

Business Plan

April 2014

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**EXECUTIVE SUMMARY**

The Pittsburgh Botanic Garden (also referred to as the PBG or the Garden) will be the region’s first major outdoor botanic garden. The PBG is incorporated as a 501(c)(3) organization and exists to create and maintain a garden by the same name on a 460 acre parcel of land adjacent to Settler’s Cabin Park just west of downtown Pittsburgh. The PBG has a renewable 99 year land lease from Allegheny County and plans to build the Garden in phases. Eventually, it will include 18 thematically distinct gardens, 5 diverse woodland experiences, a visitor’s center, an amphitheater for outdoor performances, a celebration garden for weddings, a Mr. Roger’s themed children’s garden, and a center for applied botanic research.

A master plan for the Garden was created in 2002 by the nationally known Pittsburgh landscape architectural firm, Marshall, Tyler, and Rausch (MTR). However, the center of our site sits atop abandoned coal mines that date back to 1925. Deep mining and strip mining left a host of problems, including highwalls, mine subsidence, and acid mine drainage.  We are removing the residual coal and collapsing the mines to reclaim the land and eliminate the acidic groundwater. Remediation began in 2010 and will take several more years to complete.

Phase I of the Garden is being built on 60 acres at the northern-most edge of the property. It will include the Woodlands of the World and open to the public in 2014.

The Garden will attract not only local visitors, but people from other states and countries. According to a Tripp Umbach & Associates study, the Garden will have a significant economic value for Pennsylvania almost immediately. By Year 10, it will have created approximately 1,200 direct and indirect jobs and produce regional business revenue of $88 million per year.

The first three Phases of the Garden will cost approximately $15,270,000 and take until 2017 to complete. This funding will be generated via a combination of private gifts, corporate donations, and grants. Already the PBG has secured a $5,000,000 Pennsylvania Redevelopment Assistance Capital Program (RACP) matching grant for road building, infrastructure, a visitor’s center and a welcome center; a $1,200,000 Pennvest grant to improve the entrance road and build three permanent ponds for irrigation; a Department of Environmental Protection (DEP) Growing Greener grant for $200,000 for the reclamation; a $600,000 grant from Bayer Corporation; and a $1,000,000 Eden Hall Foundation grant for buildings at the Phase I entrance.

**SECTION I: THE INDUSTRY**

Public gardens across the country receive about 70 million visits a year, according to the [American Public Gardens Association](http://publicgardens.org/). Gallup polls consistently rank gardening as the number one United States leisure time activity. However, a significant change is taking place in the public face of botanic gardens worldwide over the past several decades. In addition to their core function of exhibiting plants for scientific and educational purposes, botanic gardens now grapple with the challenges of environmental stewardship and sustainability. They also play a role in providing a wide range of audiences with a place for entertainment, education, and exercise.

Worldwide, there are approximately 1,800 botanical gardens and arboreta in about 150 countries (mostly in temperate regions), of which about 400 are in Europe, 200 in North America, 150 in Russia, and an increasing number in East Asia.

No community can afford to ignore the value of plants to its economic and cultural development. By 2020, horticulture is predicted to be the most profitable segment of American agriculture. It already is in Pennsylvania. Horticulture is a major employer in the “green industry” economy, and botanic gardens serve as “showcases” for those businesses. Increasingly, they will also be pressed to replace declining post-secondary educational training in the plant sciences.

**SECTION II: THE ORGANIZATION & THE GARDEN**

***History***

In 1988, the seed was planted that one day would produce the flower that is now known as the Pittsburgh Botanic Garden. A small group of horticulturists was inspired to build the region’s first comprehensive outdoor botanic garden, focusing on native plants adaptable to our soils and climate. The Pittsburgh Botanic Garden was incorporated in 1991 as a 501(c)(3) organization. In 1998, the Garden signed a renewable 99 year land lease with Allegheny County on a 432 acre parcel of land adjacent to Settler’s Cabin Park, just west of downtown Pittsburgh. A master plan for the project was completed in 2002 by the nationally known Pittsburgh landscape architectural firm, MTR, and the vision began to materialize.

Then in 2004 Hurricane Ivan flooded abandoned mines located under the center of the site, resulting in the need for significant acid mine drainage remediation. Planning, funding and permitting took time and persistence. The reclamation work began late in 2010, and when completed, the Pittsburgh Botanic Garden will be the only botanic garden in the U.S. built on reclaimed land. However, in the meantime the planned entry way to the garden is blocked. In 2013 Allegheny County leased additional land to the Garden to create a temporary entrance until the remediation project is concluded. Guided “Peek & Preview” tours of the first portion of the Garden, the Woodlands of the World, started in 2012; unguided access will begin in 2014.

***Mission***

*The Pittsburgh Botanic Garden’s mission is to inspire people to grow through immersion in a world of natural outdoor wonder to nourish mind, body and spirit.*

Pittsburgh is one of the few major metropolitan areas without a botanic garden. Upon completion, the 460 acre Pittsburgh Botanic Garden will be one of the largest in the United States, and the only one built on reclaimed land. Its design will center on three themes: inspiring, educating and sustaining. The Garden will offer outdoor hands-on experiences to inspire and educate both children and adults. An important aspect of the mission is to teach children to appreciate the beauty of our environment and steward it for future generations. A partnership with Family Communications has opened the way for a Fred Rogers early childhood garden, the first children’s garden of its kind.

Economic impact projections compiled by Tripp Umbach & Associates (Pittsburgh, PA) confirm:

The Garden is expected to create jobs, both during the construction phase and through operation of the Garden. Within 10 years of opening, the Botanic Garden is expected to generate almost 1,200 full-time jobs through direct and indirect employment, primarily in the green and tourism industries.

The Botanic Garden’s business volume impact on the State of Pennsylvania is estimated at $88 million annually.

The Garden will feature native plants and plants from all the temperate climates of the world, showcasing Western Pennsylvania’s spectacular seasonal changes. The Garden is next to the Panhandle Trail and will offer trails for brisk exercise, as well as serene settings inviting one to linger, enjoy the solitude, and renew the spirit.

We will be creating a Botanic Garden that will:

* Become an economic engine in Pennsylvania
* Serve as a national Gold Standard in reclamation
* Become a leader in global plant science conservation, including research, training and education
* Represent a conservation institution that values environmental sustainability.
* Be a welcoming “green space” for the public, a place for all ages and backgrounds, a place to find enjoyment, and a place for quiet moments – for awe and reverie
* Educate adults and children with hands-on experience to encourage gardening for both beautification of their homes and growing of food, an increasing trend in the U.S.

**SECTION III: DESIGN AND DEVELOPMENT PLAN**

***Overall Design***

The geographic location of the Garden near Robinson Township and Settler’s Ridge is ideal, placing the Garden near many Pittsburgh neighborhoods and corporations. Robinson Township is one of the fastest growing areas of western Pennsylvania. The Garden is also a tri-state resource, close to West Virginia and Ohio.

A master plan for the project was completed in 2002 by the nationally known Pittsburgh landscape architectural firm, MTR. Overland Partners of San Antonio, Texas, worked on the design of the buildings. The Garden will be built in phases, given the significant capital requirement ($15,270,000 for the first three phases) and the need to complete the reclamation project at the center of the site. MTR continues to be involved as the Plan is modified to address these developments. Appendix A shows the entire Master Plan, while Appendix B illustrates Phase I. Appendix C outlines projected costs and funding sources.

The Pennsylvania Department of Environmental Protection is committed to helping with the project. Scott Roberts, Deputy Secretary of the Pennsylvania Department of Environmental Protection, enthusiastically noted the use of “best practices” and “could not think of a comparable project anywhere else in the world.” When completed, the Garden will be a model of what can be done to turn a damaged natural resource into a regional engine of economic development.

***Reclamation:***

The site appeared nearly perfect until 2004 when Hurricane Ivan exacerbated a manageable concern. The main water source, coveted for irrigation, was so polluted by abandoned coal mines that it would be useless to the Botanic Garden. Following this critical discovery the Garden considered finding another site, but chose not to abandon the land. Moreover, rather than to try to merely “clean” the water supply with treatment ponds, which would have been cost prohibitive, the Garden made a bold plan to address the underlying cause of the acid mine drainage (AMD) – the existence of flooded, abandoned mines on the site.

The reclamation project will eliminate the mines that date back to 1925. With the underground voids gone, and no place for water to chemically fester, the water quality will improve dramatically. The Garden can then collect the water and recycle it to irrigate the Garden. Allegheny County, the Pennsylvania Department of Environmental Protection (DEP), and the U.S. Office of Surface Mining and Reclamation helped develop the means to do this.

“the Garden will be a dynamic model for what can be done to turn a damaged natural resource into a regional engine of economic development” – matthew sanfilippo, 2009 board chairman

The Garden re-negotiated its lease with Allegheny County to allow removal of the coal. Even more critical, the owner of the coal beneath the site donated his royalties to help pay for the project. (The PBG does not own other mineral rights.) And so, in November 2010, extraction of the residual coal began.

Day-lighting is the reclamation process being used to eliminate the acid mine drainage which brews in the open spaces of abandoned coalmines. The soil on top of the old mines is being removed, the remaining coal extracted (approximately 26% of original coal seam) and then the soil is replaced. The sale of the coal covers the cost of its removal.

Removing the mines reaps multiple benefits: It protects future buildings from mine subsidence. It also cleans the water for irrigation and reduces pollution entering Robinson Run, a major tributary of Chartiers Creek. The Garden has built three irrigation ponds, capable of holding 2 million gallons of water to eliminate future reliance on municipal water. Solar water pumps have already been installed to pump water to the irrigation ponds located in Phase I of the Garden. Detailed chronology of the effort to date follows.

|  |  |
| --- | --- |
| **1998** | 99-year renewable lease signed with Allegheny County Board of Commissioners for land in the southwestern corner of Settler’s Cabin County Park, in North Fayette and Collier Townships. |
| **2003** | Water quality study identified serious concerns with the AMD from abandoned coal mines under the site. |
| **2004** | Flooding of the abandoned mines following Hurricane Ivan prompted revisions to AMD remediation plans. Complete site reclamation replaced water treatment as the method of permanently cleaning up the AMD and providing a source for irrigation water. |
| **2006** | Owner of the coal rights beneath the site donates his royalties to help pay for the reclamation. |
| **2008** | Mashuda Corporation signs contract to reclaim initial 72 acres of abandoned mines. Reclamation permit application submitted to the PA DEP. 35 acres of vegetation cleared to prepare for reclamation. |
| **2009** | Pennvest grant of $1,200,000 is received to improve entrance and build permanent irrigation ponds that will hold 2 million gallons of water for irrigation. A DEP Growing Greener grant of $226,000 is received to help fund reclamation efforts. |
| **2010** | WG Land finishes irrigation ponds and Noblestown entrance culvert. Mashuda Corporation begins reclamation work. |
| **2011** | Mashuda Corporation sold, work halted |
| **2012** | Permit transferred to Cherep Excavating. Work resumed |

***Phase I:***

The Woodlands is a 60 acre section that will open to the public in August 2014. It will include:

* Three miles of trails winding through the “Woodlands of the World”: Asian, European, and English as well as an Appalachian Plateau Woodland and Cove Forest. This embodies the themes of conservation and preservation, and celebrates the special plants and topography of our temperate region. Over a mile of the trail is ADA accessible.
* Multiple ‘Family Moments’ adjoining the trail and designed to teach children about nature through play.
* Facilities adapted from existing buildings at the entrance. An old farmhouse will serve as the Garden’s offices to save rental expenses. A 5,000 square foot barn built in the 1870’s, previously used by Allegheny County as a maintenance facility for Settler’s Cabin Park, is being converted to the Bayer Garden Welcome Center. It will be the entry point for the public, and will have an educational classroom, an orientation space, public restrooms, and a large area for event rentals.
* A Wedding Garden adjoining the barn, which is to be outfitted with appropriate amenities to support receptions.
* A six-acre farmstead, once owned by Revolutionary War and Whiskey Rebellion veteran Isaac Walker. The farmstead will feature the original 1784 log cabin, a Heritage Apple Orchard, the Three Sisters Pioneer Garden, and be home to sheep and chickens. The log cabin is to be used as a classroom and the Pioneer Garden will display a Native American inter-cropping technique - growing corn, beans and squash in the same raised bed.

Cost: approximately $2.5 million; Estimated completion: August 2014.

***Phase II:***

Phase II will include the completion of the permanent entrance road, almost a mile in length, and the installation of the utilities that will be needed for the future development of the core buildings and gardens. Detailed design work will be undertaken to enable building of Phase III facilities and gardens. The drive will follow a long shaded valley from Noblestown Road up to a new, permanent welcome area, the hub of the Garden. Most of the work on Phase II can take place concurrently with the reclamation. Cost: $1.5 million; Estimated completion: 2016.

***Phase III:***

Phase III will see the development of facilities within the center core of the Garden to bring the community together to celebrate and socialize. The entrance road off Noblestown Road will lead to parking and the “Orangery”. The Orangery will be an 8,000 square foot, LEED certified glass and masonry building that will contain large multi-purpose space with gift shop, cafeteria, and catering set-up and function as the visitor’s center. This will offer space for community meetings, corporate events, and private gatherings. A naturally sloped open air amphitheater which can seat up to 2,000 people and a Celebration Garden for smaller groups is also planned.

Gardens will deliver on two of PBG’s objectives: education and inspiration. The Teaching Gardens in Phase III will include the Fred Rogers Early Childhood Garden (to be named Garden of Make Believe), Cultural Gardens to showcase Pittsburgh’s ethnic garden heritage, and Homeowner Demonstration Gardens. The gardens for inspiration will include beautiful horticultural display gardens that meet the public’s expectations for flowers and color in the landscape. Cost: $11.3 million; estimated completion: 2017.

***Future Phases:***

Future growth is expected but not explicitly planned at present. MTR has produced a 25 year plan which will cost an additional $35 million. A new 22,000 square foot main Visitor’s Center will be built. Over the long term, gardens will be added on an incremental basis. The plan also includes an education building with classrooms as a part of a second Children’s Garden, which will focus on programs for school aged children and teachers.

**SECTION IV: OPPORTUNITY ANALYSIS**

Custom research was conducted to define the financial forecast and draw of the Garden. Other industry studies have been used to assess trends and demographic appeal:

* The Economic Impact of a Botanic Garden on the State of Pennsylvania (October 2003), conducted by Tripp, Umbach & Associates, Inc.
* A five year Operating Budget Analysis and a Strategic Financial Plan were presented to the Garden’s Board by MTR (2003)
* Medium and Small Garden Benchmarking Study (2007), collected by the American Public Gardens Association (APGA)
* Fundraising Potential Study for the Pittsburgh Botanic Garden by Dee Jay Oshry (2007)
* Qualitative Research focusing on the Garden’s positioning platform (November 2009-January 2010), prepared by ConsumerCentric Marketing, LLC
* Competitive, financial and fundraising study of the Garden (January 2011), conducted by MBA students at Tepper School of Business at Carnegie Mellon University and supported by McKinsey Consulting
* Target audience analysis (April 2014), conducted by MBA students at Tepper School of Business at Carnegie Mellon University

***Regional Economic Impact:***

Economic impact projections compiled by Tripp Umbach & Associates (Pittsburgh, PA) confirm the Pittsburgh Botanic Garden will support significant employment and revenue generation to the region. Their analysis determined that visitors would come from the entire region including West Virginia and Ohio. This will produce revenue for the Garden as well as for businesses supporting other aspects of such visits. In addition, the construction and operation of the Garden will create direct and indirect revenue streams. Annual projections are below:



Within 10 years of opening, the PBG will support almost 1,200 full-time Pennsylvania jobs through direct and indirect employment, primarily in the green and tourism industries.



***Visitor Forecast and Analysis:***

Analysts for the city of Pittsburgh project that the metropolitan area population will reach 2.9 million by 2020. Based on visitor statistics of other botanic gardens, it is reasonable to assume that the Garden will be able to draw 180,000 visitors annually within five years of opening Phase III. The Garden should be able to exceed that figure in the long term with the appropriate type of programming because:

* It is near to and convenient to the metropolitan area it pulls from
* The acreage will allow for diversity of features (exercise to reverie)
* Planned concentration on children and families. Note that Missouri Botanical Gardens opened a children’s garden in 2010 and the visitor count went up 40 percent.

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| Rank of Metro Pop | Area | Metro Pop –Thous. | Garden | Acres | Annual Visitors | % of Pop |
| 1 | New York | 18,897 | Brooklyn Botanic Garden | 208 | 733,119 | 4% |
| 3 | Chicago | 9,461 | Chicago Botanic Garden | 385 | 904,864 | 10% |
| 15 | Seattle | 3,440 | Univ. of Washington Botanic Gardens | 246 | 320,000 | 9% |
| 18 | St Louis | 2,801 | Missouri Botanical Garden | 79 | 1,134,671 | 41% |
| 21 | Denver | 2,697 | Denver Botanic Garden | 23 | 820,000 | 31% |
| 22 | Pittsburgh | 2,934 | Pittsburgh Botanic Garden (2020 Projected) | 454 | 180,000 | 7% |
| 28 | Cleveland | 2,064 | Cleveland Botanic Garden | 10 | 160,000 | 8% |
| 29 | Kansas City | 2,054 | Powell Gardens | 29 | 125,000 | 6% |
| 36 | Norfolk | 1,707 | Norfolk Botanic Gardens | 155 | 285,474 | 17% |
| 38 | Nashville | 1,758 | Cheekwood Botanic Gardens | 55 | 250,000 | 15% |
| 39 | Memphis | 1,342 | Memphis Botanic Garden | 96 | 225,000 | 17% |

Another frame of reference is relevant Pittsburgh institutions. The Phipps Conservatory, Carnegie Museums, and the Pittsburgh Zoo were chosen for comparison. Forecasts appear reasonable using this benchmark as well.

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| --- | --- | --- | --- | --- |
|  | Pittsburgh Botanic Garden (2020) | Phipps Conservatory | Carnegie Museums | Pittsburgh  Zoo |
| Metro Pop | 2,934,000 | 2,356,000 | 2,356,000 | 2,356,000 |
| # Visitors | 180,000 | 180,000 | 295,000 | 1,000,000 |
| % of Pop | 7% | 8% | 13% | 42% |

***Visitor Demographics:***

Botanic gardens have historically been viewed as an attraction for senior citizens, primarily women interested in horticulture or gardening. The industry is experiencing a sea change in order to attract broader audiences. Children and family gardens, activities, and programs are a mainstay of successful gardens. Educational outreach with school systems, underserved populations, and the community at large bring thousands of children to the gardens. Another burgeoning area of interest is growing food. In 2009, 35 percent of American households had some kind of food garden, up from 31 percent in 2008. This compares to 31 percent who participate in flower gardening. Educational programming and events that capitalize on this interest are growing. Appendix D contains an article regarding the Cleveland Gardens shift from just flowers.

Yet while the visitor base is very broad, the short term focus for members does target the more traditional demographic. We believe they will be the most likely financial supporters of the building of the Garden. The PBG currently has, even at this early stage, more than 650 members. Members have an affinity for gardening. The research conducted by ConsumerCentric Marketing, LLC, included in depth, one-on-one interviews with members and non-members, providing valuable insight into the potential of the garden within the community.

ConsumerCentric interviews revealed:

* They often talked about visiting the garden all year long, regardless of the season or weather. They wanted to see the ever-changing gardens to get ideas, and even talked about the importance of seeing the gardens in winter to improve their own gardens by building in winter interest.
* Members also talked about walking, but only as a secondary – or even tertiary – reason to visit. For the most part, they were interested in going to see new gardens in bloom and to learn more about gardening through their visits (either through formal classes, informal discussions, or through observation).
* Non-members would primarily use the garden for walking and hiking. This is an activity they do now regularly and they liked the idea of walking in the gardens, and mostly on the woodland trails.

Overall, the ConsumerCentric study uncovered a surprising conclusion by indicating how much non-members said they would visit. The proximity of the garden to their home may have been a factor that was influencing their decisions, but since most candidates indicated they would also use the Garden for walking or exercise, ConsumerCentric probed on where they go for exercise now. Answers included the Montour trail, high school tracks, malls, and other similar locations that were close by. Many respondents said that they would switch their walking allegiance to the Botanic Garden due to the expectation that the garden would provide them with an environment of beauty and serenity that their current, nearby walking trail did not offer.

***“But Pittsburgh Already Has Phipps….”***

The Pittsburgh Botanic Garden and Phipps Conservatory offer very different benefits and are in fact complimentary. Aside from the obvious difference in size, further distinctions include: the Botanic Garden will cultivate native plants, while Phipps cultivates mainly tropical plants; the experience at Phipps Conservatory is very formal, similar to a museum, where visitors are expected to keep moving on a predetermined path, while the experience at the Botanic Garden is more open, where visitors are encouraged to linger, or hike in the woods. The outdoor aspect of the Botanic Garden showcases all four seasons and the rolling hills of western Pennsylvania.

The Pittsburgh Botanic Garden – and ONLY the Pittsburgh Botanic Garden – can own this story:

* Only the Pittsburgh Botanic Garden is built on land that was formerly a site of mining waste.
* Only the Pittsburgh Botanic Garden has the acreage and expanse that allows a visitor to lose ones self in the solitude of nature, and to renew his spirit.
* Only the Pittsburgh Botanic Garden is big and diverse enough to provide children and families with a multitude of activities that will teach them to love and understand the native and natural environment.

Moreover, the Pittsburgh Botanic Garden will add to the “horticultural” appeal of the Region. Tourists already coming to Phipps and the Frick will have a larger reason to come. As perspective, Philadelphia has 28 public gardens.

**SECTION V: SHORT TERM OPERATING BUDGET**

The Botanic Garden organization has been sustaining itself through its fundraising efforts since 1992 when it received it 501(c)(3) tax exempt status from the IRS. It has done this through a combination of three yearly special events as well as income from membership, grants, donations, and an Annual Fund appeal. The Garden has no outstanding debt, and has been responsibly managed by staff with Board oversight.

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| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2008 Actual** | **2009 Actual** | **2010 Actual** | **2011 Actual** | **2012 Actual** | **2013 Draft Actual** | **2014 Budget** |
| **REVENUE:** |  |  |  |  |  |  |  |
| Membership | $21,503 | $22,082 | $30,249 | $46,516 | $33,671 | $28,656 | $38,000 |
| Annual Fund | 170,381(1) | 61,263 | 99,981 | 86,700 | 78,414 | 65,841 | 80,000 |
| Special Events (2) | 107,974 | 79,489 | 85,925 | 61,899 | 110,961 | 91,525 | 123,371 |
| Misc. Income | 289 | 2,263 | 5,614 | 725 | 4,761 | 3,367 | 0 |
| Other Contributions | 67,517 | 78,230 | 110,704 | 1,378,511 | 415,753 | 213,590 | 145,765 |
| Investment income | 9,898 | 2,606 | 948 | 724 | 2,747 | 397 | 3,000 |
| **Total Revenues** | $511,284 | $340,861 | $556,758 | $1,575,075 | $646,307 | $403,376 | $390,136 |
| **EXPENSES:** |  |  |  |  |  |  |  |
| Salaries | $167,862 | $224,894 | $236,046 | $120,605 | $202,063 | $320,207 | $518,977 |
| Organizational | 114,462 | 165,141 | 300,175 | 219,554 | 235,595 | 297,526 | 331,020 |
| **Total Expenses** | $282,324 | $390,035 | $536,231 | $340,159 | $437,658 | $617,733 | $849,998 |
| **Change in Operating Net Assets** | $228,960 | ($49,174) | $20,527 | $1,234,916 | $208,649 | ($214,357) | ($459,862) |
| **(1) Includes exceptional one-time Board Member gift**  **(2) Net of expenses** | | | | | | | |

***INCOME:***

PBG will to continue to support its initiatives and grow its operations by developing its revenue mix as described in this plan. Membership, Annual Fund and the Garden’s three Special Events cover ongoing operating costs, including staff, office, and administration.

The Garden has entered a period of investment in advance of opening, which requires hiring new staff and building new infrastructure in advance of realizing significant income from operations. For 2014, the Garden begins the year with accumulated unrestricted net assets of $751,000, of which $460,000 will be invested in operations – leaving a beginning balance for 2015 of $291,000. The Garden expects to experience much more modest deficits, growing into a balanced operating budget, as admissions, increased memberships and rentals of facilities come online in 2015 and beyond.

***Annual Fund*** - Private support from individuals, foundations and corporations is a major source of operating revenue. The last five years the Garden’s annual fund has shown some fluctuation due to timing of the appeal and softening of the economy. Given the on-the-ground progress of the Garden, we have projected increases in annual fund revenues in the near future.

***Special Events -*** The Special Events are to generate revenue, but continued use of these three signature events is primarily intended to broaden awareness and foster opportunities to build relationships with potential members and donors. Each event has a defined marketing role:

* Party-in-the-Garden - structured to enable networking with potential donors and generate media attention. The 2013 Hampton in the Heights party drew 450 people and was ranked the 3rd best fundraising event by The Pittsburgh Post Gazette.
* Plant Sale - Run by volunteers, the annual plant sale gives local gardeners an opportunity to learn about new, unusual or rare plants that are hand selected by a team of local horticulturists. This program generates a modest surplus for the Garden.
* Garden Tour – For 17 years, selected homeowners have opened their gardens. This year’s tour attracted over 600 attendees, which indicates its broader reach. Favorable publicity drives ticket sales.
* In 2014 the Garden is piloting a Garden to Table program which will bring some of Pittsburgh’s best chefs to the Garden’s site to host intimate dinner events.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Net Income** | **2008 Actual** | **2009 Actual** | **2010 Actual** | **2011 Actual** | **2012 Actual** | **2013 Actual** | **2014 Budget** |
| Party-in-the-Garden | $80,816 | $45,598 | $55,651 | $36,498 | $58,971 | $66,741 | $64,715 |
| Plant Sale | 10,570 | 13,325 | 14,231 | 1,012 | 17,290 | (1,422) | 20,403 |
| Garden Tour | 16,588 | 20,566 | 16,043 | 24,389 | 34,700 | 26.206 | 31,087 |
| Garden to Table | 0 | 0 | 0 | 0 | 0 | 0 | 7,166 |
|  | $107,974 | $79,489 | $85,925 | $61,899 | $110,961 | $91,525 | $123,371 |

***Grants & Donations*** – With notable exceptions, grant requests are intended to build the garden (capital grants) and may not be applied to operating costs. Whenever permitted, grants are written to cover the staffing costs of putting capital assets into use.

***Membership:*** The Garden enjoys approximately 650 members, a sizeable group. The annual income from membership currently hovers around $40,000. The basic individual membership is $35; household membership is $50. Membership pricing will remain about the same but is expected to grow dramatically with the 2014 opening of the Woodlands, as members will be allowed in for free.

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| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2008 Actual** | **2009 Actual** | **2010 Actual** | **2011 Actual** | **2012 Actual** | **2013 Actual** | **2014 Budget** |
| Number of Members | 408 | 522 | 659 | 465 | 551 | 648 | 2,500 |
| Income from Memberships | $21,503 | $22,082 | $30,249 | $46,516 | $33,671 | $28,656 | $38,000 |

***EXPENSES:***

The current operational budget of nearly $460,000 supports the non-capital work of 10 full time employees and nine part time/seasonal employees. Additional staff will need to be hired in proportion to the development of facilities and programs, but staff additions will always be in line with operational income.

PBG offices are located in Greentree, Pennsylvania, and will be moved to the site in 2014. This will save the Garden approximately $22,000 in rent. However, utilities and maintenance fees for the Welcome Center complex will likely offset the rent.

**SECTION VI: THE MARKETING PLAN**

The Marketing Plan is built on the following SWOT analysis that captures the key strengths, weaknesses, opportunities, and threats facing the Garden.

Strengths

* The lease of 460 acres of land and coal rights underneath the land
* Local, state and federal government support as evidenced by the grants and land lease.
* Nationally recognized President who has built botanic gardens
* PBG has remained a sustainable non-profit even through difficult recessionary periods.
* Botanic gardens are proven job creators and revenue streams for local economies.
* Opportunity to open 60 acre Woodlands with Bayer Welcome Center in 2014

Weaknesses

* The condition of the land represents a temporary liability
* The time it is taking to reclaim the land is hurting credibility
* Awareness of the initiative and status
* Need for visible community leaders to start the momentum needed to generate capital

Opportunities

* Site access to Phase 1: 60 acres during the reclamation to allow public to visit
* The “story” of reclamation and healing the land
* Educational programs for children and adults, including leverage of historical log house and orchard
* Revenue from rental of Bayer Welcome Center and adjacent garden for weddings and other events

Threats

* Reclamation project’s completion date is 2020
* Significant investment requirements to build garden
* Failure to meet visitor expectations as Phase 1 is primarily wooded trails and contains no display gardens

***Marketing Objectives*** - Based on the SWOT analysis, PBG’s short-term marketing efforts must:

1. Attract visitors by raising awareness. We have very low awareness and confusion with Phipps
2. Set expectations for visitors. We must ensure that the initial Woodlands experience does not disappoint a visitor expecting formal flower gardens
3. Develop the ideal, prototypical visitor experience, fine-tuning quickly based on feedback to ensure positive word-of-mouth
4. Leverage opening activities and programs to build enthusiasm and membership
5. Cultivate an understanding of the reclamation effort to strengthen regional pride in the initiative and foster patience with the timeline to develop the entire garden

***Raise Awareness*** – PBG will benefit from the news associated with the 2014 opening. It provides opportunities for the public relations efforts and justifies increased communication with members and non-members. In addition to existing and more traditional communication channels, the Garden is increasingly using our Web site and social community sites, such as Facebook and Twitter, to reach prospective and existing supporters. These broaden our connection with a younger target, are highly cost effective and easier to execute.

*Awareness and Membership Efforts:*

* Monthly online newsletter reporting progress at the Garden
* Quarterly published newsletter, “Bloom”
* Programs distributed by local Nurseries and Garden Centers
* Packets containing detailed information about the Garden’s plans for development
* Membership brochures
* Special Events, such as ‘Party-in-the-Garden’ or the ‘Hampton in the Heights Gala
* Facebook, Twitter, and constantly updated website

We are also creating advocates who will share the news with others. We have greatly increased our call for volunteerism, having multiple days on the site for activities like planting saplings or building some of the trail features. There have been significant opportunities for win-win partnerships with targeted education or community groups interested in working on the site. Examples include:

* More than 500 children participated in educational activities in 2013, including students from Quaker Valley High School, YMCA summer campers and little ones from the Human Services Center. A significant number of Scouting groups have worked or are working on the site.
* Bidwell Training Center, the Chatham University graduate landscape architectural program, Robert Morris University, Penn State Cooperative Extension and Carnegie Mellon University’s Tepper School of Business have provided student experiences with the PBG to augment their programs.
* Sizable corporate or student groups have come to the site for volunteer days. In 2013 American Eagle Outfitters, FedEx Ground, the Mall at Robinson, BNY Mellon, Lowe’s Home Improvement and the Tepper School of Business from CMU worked at the site.

***On Site Programs and Activities*** – In recent years, we have offered Peek & Preview Tours to encourage visitors to come see the Woodlands prior to the public opening. Free guided tours enable groups to hear about the plans. While we will continue to offer an array of guided tours, the Garden will be opened to the general public Thursday-Sunday in 2014 and seven days a week in 2015. We have tailored some aspects of the Woodlands experience to children and families including the Family Moments or the Farmstead. The site and barn will be available to private groups later this Fall and for weddings in early 2015, Education programming will start in Summer 2015.

***Increase Membership*** – Typically, gardens generate membership by offering members free admission. We hope to

***Capital Plan*** – The Garden has been successful in raising most of the funds for Phase I. As we look forward to Phases II and III, an updated feasibility study will be necessary. Planning and execution of a capital campaign for these future Phases will require that we hire a firm to consult and help lead the campaign. Additional Board recruitment will be necessary, as the importance of powerful networks cannot be overstated. To build and sustain these connections exclusive events will be hosted throughout the calendar year.

**SECTION VII: ONGOING ECONOMIC VIABILITY OF GARDEN**

Ongoing viability was assess by evaluating the financial picture in 2022, 3 years after the opening of Phase III in 2019. Revenue and cost estimates are based using the Form 990 data for the same gardens used to project visitor levels. Key assumptions include:

* 79 employees, of which 25 will be full time and 54 part time. Only 9 full time employees are part of administration (President, Chief Operating Officer, Chief Finacial Officer, Controller, Database, Membership, Events, Admin Assistant, Director of Development).
* Membership and admission revenue is based on current revenue rates of the benchmarked gardens, and assume no inflation in fees to be conservative.
* Rental revenue is based on having 2 wedding gardens, 2 buildings capable of hosting large events (Bayer Welcome Center and the Orangery), and the amphitheater. The size of the property and location of each element enable the Garden to be open during events.
* Revenue from education programs, rentals, the gift shop, café and catering are also conservatively estimated, again using the benchmark data.
* The estimates assume that the Garden will direct almost all funds raised to the capital needs of the organization as it develops the garden. The establishment of a substantial endowment, although reasonable compared to the benchmarked gardens, will only increase the Garden’s cash flow in future years.

|  |  |
| --- | --- |
|  | **2022 Forecast** |
| Assumptions: |  |
| Employees | 79 |
| Volunteers | 590 |
| Members | 8,000 |
| Visitors | 180,000 |
| **Revenue** |  |
| Membership Dues | $522,000 |
| Fundraising Events (1) | $250,000 |
| All other contributions, gifts, grants | $2,000,000 |
| **Subtotal** | $2,772,000 |
| **Program Service Revenue** |  |
| Admissions | $563,000 |
| Rental Income | $300,000 |
| Education Courses & Programs | $200,000 |
| **Subtotal** | $1,063,000 |
| **Other Revenue** |  |
| Investment Income from Endowment | $12,000 |
| Café and Catering (1) | $75,000 |
| Gift Shop (1) | $60,000 |
| **Subtotal** | $147,000 |
| **Total Revenue** | $3,982,000 |
|  |  |
| **Expenses** |  |
| Compensation | $2,153,000 |
| Fees for service | $125,000 |
| Advertising & Promotion | $147,000 |
| Office Expense | $158,000 |
| Occupancy | 180,000 |
| Travel | $15,000 |
| Depreciation, depletion | $600,000 |
| Insurance | $67,000 |
| Building Maintenance, Equipment, Plants | $250,000 |
| Programs, Contingency | $200,000 |
| **Total Expenses** | $3,895,000 |
| **Net (2)** | $87,000 |
| (1) Net of Expenses |  |
| (2) Depreciation is non-cash, increase in cash would be $687,000 | |

**SECTION VIII: MANAGEMENT TEAM**

Greg Nace joined the Pittsburgh Botanic Garden as President on April 1, 2010. Most recently, he was Associate Director of the historic Sarah P. Duke Gardens, a premier public garden at Duke University in Durham, North Carolina. While there, he was active in planning and advancing the major themes of the Duke Gardens, namely, education, accreditation, conservation, sustainability, and historic preservation. Before Duke, Greg was successful in starting and directing the development of the Cape Fear Botanic Garden, an 85 acre public garden in Fayetteville, North Carolina, that is now the pride of that community. At these two gardens, as well as another garden in Kauai, Hawaii, Greg has worked with the landscape design firm MTR, the designers of the Pittsburgh Botanic Garden.

Greg’s education includes two master’s degrees – one as a DuPont fellow in Public Garden Administration from the Longwood Program, and the other in Duke’s Environmental Leadership Program, which is designed for environmental business and community leaders. He earned his BS degree in Botany from the University of Illinois. Greg is a native of Pennsylvania and grew up near Doylestown.

***Board of Directors:***

The Botanic Garden’s Board of Directors is a dedicated group of volunteers from the community who donate their time to help run the organization. Most of the board members have been volunteering for at least 10 years.

|  |  |
| --- | --- |
| Beverlynn Elliott *Board Chair* | Community Volunteer |
| Elizabeth S. Athol *Vice Chair* | Lovett, Bookman, Harmon & Marks LLP |
| Judy Wojanis *Secretary* | President, Wojanis Supply Company, Inc. |
| Karen S. Auclair *CPA – Treasurer* | PricewaterhouseCoopers – Retired |
|  |  |
| Jeanne B. Berdik | Community Volunteer |
| Robert Burns | Buchanan, Ingersoll & Rooney PC |
| Bonita A. Cersosimo | Associate Vice President Marketing and Media Relations, Carnegie Mellon University |
| Nelson Craige | H.J. Heinz Company -- Retired |
| Gilbert E. Davis | Director of Financial Services, Case Sabatini |
| Susan Edwards | Community Volunteer |
| Daniel J. Eichenlaub | President, Eichenlaub, Inc. |
| Erin Elkin | Vice President Business Development, EQT Production Company |
| Michael P. Finnerty | Allegheny County Council, District 4 |
| Mark Patrick Flaherty | Tax Attorney / Investment Consultant |
| Ryan L. Hayes | Director of Business Development, The Gateway Engineers, Inc. |
| Robert P. Jagger | Director of Development, The First City Company |
| Mandy Kiggins | Community Volunteer |
| William J. Kolano | President, Kolano Design |
| John Mazur | Community Volunteer |
| Nancy Mills, Ph.D. | Writer, Political Consultant, Managing Partner, Roselea Farm Partnership |
| John Pippy | CEO, Pennsylvania Coal Alliance |
| Nancy Scalise | Deputy General Counsel, Highmark Inc. |
| Paula A. Schmeck | Principal of Procurement, Bayer Business and Technology Services LLC |
| Senator Matt Smith | Senate of Pennsylvania; Office of Senator Matt Smith; 37th Senate District |
| Alexander C. Speyer, III | President, North Star Coal Company |
| Greg Staresinic | CPA |
| Kathy Testoni | Community Volunteer |
| David Thor | Vice President of Corporate Real Estate Services, Colliers International |
| Amy Tonti | Partner, Reed Smith, LLP |
| Bill Worms | Vice President, Bayer Material Science, LLC, Flexible Foam Raw Materials |
| Patrick Worms | Chief Information Officer, Carmeuse North America |
| Nancy Zappala | Community Volunteer |

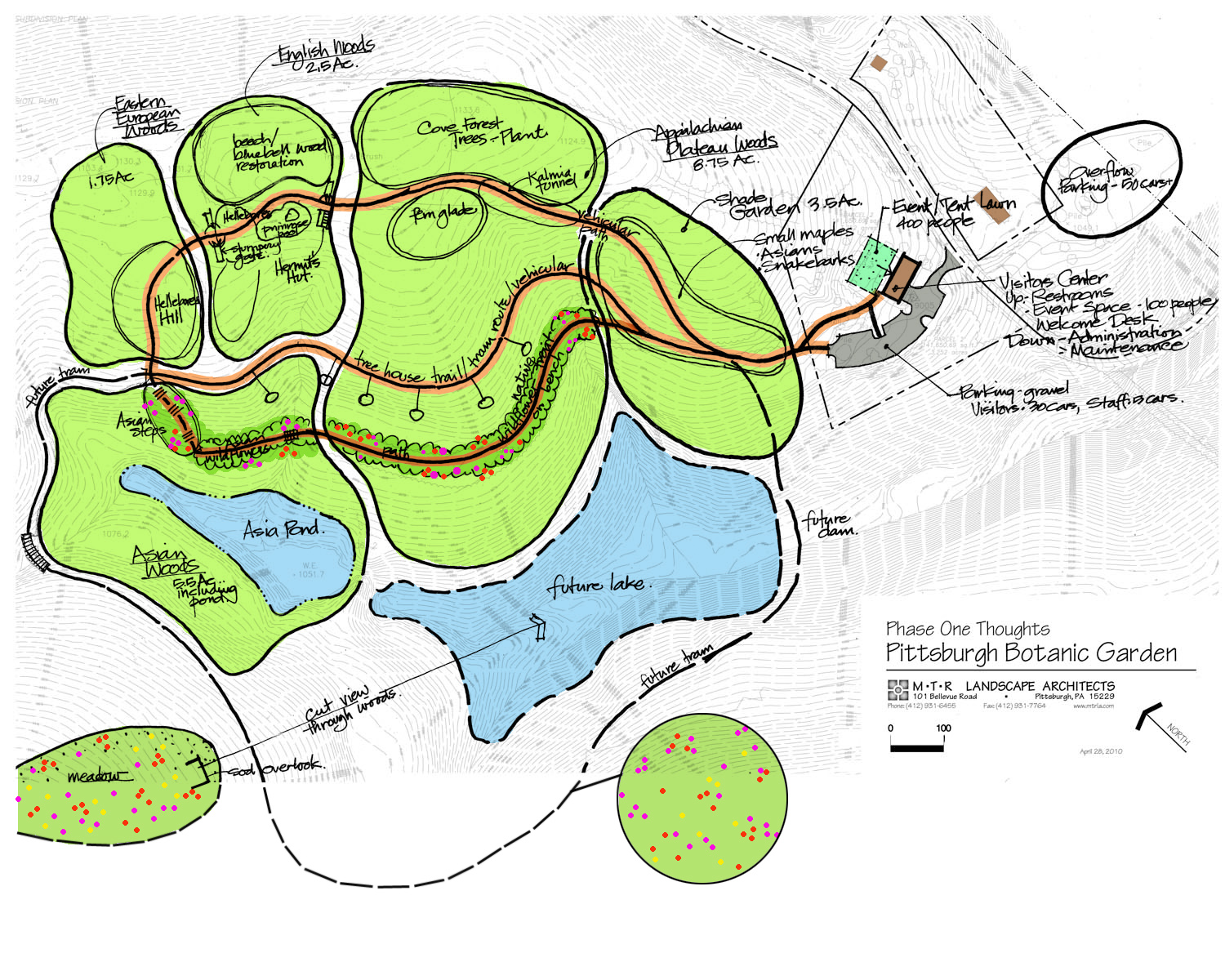
STAFF : Full-time Staff members include:

|  |  |
| --- | --- |
| Greg Nace | President |
| Kitty Vagley | Director of Development |
| Jennifer Walsh | Controller |
| Kelli Mainous | Events & Marketing Assistant |
| Lindsay Gibson | Database Manager |
|  |  |

Appendix A: Master Plan



Appendix B: Phase I Plan



Appendix C

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Phase I:** |  |  |  |  |  |  |  |  |  |  |  | |
|  | **Scope of Work** | |  |  | **Estimated Cost** | **Funding Source** | |  |  | **Amount** | **Timeframe** | |
|  | Convert barn to Welcome Center and farmhouse to Administration Building. Develop Woodlands of the World and create wedding garden and rental space. | | | |  | Bayer Foundation | |  |  | $ 325,000.00 | 1/1/2012 to | |
|  |  | Foundation support | |  |  | $ 1,000,000.00 | 12/31/2013 | |
|  |  | Private donations | |  |  | $ 475,000.00 |  | |
|  |  | RACP grant reimbursement | | |  | $ 500,000.00 | 2 years |
|  |  |  |  |  |  | Board member gifts | |  |  | $ 165,000.00 |  | |
|  |  |  |  | Subtotal | **$2,465,000.00** |  |  |  |  | **$ 2,465,000.00** |  | |
|  |  |  |  |  |  |  |  |  |  |  |  | |
| **Phase II** |  |  |  |  |  |  |  |  |  |  |  | |
|  | Design and install utilities and infrastructure for all of Phase III buildings and gardens | | | | | Bayer Foundation | |  |  | $ 75,000.00 | 1/1/2014 to | |
|  |  | |  |  |  | Foundation support | |  |  | $ 500,000.00 | 12/31/2014 | |
|  |  |  |  |  |  | Private donations | |  |  | $ 205,000.00 |  | |
|  |  |  |  |  |  | RACP grant reimbursement | | |  | $ 750,000.00 | 1 year |
|  |  |  |  | Subtotal | **$ 1,530,000.00** |  |  |  |  | **$ 1,530,000.00** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Phase III** | |  |  |  |  |  |  |  |  |  |  |
|  | Design and build 8,000 square foot  Orangery, Fred Rogers Children's  Garden, Amphitheater, and Celebration Garden | | | |  | Bayer Foundation | |  |  | $ 200,000.00 | 1/1/2015 to |
|  |  | Foundation support | |  |  | $ 2,000,000.00 | 12/31/2016 |
|  |  | Private donations | |  |  | $ 5,325,000.00 |  |
|  |  |  |  |  |  | RACP grant, balance of $5M | | | | $ 3,750,000.00 | 2 years |
|  |  |  |  | Subtotal | **$11,275,000.00** |  |  |  |  | **$11,275,000.00** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **Total** | **$15,270,000.00** |  |  |  |  | **$15,270,000.00** |  |

Appendix D

New York Times, July 26, 2010

# Botanical Gardens Look for New Lures

By JUDITH H. DOBRZYNSKI

For the last quarter century, the Cleveland Botanical Garden went all out for its biennial Flower Show, the largest outdoor garden show in North America. With themed gardens harking back to the Roman Empire, or an 18th-century English estate, the event would draw 25,000 to 30,000 visitors.

But in 2009, the Flower Show was postponed and then abandoned when the botanical garden could not find sponsors. This year, the garden has different plans. From Sept. 24 to 26, it is inaugurating the “RIPE! Food & Garden Festival,” which celebrates the trend of locally grown food — and is supported in part by the Cleveland Clinic and Heinen’s, a supermarket chain.

“The Flower Show may come back someday, but it’s not where people are these days,” says Natalie Ronayne, the garden’s executive director. “Food is an easier sell.”

So it is across the country. Botanical gardens are experiencing an identity crisis, with chrysanthemum contests, horticultural lectures, and garden-club ladies, once their main constituency, going the way of manual lawn mowers. Among the long-term factors diminishing their traditional appeal are fewer women at home and less interest in flower-gardening among younger fickle, multitasking generations.

Forced to rethink and rebrand, gardens are appealing to visitors’ interests in nature, sustainability, cooking, health, family, and the arts. Some are emphasizing their social role, erecting model green buildings, promoting wellness, and staying open at night so people can mingle over cocktails like the Pollinator (green tea liqueur, soda water, and Sprite). A few are even inviting in dogs (and their walkers) free or, as in Cleveland, with a canine admission charge ($2).

“We’re not just looking for gardeners anymore,” says Mary Pat Matheson, the executive director of the Atlanta Botanical Garden. “We’re looking for people who go to art museums and zoos.”

In May, the Atlanta garden opened an attraction that would fit right in at a jungle park: a “canopy walk” that twists and turns for 600 feet at a height of up to 45 feet, allowing visitors to trek through the treetops. Not far away, food enthusiasts can stop in at a new edible garden, with an outdoor kitchen frequently staffed by guest chefs creating dishes with fresh, healthy ingredients. Edible gardens are the fastest-growing trend at botanical gardens, consistently increasing attendance, experts say, along with cooking classes.

Attendance in Atlanta since May is double what it was for the same period last year.

Public gardens across the country receive about 70 million visits a year, according to the American Public Gardens Association. But experts say that because of social trends and changing demographics, attendance is at risk if gardens do not change.

They can, however, take advantage of several trends that could increase garden attendance, including concern for the environment, interest in locally grown food, efforts to reduce childhood obesity, demand for family activities and mania for interactive entertainment. Even economic pressures could help botanical gardens, as more people try to grow their own food. In 2009, 35 percent of American households had some kind of food garden, up from 31 percent in 2008, says Bruce Butterfield, research director of the National Gardening Association. Only 31 percent participated in flower gardening in 2009, about the same proportion as in the last few years.

“There’s a generation that will be less interested in gardens,” says Daniel J. Stark, executive director of the public gardens association, “but that generation is incredibly interested in what’s happening with the planet. Recently, my own two daughters, and a friend, were reading me the riot act about cutting down some trees.”

Mr. Stark’s daughters are 4 and 8.

Some tactics designed to entice non-gardening Americans are not new, of course — sculpture and concerts have been around for years — but their popularity is growing. The New York Botanical Garden, for example, is drawing big crowds with its current tribute to the poet Emily Dickinson, who was also a gardener.

The new exhibition at the United States Botanic Garden in Washington features “the spectacular spud family,” with potato-related artifacts, music, and bits of pop culture, especially the endurance of Mr. Potato Head.

And children’s gardens are growing more whimsical and interactive, says Sharilyn Ingram, a former president of the Royal Botanical Gardens in Canada who is now a culture professor at Brock University in Ontario. “You get to have a little more fun now,” she said.

When the Coastal Maine Botanical Garden, in Boothbay, opened its $1.7 million, two-acre children’s garden this month, it came with a chicken coop, where children can harvest eggs, and a windmill weather station.

In Wyoming, at the Cheyenne Botanic Gardens, the new children’s village has adopted sustainability as its theme. It includes a solar-powered discovery laboratory where children can make art from reused materials, a feature that helped it win the highest level of Leadership in Energy and Environmental Design (LEED) certification.

Teenagers in Cleveland are learning how to grow corn and zucchini on urban plots.

Because of environmental concerns, Descanso Gardens, near Los Angeles, is doing the once-unthinkable: it plans to uproot its historic — but nonnative — collection of camellias, some as tall as 30 feet, which were planted decades ago under the shade of natural woodlands. “It’s a fantasy forest,” says Brian Sullivan, the director of horticulture and garden operations.

But the fantasy cannot be sustained. Camellias require so much water that it is killing the trees — not to mention being wasteful. Descanso will relocate the camellias, even though some will be lost, and allow the woodlands to return to their native state. “We expect opposition and kudos both,” Mr. Sullivan said.

But Descanso still must reach out beyond its aging membership group, he added, so it is remaining open in the evening; offering cocktails (including the Pollinator) at a new Camellia Lounge; breaking ground on a $2.1 million art gallery whose exterior walls will be hung with vertical plant trays that will blend into a turf roof; and maintaining an edible garden dense with fruits, vegetables and herbs that are donated to a local food bank.

Food festivals are becoming a large part of the year-round programming that gardens view as important to winning repeat visitors. In January, the Fairchild Tropical Botanic Garden in Coral Gables, Fla., drew some 12,000 people to its fourth International Chocolate Festival with Coffee and Tea. It was followed in April with a local food festival, and this month with a mango festival. In November comes its annual Ramble, a garden party featuring antiques and music.

Yes, Fairchild also has an orchid festival.

But showcasing flowers is clearly shrinking in importance. “Most gardens,” Ms. Ingram, the Canadian professor, said, “would feel that displaying flowers is necessary, but not sufficient.”