

REVISED

November 29, 1995

SUBJECT: VanDusen Gift Shop Study

RECOMMENDATION:

1. THAT the Board endorse the proposal presented by staff and the VBGA to fund a study of the VanDusen Gift Shop at the VBGA's initial cost of \$16,500 plus taxes;
2. THAT the Board approve the repayment of the Study costs to the VBGA from improved Gift Shop net revenues above 1995 levels inflated;
3. THAT the Board endorse the implementation of the Study's short term recommendations where funding is available and;
4. THAT the Board direct staff to report further on any Study recommendations for which funding is not available.

BACKGROUND:

VanDusen Garden constructed in the early 1970's continues to provide a wonderful horticultural/botanical experience for a range of gardeners locally and from around the world.

As an adjunct to the garden experience, the VanDusen Gift Shop provides a range of merchandise from gardening books to umbrellas to small souvenirs. The Park Board operates the facility and retains all of the revenue.

Revenue from the shop has not kept pace with the increase in visitor attendance. Between 1990 and 1993, attendance revenue increased from \$199,390 to \$262,952 (+ 31%). During the same period, gift shop revenue increased from \$192,539 to \$202,821 (+ 5%). In 1994, the year of the expanded garden show, the admission revenue rose to \$363,697 (+ 38%) and gift shop revenue to \$243,732 (+20%).

With the increasing need to improve revenue at VanDusen both Park Board staff and the VanDusen Botanical Garden Association see the great potential of the Gift Shop to improve its revenue position. However specific expert advice is required to develop a detailed plan in order to achieve this goal. We believe that a Consultant with specialized expertise in the management, marketing and merchandising of a retail area in a specialized facility such as VanDusen will provide both the Park Board and the VBGA with recommendations on specific actions to be taken over the next two years in order to significantly increase the Gift Shop's revenue.

It will also be important to undertake the study early in 1996 in order to begin implementation of specific recommendations prior to the peak

visitor months of May to October.

A detailed Terms of Reference for the study has been developed jointly with the VBGA and is attached as Appendix A.

Funding for the study is not available within the Park Board's 1995 budget. The VBGA have indicated that they are prepared to cover the costs of the study initially if:

- They are party to the decision of which Consultant will undertake the study and are involved in the study process;
- The Park Board is prepared to reimburse the VBGA these study costs from improved Gift Shop revenues;
- The Park Board is prepared to implement, within reason, the short term 1996 recommendations provided by the Consultant.

Staff believe that the first two conditions are reasonable and are of benefit to the Board, however, costs associated with implementation of any recommendations are unknown at this time.

Staff agree that where funding is available within the Operating Budget recommendations can be implemented. If funding is unavailable for some action items, these will be the subject of a further report to the Board for consideration after the completion of the study.

Prepared by:  
Environment & Operations Division  
Board of Parks & Recreation

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