current **deferred maintenance** needs and assure **adequate operational funding** to prevent future maintenance and programmatic shortfall.

General Findings and Recommendations

- **Finding:** Operating revenue not only needs to increase, but to come from more **broadly based sources** including **memberships, private and corporate giving**, and greater generated revenues.
- **Finding:** An **admission fee is necessary** to accomplish these goals, but should be closely tied to **accessibility options** that allow all citizens to benefit from the Garden and its programs. It not only provides needed financial support, but **also drives a robust membership program** important for a **successful development program**.

Revenue Goals

1. Find **best compromise between revenue and affordability**
2. Invest in **programs** that improve **access**
3. Engage and support **families**
4. Improve **programming**
5. Fully fund **operating needs** and address **deferred maintenance**



General Findings and Recommendations

Recommendation: General Admission Fees*

Replaces current \$7 Japanese Garden admission fee and \$2 Conservatory admission fee

Adult	Child, 6 – 15 50% discount	Senior, 65+ 20% discount
\$12	\$6	\$10

*Accessibility through Lone Star Card discounts, MusePass, Blue Star Program

Recommended Membership Fees

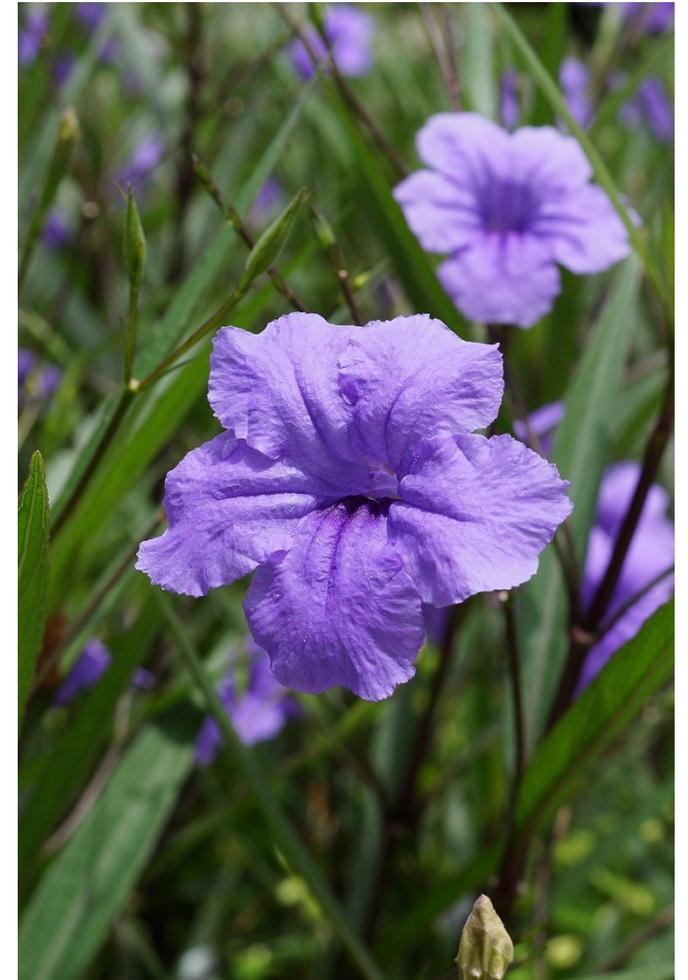
Level	Includes: Plus reciprocal privileges	Fee
Family	2 names adults & all children <18 years in household	\$100
Lone Star Family	Same as above	\$30
Individual	One named adult	\$50
Dual	Two names adults	\$80
Contributing	Family plus 1 additional adult per visit	\$200
Supporting	Family plus 2 additional adults per visit	\$500
Sponsor	Family plus 2 adults per visit and 2 event tickets	\$1,000

Accessibility



Accessibility Goals

1. Provide **multiple options** for various ways to **access** the garden
2. Reduce **impact on membership** through **carefully crafted programs**
3. **Avoid issues** other institutions have experienced **relying on free admission** to assure **accessibility**



Research Suggests

1. **Free days as primary access** strategy do not change visitor demographics or reach underserved audiences
2. **Well designed programs** funded by adequate revenue does improve access
3. **Properly funded offerings** and facilities build audiences, including underserved



Recommended Accessibility Options

- 1. Membership: Family membership \$100** (cost of ~3.5 visits for family of 4) or **\$8.33 a month**. Reciprocal admission to 200+ gardens.
- 2. Lone Star Card Discounts, SNAP/WIC**
 - **Discounted Family Membership. \$30 or \$2.50 per month.** Includes Reciprocal Admission.
 - **Museums4All.** National program allows families for \$1.00 admission per adult family member.



- 3. MusePass.** Free family passes in each Fort Worth public library. Encourages library visits.
- 4. Sponsored Field Trips.** Sponsored 3rd grade field trips for FWISD schools. Includes one time free family pass per student.
- 5. Blue Star Program.** Free admission to active duty military families from Memorial Day to Labor Day.
- 6. Family Community Pass Program.** Family passes distributed through non-profit organizations.



Projected Revenues and Expenditures

Visitation Assumptions

Intercept Study Visitor Estimate	334,440
20% decrease year 1	-66,888
Estimated member visits per year 1	-9,982
Free children under 5 years old	- 33,631
Adjusted Visitation	223,393

Revenue Projections

Revenue Source	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Admissions	\$982,138	\$2,343,755	\$2,414,068	\$2,486,490	\$2,561,084
Generated Revenue	\$1,563,840	\$1,569,065	\$1,446,987	\$1,635,544	\$1,504,933
Membership/Donation	\$256,000	\$342,000	\$403,225	\$470,071	\$518,453
City Subsidy	\$3,045,821	\$3,137,196	\$3,231,311	\$3,328,251	\$3,428,098
Gross Revenue	\$5,847,799	\$7,392,016	\$7,495,591	\$7,920,355	\$8,012,569



Expense and Operating Balance Projections

Gross Revenue	\$5,847,799	\$7,392,016	\$7,495,591	\$7,920,355	\$8,012,569	\$8,347,835
Expense	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Base Labor Costs	\$3,413,589	\$3,515,997	\$3,621,477	\$3,730,121	\$3,842,024	\$3,957,285
Direct Expenses	\$1,987,401	\$2,047,023	\$2,108,434	\$2,171,687	\$2,236,837	\$2,303,942
Total Expenses	\$5,400,990	\$5,563,020	\$5,729,910	\$5,901,808	\$6,078,862	\$6,261,228
Net Revenue	\$446,809	\$1,828,996	\$1,765,681	\$2,018,547	\$1,933,708	\$2,086,608
Debt Service	\$0	\$756,281	\$915,000	\$868,313	\$847,563	\$826,813
Start-Up Costs	\$460,000	\$640,000	\$0	\$0	\$0	\$0
Proposed Positions	\$48,030	\$322,249	\$512,320	\$617,870	\$745,885	\$768,262
Balance	\$-61,222	\$110,466	\$338,360	\$532,364	\$340,260	\$491,533

Growing the Future



10 Year Vision Plan

Funding Strategy

- Combines deferred maintenance with new development
- Leverages philanthropy with bond funding
- Reduces admission fees needed to retire maintenance bond

- Reevaluate mission
- Increase flexibility
- Refocus collection
- Maximize use
- Estimated Cost - \$5.3M



Renovate Conservatory

- Increase safety
- Improve visitor experience
- Build better connections
- Provide better access
- Improve parking
- Estimated Cost - \$6.8M



Improve Circulation



- Expand culinary displays
- West Vista renovation
- Teaching kitchen
- Trial Garden
- North Texas Dry Landscape
- Estimated Cost - \$5.6M



Teaching Gardens

Financing the Vision

Proposed Deferred Maintenance Funding					
Year	Action	Funding Source	Principal	Interest Costs	Total Cost
2020	Bond 1	General Admission	\$ 10,000,000	\$ 4,263,750	\$ 14,263,750
2022	Bond 2	2022 Bond Election	\$ 5,000,000	\$ 2,131,875	\$ 7,131,875
2026	Bond 3	2026 Bond Election	\$ 2,000,000	\$ 852,750	\$ 2,852,750
Total Estimated Borrowing Costs			\$ 17,000,000	\$ 7,248,375	\$ 24,248,375

10 Year Vision Plan				
Goal	Estimated Cost	2022 Bond	2026 Bond	Philanthropy
Renovate Conservatory	\$ 5,300,000	\$ 500,000	\$ -	\$ 4,800,000
Improve Circulation	\$ 6,800,000	\$ 1,000,000	\$ -	\$ 5,800,000
Teaching Gardens	\$ 5,600,000	\$ 500,000	\$ -	\$ 5,100,000
Children's Garden	\$ 20,500,000	\$ 3,000,000	\$ 2,000,000	\$ 15,500,000
Total Funding	\$ 38,200,000	\$ 5,000,000	\$ 2,000,000	\$ 31,200,000

General Findings and Recommendations

Finding: A more **agile governance model** is required that **promotes development** and management of **private resources** and allows **business-based** operations needed to fully **realize the Garden's potential**.

General Findings and Recommendations

Recommendation: Governance of the Garden should be transitioned to **non-profit management**, with a staff-led process to select the **best non-profit partner** using **criteria** approved by **City Council**, followed by **transitional goals and timelines** established by **contract and approved by City Council**.

Task Force Schedule

- Park & Recreation Advisory Board
 - **Work Session – September 26, 2018**
 - Action Item – October 24, 2018
- Fort Worth City Council
 - Work Session – October 30, 2018
 - M&C – November 13, 2018

Discussion and Questions

