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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jorge M. Gonzalez, City Manager

DATE: April 19, 2012

SUBJECT: **DISCUSSION REGARDING A RENEWAL OF THE CURRENT MANAGEMENT AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND THE MIAMI BEACH GARDEN CONSERVANCY FOR THE MANAGEMENT AND OPERATION OF THE BOTANICAL GARDEN; AS WELL AS A PROPOSAL TO INCREASE THE RENTAL RATES FOR USE OF THE FACILITY.**

BACKGROUND

On January 17, 2007, the Mayor and City Commission approved a Management Agreement with the Miami Beach Garden Conservancy (the Conservancy) for the operation of the Botanical Garden, with an initial term of five (5) years, commencing on July 1, 2007 and ending on June 30, 2012, with an option, at the City's sole discretion, to renew and extend the Agreement for an additional five (5) year term.

Since taking over the operations of the Botanical Garden in July, 1999, the Conservancy has initiated extensive public outreach initiatives and educational programming, and has played an important role in working with the City to plan and implement the recently completed and much acclaimed renovation of the Botanical Garden. This renovation included extensive new landscaping, a new water feature, refurbishment of the existing fountain and a new entryway. In addition, and in order to offset costs associated with future phases of the Master Plan that was approved by the City Commission on January 13, 2010, the City Commission approved an amendment to the Management Agreement on June 1, 2011, to allow the Conservancy to award naming rights to interior portions of the Garden, in exchange for monetary contributions from private donors to fund the improvements.

In order to see the Master Plan through to completion and to continue its mission of providing quality horticultural, educational and volunteer-based programming initiatives, the Conservancy is asking to exercise its renewal option for an additional five years. Also, in light of the recent improvements to the premises, and in order to be more competitive with comparable venues in South Florida, the Conservancy is proposing to increase the rental rates at the Botanical Garden, which also requires the City's approval.

Additionally, the Conservancy is asking the City to consider amending the Management Agreement to provide for an additional renewal option for an additional five (5) years, at the City's sole and absolute discretion. It should be noted that this is separate and in addition to the one renewal option provided for and authorized in the current Management Agreement.

ANALYSIS

Renewal Option

The Conservancy has operated the Botanical Gardens since 1999, when it assumed responsibility

from the City's Parks and Recreation Department. Since that time, the Conservancy has increased the facility's cash flow and monetary reserves, established a loyal group of active volunteers and members, fostered good public relations, and as noted earlier, played a significant role in planning and coordinating the extensive renovations to the Garden.

The Conservancy's primary mission is to promote the Garden as a public amenity. This strategy has proven effective. Today the Garden has achieved greater visibility, has developed a strong base of members and supporters and is valued as a community partner with dozens of organizations. The Conservancy's goal of increasing awareness and providing free public access to the Garden has been a key ingredient in its approach to welcoming community service organizations including, but, not limited to, the Kiwanis, Rotary, Toastmasters, Surfrider Foundation, ECOMB, Ability Explosion, the City's Beautification Committee, the Miami Beach Women's Conference, MBCDC, the Jewish Film Festival, Save Dade, Miami Beach Chamber of Commerce, the Women's Film Festival, the annual AIDS Walk and dozens of others. The Conservancy also conducts free daily tours, hosts dozens of school group visits, accommodates arts organizations for music, dance, art exhibits and theater, and also hosts a children's art camp, which is in keeping with the City's objective of making the Garden available to as many people and programs as possible.

Historically, the City' annual contribution to the Garden Conservancy comprises approximately 33% of the Conservancy's income, with the balance derived from grants, donations, memberships, event functions, and gift shop sales. It should be noted that since taking over the Garden's operation, the Conservancy has also used its best efforts to increase its private funding contributions towards the operation and maintenance of the facility, resulting in City being able to reduce its annual contribution by approximately 32% (from \$200,500 in FY 01/02 to \$137,228 as of FY 10/11).

	FY 08/09	FY 09/10	FY 10/11	FY 11/12 Budget
Conservancy Income	\$212,450	\$204,247	\$250,727	\$279,649
City Contribution	\$152,475	\$152,475	\$137,228	\$137,228
Total Income	\$364,925	\$356,722	\$387,955	\$416,877
Expenses	(\$386,109)	(\$355,805)	(\$332,602)	(\$416,877)
Net Income	(\$ 21,184)	\$ 917	\$ 55,353	-\$0-

It should further be noted that after several years of being subject to a series of destructive weather events, and the fact that insurance doesn't cover storm-related damage to landscaping, the Conservancy has established a hurricane reserve account. This is particularly timely and beneficial in light of the City's \$1.2 Million investment in renovating the Garden, and will certainly help offset costs associated with having to replace downed trees and any other damage to the property.

Proposed Rate Increase

During the time the Botanical Garden was closed for construction, Conservancy staff conducted extensive market research and visited other facilities in Miami-Dade and Broward counties, to learn about their respective rental policies, pricing and amenities. The results of this research are summarized in the side-by-side comparison matrix attached as Exhibit A, which includes the current and proposed rental rate structures for the Botanical Garden. It should be noted that the rates reflected for each of the venues is strictly limited to rental of their respective facilities and does not include catering or any additional services.

Based on the attached schedule, the Conservancy is proposing to increase the rate for rental of the Banyan Room, which can accommodate up to 120 people, from \$850.00 for a period of up to four hours, to \$2,500.00 for non-City residents and/or business and \$1,500.00 for City residents. Each

additional hour would be charged at a rate of \$200.00 per hour, reflecting an increase of \$25.00 from the current fee structure. Under the new fee structure, the rental rate would also include access to the Great Lawn, which previously was mostly reserved for stand-alone events for up to 600 people. However, since the renovations have converted much of the area occupied by the Great Lawn into a signature water feature, it is now included as an additional amenity for renting the Banyan Room. For the remaining areas of the Garden that can still be rented out for smaller events, including the Palm Grove and the Japanese Garden, the rents under the new fee structure would remain the same. Additional charges, including state sales tax and insurance, an annual family membership fee of \$50.00 for non-members, and \$25.00 per hour for a garden attendant and \$125.00 per hour for janitorial services, shall also still apply under the fee structure. Copies of the current and proposed rate plans for the Botanical Garden are included as **Exhibit B** to this Memorandum.

It should be noted that compared to the rates charged by venues like Fairchild Tropical Gardens in Coral Gables, the Deering Estate in Miami, the Bonnet House and Gardens in Ft. Lauderdale and the Shane Rowing Center and Bass Museum in Miami Beach, the rates being proposed for the Botanical Garden are reasonable and certainly viable.

Proposed Amendment to the Management Agreement

The Conservancy has requested that, in consideration of the Conservancy's legacy and stewardship in transforming the Botanical Garden into the success it is today and in order to ensure its ability to see the Master Plan through to completion and focus on establishing long-range range goals for the facility, the City consider amending the Management Agreement to provide for one additional renewal option, at the City's sole and absolute discretion, for an additional five (5) years.

CONCLUSION

The Botanical Garden has become a popular year-round cultural, educational and recreational resource. Under the Conservancy's Management, the Botanical Garden has had a track record of fiscal and operational stability. The Committee is asked to approve the Conservancy's remaining renewal option for an additional five (5) year term and, further, to approve the requested increase to the rental rates, as proposed, which will allow the Botanical Garden to be competitive.

The Administration further seeks the Committee's direction with respect to granting the Conservancy's request to amend the Management Agreement to provide for one additional renewal option at the City's sole and absolute discretion for an additional five (5) years.

Included to facilitate the Finance Committee's consideration of the Conservancy's requests, are the following documents:

- *Exhibit A - Pricing Comparison Matrix*
- *Exhibit B – Current and Proposed Rental Rate Plans*

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Exhibit A

Pricing Comparison Event Rental Properties in Miami & Ft. Lauderdale

Pg. 1

	1	1	2	3	4
Facility	Miami Beach Botanical Garden (Current)	Miami Beach Botanical Garden (Proposed)	Bonnet House & Gardens	Fairchild Tropical Garden	Pinecrest Gardens
Address:	2000 Convention Center Dr. Miami Beach, FL 33139		900 North Birch Rd. Ft. Lauderdale, FL 33301	10901 Old Cutler Road Coral Gables, FL 33156	1100 Red Road Pinecrest, FL 331356
Phone:	305.673.7256		954.563.5393	305.667.1651	305.669.6990
Website:	www.mbgarden.org		www.bonnethouse.org	www.fairchildgarden.com	www.pinecrest-fl.com
Main Venue Name:	Banyan Room	Banyan Room	Veranda Lawn	Main room	Main room
Base Rental Rate Only:	\$850.00	\$2,500 - Non-resident rate \$1,500 - MB resident rate	\$6,000 (+ 6%tax)	\$7,000.00	\$750.00
# of Guests:	120 guests	NC (No change)	up to 150 guests	150 guests	90 guests
Rental Period:	4 hrs	NC	4 hrs	1 event per day	1 event per day
Add'l hourly charge:	\$175.00/hr	\$200.00/hr	\$500.00/hr		
Comments:	indoor/outdoor		(Schedule in advance)	Indoor only	Indoor only
Included in Price:	100 white chairs 12(8') rectangular banquet tables.	NC	nothing included	valet parking guests paid \$5.00	200 chairs and 20 round tables
Additional Costs:	\$50.00 - Annual Membership Fee Garden Attendant Fee: \$25/hr Janitorial Fee: \$125/event	NC NC NC	\$150 to hire an off-duty police officer per event \$250 per hr rehearsal fee	\$600 cleaning deposit \$30/hr to hire a security officer per event	
Application Fee (Non Refundable):	\$100.00	NC			
Security/Damage Deposit: (Refundable):	\$ 300 security dep.	\$ 800 security dep.	\$ 1,000.00 damage dep.	\$2,000.00	\$540.00
Comments	Fri & Sat until 1am other days 11 pm	NC	Open until midnight 30% discount on summer use	Fri and Sat. 6pm-12am other days 6pm-11pm	Open until 6pm daytime venue only Event done by 5pm
Security, Staffing and Catering Notes:	Facility attendant supervises and ensures caterer cleans up throughly	NC			Caterer in charge to clean up and remove garbage

Exhibit A

Pricing Comparison Event Rental Properties in Miami & Ft. Lauderdale

Pg. 2

	5	6	7	8	9
Facility	Coral Gables Women's Club	Spanish Monastery	Shane Center Rowing Center	Deering Estate	Bass Museum
Address	1001 East Ponce de Leon Blvd. Coral Gables, FL 33134	16711 West Dixie Highway, NMB, FL 33160	6500 Indian Creek MB, FL 33141	16701 SW 72 Av. Miami, FL 33133	2100 Collins Ave, MB, FL 33139
Phone:	305.639.4749	305.945.1461	305.861.8837/8876	305.235.1668	305-673-7530
Website:	www.coralgablesjuniors.org	www.spanishmonastery.com	www.rowmiamibeach.com	www.deeringestate.com	www.bassmuseum.org
Main Venue Name:	Main room	Main room/Cloisters	Main room	1st Floor of stone house	Room & Outdoor terrace
Base Rental Rate Only:	\$2,400.00	\$2,250	\$2,400.00	\$7,220.00	\$2,700.00
# of Guests:	200 guests	300 guests	120 guests	120 guests	80 guests
Rental Period:	1 event/day	3 hours			2 hours
Add'l hourly charge:		\$250.00			
Comments:			indoor/outdoor		
Included in Price:	200 metal chairs, 20 round tables, cake table bathroom attendant	nothing included	20 (60") round tables 225 banquet chairs 8 (6') banquet tables	nothing included	nothing included
Additional Costs:			\$210 to hire off-duty police officer per event	\$400.- to hire two security guards for events up to 120 people	\$ 500.00 admin fee \$ 200.00 cleaning fee
Application Fee (Non Refundable):	N/A	N/A	N/A	N/A	\$500.00
Security/Damage Deposit: (Refundable):	\$500.00	\$400.00	\$900.00	\$1,246.00	Included above
Comments	Open until 1am No restaurant or home food accepted.	No events past 12am	\$ 400.penalty for any garbage left behind taken out of the sec. deposit.	11pm music has to go off and guests completely gone by midnight	Monday-Sunday 7pm- 2am
Security, Staffing and Catering:	No security required Caterer responsible for clean up and remove garbage	Caterer responsible for clean up and remove garbage.	Caterer is responsible to supply all materials to clean up		Museum security and building manager are mandatory, all costs are billed to the User. User is responsible for all cleaning

**Miami Beach Botanical Garden
Proposal New Rental Rates**

AREA	DESCRIPTION	INCLUDES	RENTAL RATE	ADD HOURS
Butterfly Room	Size- 18' X 35' Venue for 40 People	3 Tables and 40 Chairs	\$350.00 / 04 Hours Event And A Security Deposit: \$ 250.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 100.00 Per Add Hour
Banyan Room, Terrace & Great Lawn	Room Size 30' x 50' Venue for 100-300 People	(12) 8 ft rectangular banquet tables & 100 folding chairs	\$ 2,500.00 / 04 Hours Event And A Security Deposit: \$800.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 200.00 Per Add Hour (includes facility attendant fee)
Japanese Garden	Venue for 50 People Landscaped Area	For Ceremonies and Cocktails receptions ONLY	\$550.00 / 04 Hours Event And A Security Deposit: \$250.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 125.00 Per Add Hour (includes facility attendant fee)
The Entire Garden	All areas Venue for 500 People	(12) 8 ft rectangular banquet tables & (12) 60" round tables & 200 folding chairs	\$ 4,500.00 / 4 Hours Event And A Security Deposit: \$2000.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 500.00 Per Add Hour (includes facility attendant fee)

Please Note: Additional fees to the base rental fee and security deposit will be charge:

- ▶ Annual Membership fee of \$50.00. If not yet a member of the garden.
- ▶ 7% Sales Tax to all rental amounts due Miami Beach Botanical Garden.
- ▶ Fee for Garden Attendant is \$25.00 an hour and \$125.00 fee for janitorial services.
- ▶ Insurance premium(s) charge \$ 1.00 per expected number of participants/projected number of people in attendance and liquor sold, if any, upon Miami Beach Botanical Garden premises.

Miami Beach Resident Rate \$ 1,500.00 plus additional fees.

(Please provide ID proof or utility bills)

2012 Facility Rental Rates

AREA	DESCRIPTION	INCLUDES	RENTAL RATE	ADD HOURS
Butterfly Room	Size- 18' X 35' Venue for 40 People	3 Tables and 40 Chairs	\$350.00 / 04 Hours Event And A Security Deposit: \$ 250.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 100.00/ Hour
Banyan Room and Terrace	Size 30' x 50' Venue 175 People	(12) 8 ft rectangular banquet tables & 100 folding chairs	\$ 850.00 / 04 Hours Event And A Security Deposit: \$400.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 175.00 / Hour <i>(includes facility attendant fee)</i>
Great Lawn & Courtyard	Venue for 300 People Landscaped Area	A 40 x 60 Tent (12) 8 ft rectangular banquet tables & 100 folding chairs	\$2500/ 04 Hours Event And A Security Deposit: \$1000.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 225.00 / Hour <i>(includes facility attendant fee)</i>
Japanese Garden	Venue for 50 People Landscaped Area	For Ceremonies and Cocktails receptions ONLY	\$550.00 / 04 Hours Event And A Security Deposit: \$250.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 125.00 / Hour <i>(includes facility attendant fee)</i>
The Entire Garden	All areas Venue for 500 People	(12) 8 ft rectangular banquet tables & (12) 60" round tables & 200 folding chairs	\$ 4,500.00 / 4 Hours Event And A Security Deposit: \$2000.00 (From this deposit we will retain a non-refundable application fee of \$ 100.00 that won't be refunded)	\$ 500.00 / Hour <i>(includes facility attendant fee)</i>

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