



Date: September 10, 2010 (*Revised: September 20, 2010*)

TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Bloedel Conservatory Update

RECOMMENDATION

The following are the revised recommendations that were approved by the Board on September 20, 2010:

- A. THAT the Board approve the joint submission by the Friends of the Bloedel Association and the VanDusen Botanical Garden Association (VBGA) to collaboratively manage and operate the Bloedel Conservatory in partnership with the Vancouver Park Board.*
- B. THAT the Board develop a business agreement with the VBGA to manage and operate the Bloedel Conservatory, subject to the successful completion of the Board's Business Plan validation/due diligence process, and the satisfaction of the General Manager by November 2010.*
- C. THAT all legal documentation is to be in a form which is satisfactory to the Director of Legal Services for the City of Vancouver and the General Manager.*
- D. THAT the General Manager be authorized to execute and deliver such documentation on behalf of the Board.*
- E. THAT no legal rights shall arise and no consents, permissions or licences are granted hereby and none shall arise or be granted hereafter unless and until all contemplated legal documentation has been executed and delivered by all parties.*

BACKGROUND

On December 14, 2009, the Board directed staff to issue a Request for Expressions of Interest (RFEOI) inviting interested applicants to submit written business cases/concept plans for the management and operation (in a similar or new capacity) of the Bloedel Conservatory facility in Queen Elizabeth Park. The RFEOI was released on January 29, 2010 and closed on April 30, 2010. Four submissions were received and evaluated

against a set of selection criteria. Two submissions were subsequently shortlisted and presented to the Board's Services and Budgets Committee on July 20, 2010. The Committee expressed support for a joint submission from the Friends of the Bloedel Association and the VanDusen Botanical Garden Association (FOBA/VBGA).

DISCUSSION

Proposed Concept

The joint FOBA/VBGA submission proposes to:

- Reinvigorate the Conservatory as an educational/botanical garden;
- Integrate the Conservatory into the VanDusen Botanical Garden's operations; and
- Collaboratively manage the facility with the Park Board.

Key Business Features/Focus

The key business features/focus of the joint submission include:

- Growing the business (increasing attendance, gift shop revenues, event rentals);
- Establishing a fundraising program (through direct initiatives and special events);
- Establishing new partnerships (with educational institutions, government, etc.); and
- Exploring the potential for some cost reductions.

Projected Financial Impact & Investment

According to the most recent Business Plan submitted by the FOBA, the financial impact of the proposed turnaround plan is summarized below:

- 2011 – breakeven/potential small surplus;
- 2012 – surplus; and
- 2013 – surplus.

While the reasonability of these projections have not yet been validated by Park Board staff, they are considered by general standards, to be on the aggressive side. A detailed review of the projections will be conducted as part of the Park Board's due diligence process.

The joint submission does not provide for any immediate capital investment.

Strengths & Weaknesses

The strengths and weaknesses of the FOBA/VBGA submission are summarized below:

Strengths

- Potential to eliminate the facility's operating deficit; potential for operating surplus to be reinvested in facility
- Builds on a successful pre-existing relationship between the VBGA and Park Board
- Supported by experienced management and staff team
- Increases community education/interpretive programs
- Greater likelihood of public acceptance

Weaknesses

- No immediate capital investment
- Potential to redirect attention away from VanDusen's major capital project and operations

Progress to Date

After receiving the Services and Budgets Committee's endorsement of the FOBA/VBGA submission, staff immediately began working on advancing this initiative. To date several actions have been completed or are currently underway, including:

1. High level action plan was developed by Park Board Staff to identify key next steps and milestones;
2. Discussions have been held between Park Board staff and VBGA representatives to communicate and review this action plan;
3. A brainstorming session has been held between key Park Board personnel at VanDusen and Bloedel to review and identify key issues related to the Conservatory's integration into VanDusen (cost savings, additional expenses, membership fee distributions, revenue sharing arrangements, staffing implications, etc.)
4. Work is actively underway by Park Board staff (Management, VanDusen, and Bloedel) to conduct a detailed review of the FOBA Business Plan, assess the reasonability of key assumptions, integrate Park Board operational information and expertise, and ultimately, produce an updated and validated Business Plan document.

Once Step No. 4 has been completed, Park Board staff will engage FOBA/VBGA representatives for a collaborative review and assessment of the updated Business Plan. This process is expected to be completed by the end of September 2010.

Moving Forward

Once consensus has been reached on the updated Business Plan, Park Board staff will work with VBGA representatives to develop a partnership agreement which seamlessly integrates the Conservatory into VanDusen's operations. This agreement may form part of, or be completely independent of, the existing Park Board-VBGA Joint Operating Agreement and will address key terms and conditions, including but not limited to:

- Length of agreement;
- Budgeting/funding procedures;
- Management/allocation of potential surplus revenues;
- Establishment of performance targets;
- Performance evaluation process; etc.

Staff understand from FOBA/VBGA representatives that time is of the essence regarding the commencement of marketing and promotional initiatives, and will endeavor to work with FOBA/VBGA representatives in advance of a formal agreement to implement such activities.

SUMMARY

The Friends of the Bloedel Association and the VanDusen Botanical Garden Association have submitted a joint proposal to manage and operate the Bloedel Conservatory in partnership with the Park Board. This report recommends that the Board endorse this joint submission and support working towards a partnership agreement between the VBGA and the Park Board (once an agreement is reached, FOBA will merge with the VBGA and become a committee of the VBGA with special responsibilities for the Conservatory.). The key terms and conditions of a partnership agreement will be brought back to the Board for approval in Fall 2010.

Prepared by:

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