



Update on Gus Wortham Golf Rehabilitation and Houston Botanic Garden

Mayor's Report
July 30, 2014



Gus Wortham Background

- Number of rounds played has declined since 2008
 - Current estimate is that number of rounds will fall below 30,000 in FY 14
 - At current rate, less than 80 rounds being played per day
- Profit/loss ratio has continued to decline
 - Current estimate is loss of \$122,000 for FY 2014
 - Projected loss for FT2015 is \$134,000
 - These estimates make no provision for future capital needs or operating expenses
- Even with the addition of revenues from a driving range and concessions, a significant increase in rounds played is needed to sustain operations
- Further decline in rounds played expected with increase in greens fees, which would be necessary to maintain and sustain a renovated course
- Increase in Gus Wortham could come at the expense of Memorial and Hermann Park play
 - Impact of convention related players uncertain



Botanic Gardens Background

- Other Botanic Gardens have demonstrated significant tourist and community interest
 - Dallas/St. Louis/Chicago/Atlanta are benchmarks
 - Demonstrated attendance of 300,000 – 900,000 annually
 - Focus on education of students, the public and research
- While many have municipal support, the trend has been for privatized operations
 - Some incorporate Arboretums, others separate them
 - Similar to Houston Zoo model
- Evidence of other best practices supports Botanic Garden on Mass Transit line



Basic Requirements of Rehabilitated Gus Wortham Golf Course or Botanic Garden

- Corporate 501(c)3 structure needed for either golf course or Botanic Garden to ensure ongoing viable “contract”
- Fundraising goals to be date specific and ratable and are not “back-end” loaded at the end of the proposed contract; default if contract is not met
- City will continue ownership of site and offer long term lease. The City will not be responsible for any capital investment. Existing “green space” must be maintained.
- City will not be responsible for financial performance of either a golf course or a botanic garden. Greens fees/entry fees and other business revenues must support the operations.
- Publically accessible facilities will be available at either venue
- City will review all construction plans and approve basic rules
- City will have audit rights of ongoing operations



Key Terms for Rehabilitated Gus Wortham Golf Course

City of Houston Proposal	Status
Commitment to fundraise: <ul style="list-style-type: none">• \$5m by 1/1/15• \$10m by 7/1/15• \$15m by 10/1/15	Agreed
Design, project management and construction of the renovated golf course will be the responsibility of the Responsible Party	Agreed
Operations of the golf course will be the financial responsibility of the Responsible Party	Agreed
Public amenities - Clubhouse and restaurant available for use by the community at “normal” rates	Agreed



Key Terms for Houston Botanic Garden – Glenbrook Golf Course Site Option

City of Houston Proposal	Status
<p>Commitment to fundraise:</p> <ul style="list-style-type: none"> • Option exercised November 2015 to January 1, 2017 • \$5m raised to exercise option • \$8m raised within 12 months of option exercised • \$20m raised within 18 months of option exercised (site then available) 	Agreed
<p>Design, project schedule and construction of Botanic Garden - will be the responsibility of the Botanic Garden</p>	Agreed
<p>Operations of the Botanic Garden: Financial responsibility of the Botanic Garden</p>	Agreed
<p>Public amenities available: Restaurant and gardens for public use</p>	Agreed



Key Terms for Houston Botanic Garden Gus Wortham Site (only after “golf default”)

City of Houston Proposal	Status
Commitment to fundraise: <ul style="list-style-type: none"> • Option exercised only after contract default on golf course • \$5m raised 6 months after option exercised. • \$8m raised within 12 months of option exercised • \$20m raised within 18 months of option exercised (site then available) 	Agreed
Design, project schedule and construction of Botanic Garden - Responsibility of the Botanic Garden	Agreed
Operations of Botanic Gardens: Operations are the financial responsibility of the Botanic Garden	Agreed
Public amenities available: Restaurant and gardens for public use	Agreed
Public park created: 25 acres with defined amenities needed	Agreed



Conclusions/Follow-Up

Gus Wortham

- Houston Golf Association (HGA) has agreed to be responsible party
- HGA/Community members have agreed to basic terms
- Detailed contracts are now under development and being negotiated – not yet completed

Botanic Garden

- Have continued negotiations with Botanic Garden offering options to use city property
- Focus is on Glenbrook Park
- Alternative option is Gus Wortham only if HGA defaults on contract
- Houston Botanic Garden has agreed to basic terms
- Detailed contracts are now under development and being negotiated – not yet completed

Assuming successful contract negotiations, will bring items to City Council for consideration in August