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
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.
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.
$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

“The Garden has more than $15 million in deferred maintenance and an estimated $1.2 million annual shortfall in operational funding. These deficits are symptomatic of systemic underfunding and the unsustainability of the financial model.” ~ Bob Byers
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 4 - $266,000
ZONE 5 - $2.0 million
TOTAL $15.8 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

“Wherever you visit, let the place you visit remember you well!” ~ Mehmet Murat ildan
2017 Fort Worth Botanic Garden
Special Analysis of 1,600 Visitors

Prepared by: Highland Market Research, LLC
### 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

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>All Visitors</th>
<th>FW Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Time Visit?</td>
<td>No</td>
<td>32.7</td>
<td>78.3</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>67.1</td>
<td>21.3</td>
</tr>
<tr>
<td>Average # of Visits</td>
<td></td>
<td>6.95</td>
<td>7.36</td>
</tr>
<tr>
<td>What Areas to Visit</td>
<td>General Area</td>
<td>60.5</td>
<td>72.1</td>
</tr>
<tr>
<td></td>
<td>Japanese Garden</td>
<td>34.2</td>
<td>24.3</td>
</tr>
<tr>
<td></td>
<td>Conservatory</td>
<td>5.3</td>
<td>3.6</td>
</tr>
</tbody>
</table>
Fort Worth residents versus all visitors

- Fort Worth: 38.5%
- DFW Metro: 35.9%
- Texas (Outside DFW): 19.2%
- Out of State/Foreign: 6.5%
Paid Admission Attractions Visited

Fort Worth Zoo: 35%
FW Museum of Science & History: 19%
Modern Art Museum: 16%
Nature Center: 11%
National Cowgirl Hall of Fame: 8%
Log Cabin Village: 8%
None of the above: 3%
If the Botanic Garden had an Admission Fee
Do you think people would come:

- Just as Often: 15.8%
- Somewhat Less Often: 35.2%
- Much Less Often: 39.2%
- Not Sure: 9.7%
Demographics: Ethnicity
Recorded by Interviewer Observation

- White/Caucasian: 65.4%
- Hispanic/Latino: 16.9%
- Black/African American: 9.3%
- Asian: 6.9%
- Other: 1.5%
Demographics: Household Income

- $0-$25,000: 4.3%
- $26,000-$50,000: 17.3%
- $51,000-$100,000: 45.3%
- More than $100,000: 23.8%
- Declined: 9.4%
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+)

- Admission Fees, $1,017,234 25%
- Membership, $706,830 17%
- Local Government Support, $471,241 12%
- Education, $250,659 6%
- Rentals, $363,060 9%
- Special Events, $125,330 3%
- Private Support, $650,206 16%
- Food Service, $94,873 2%
- Gift Shop, $422,311 10%
FY2018 Fort Worth Botanic Garden Budget

Local Government Support, $3,002,533

Admission Fees, $772,782  14%
Membership, $19,000  0%
Education, $26,080  0%
Rentals, $797,967  14%
Special Events, $465,280  8%
Private Support, $150,932  3%
Gift Shop, $428,000  8%
Food Service, 0%

TOTAL $5,601,152
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

“The nation behaves well if it treats its natural resources as assets which it must turn over to the next generation increased, and not impaired, in value.” ~ Theodore Roosevelt
• **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

<table>
<thead>
<tr>
<th>Adult</th>
<th>Child, 6 – 15 50% discount</th>
<th>Senior, 65+ 20% discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12</td>
<td>$6</td>
<td>$10</td>
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</tbody>
</table>

*Accessibility through Lone Star Card discounts, MusePass, Blue Star Program
## Recommended Membership Fees

<table>
<thead>
<tr>
<th>Level</th>
<th>Includes: Plus reciprocal privileges</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>2 named adults &amp; all children &lt;18 years in household</td>
<td>$100</td>
</tr>
<tr>
<td>Lone Star Family</td>
<td>Same as above</td>
<td>$30</td>
</tr>
<tr>
<td>Individual</td>
<td>One named adult</td>
<td>$50</td>
</tr>
<tr>
<td>Dual</td>
<td>Two named adults</td>
<td>$80</td>
</tr>
<tr>
<td>Contributing</td>
<td>Family plus 1 additional adult per visit</td>
<td>$200</td>
</tr>
<tr>
<td>Supporting</td>
<td>Family plus 2 additional adults per visit</td>
<td>$500</td>
</tr>
<tr>
<td>Sponsor</td>
<td>Family plus 2 adults per visit and 2 event tickets</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
Accessibility

“Admission drives Membership
Membership drives Philanthropy.”
~ Rick Daley, Co-Founder of EMD Consulting
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 do 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, $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

“We still do not know one thousandth of one percent of what nature has revealed to us.” ~ Albert Einstein
### Visitation Assumptions

<table>
<thead>
<tr>
<th>Intercept Study Visitor Estimate</th>
<th>334,440</th>
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<tbody>
<tr>
<td>20% decrease year 1</td>
<td>-66,888</td>
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<tr>
<td>Estimated member visits per year 1</td>
<td>-9,982</td>
</tr>
<tr>
<td>Free children under 5 years old</td>
<td>-33,631</td>
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<tr>
<td>Adjusted Visitation</td>
<td>223,393</td>
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## Revenue Projections

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>$982,138</td>
<td>$2,343,755</td>
<td>$2,414,068</td>
<td>$2,486,490</td>
<td>$2,561,084</td>
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<tr>
<td>Generated Revenue</td>
<td>$1,563,840</td>
<td>$1,569065</td>
<td>$1,446,987</td>
<td>$1,635,544</td>
<td>$1,504,933</td>
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<tr>
<td>Membership/Donation</td>
<td>$256,000</td>
<td>$342,000</td>
<td>$403,225</td>
<td>$470,071</td>
<td>$518,453</td>
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<tr>
<td>City Subsidy</td>
<td>$3,045,821</td>
<td>$3,137,196</td>
<td>$3,231,311</td>
<td>$3,328,251</td>
<td>$3,428,098</td>
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<tr>
<td>Gross Revenue</td>
<td>$5,847,799</td>
<td>$7,392,016</td>
<td>$7,495,591</td>
<td>$7,920,355</td>
<td>$8,012,569</td>
</tr>
</tbody>
</table>
## Expense and Operating Balance Projections

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

10 Year Vision Plan
Funding Strategy

- **Combines** deferred maintenance with new development
- **Leverages** philanthropy with bond funding
- **Eases need** for admission fees to retire entire maintenance bond
### Proposed Deferred Maintenance Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
<th>Funding Source</th>
<th>Principal</th>
<th>Interest Costs</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Bond 1</td>
<td>General Admission</td>
<td>$10,000,000</td>
<td>$4,263,750</td>
<td>$14,263,750</td>
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<tr>
<td>2022</td>
<td>Bond 2</td>
<td>2022 Bond Election</td>
<td>$5,000,000</td>
<td>$2,131,875</td>
<td>$7,131,875</td>
</tr>
<tr>
<td>2026</td>
<td>Bond 3</td>
<td>2026 Bond Election</td>
<td>$2,000,000</td>
<td>$852,750</td>
<td>$2,852,750</td>
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<tr>
<td></td>
<td><strong>Total Estimated Borrowing Costs</strong></td>
<td></td>
<td>$17,000,000</td>
<td>$7,248,375</td>
<td>$24,248,375</td>
</tr>
</tbody>
</table>
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.

“The secret to change is to focus all of your energy not on fighting the old, but on building the new.” ~ Socrates
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**.
Schedule for Task Force Recommendations

• Park & Recreation Advisory Board
  • Work Session – September 26, 2018
  • Action Item – October 24, 2018 - APPROVED

• Fort Worth City Council
  • Work Session – October 30, 2018
  • M&C – November 13, 2018
Discussion and Questions