

F. M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: March 6, 2024
Program Area: Arts, Culture, Humanities
Grant Type: Board Grant

REQUEST DATE: February 7, 2024

APPLICANT:
Sarah P. Duke Gardens, The
420 Anderson Street
Duke University Box 90341
Durham, NC 27708-0341

CONTACT: Mr. William LeFevre, Executive Director

AMOUNT REQUESTED: \$280,000
BUDGETED AMOUNT: \$140,000

NATURE OF REQUEST: General Operating Support and Support of the Garden Gateway Project

GRANT HISTORY

SUPPORT: 1992-2023

OF APPROVED GRANTS: 24

TOTAL DOLLARS: \$2,623,400

LAST GRANT DATE: 03/31/2023

LAST GRANT AMOUNT: \$40,000

FYE DATE: 06/30

AFS DATE: 10/03/2023

Year Approved	Approved Amount	Approval Date	Grant Purpose
2023	\$40,000	03/31/2023	General Operating Support
2022	\$40,000	03/31/2022	General Operating Support
2021	\$40,000	04/30/2021	General Operating Support
2020	\$35,000	03/31/2020	General Operating Support
2019	\$35,000	03/29/2019	General Operating Support

LAST SITE VISIT DATE: N/A

ENDORSEE: Alice K. Horton, Karen M. Kirby, and Leigh Kirby Klein

FINANCIAL ANALYSIS COMMENTS: The FY24 budget is projected to break even (\$4.99M) with a 10% decrease in both revenue and expenses. Salaries and benefits comprise the largest portion of SPDG's budget, representing over 50%. In FY23, SPDG broke even, with 35% of total

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revenue coming from the University. Endowment income represented 26% of all revenue, at \$1.4M. The 2023 FMKF grant of \$40K represented 26% of operating gifts and grants, though this line item is separated from Annual Fund support. Annual Fund support continues to be strong, consistently hovering around 15% of all revenue, even through the pandemic years. The submitted audit is for Duke University and Duke University Health System. The Duke University system continues to be well-positioned financially despite operating challenges and negative investment returns. Consolidated net assets declined \$700M in FY23, bringing total net assets to \$21.2 billion. As of FYE, Duke's endowment was valued at \$11.6 billion, a decrease from \$12.1 billion at the end of FY22. I reached out to Bill LeFevre to inquire about the market value of SPDG's specific endowments. As of June 30th, SPDG's various endowment funds totaled \$52M. Notably, the F. M. Kirby Gardens Endowment Fund, used for the maintenance of Kirby Horton Hall, was valued at \$272K, while the Walker Dillard Kirby Perennial Allee Endowment Fund was valued at \$180K.

ORGANIZATIONAL DESCRIPTION: Sarah P. Duke Gardens creates and nurtures an environment in the heart of Duke University for learning, inspiration, and enjoyment through excellence in horticulture and community engagement. Sarah P. Duke Gardens is widely recognized as a premier public garden, providing an extraordinary visitor experience steeped in the values of beauty, environmental sustainability, and inclusiveness.

GINA BEVIGLIA COMMENTS: In 2024, SPDG is requesting general operating support and capital funding to support the completion of the Garden Gateway project.

The operating support request is largely similar to years past, with updated attendance and participation numbers. In 2023, an estimated 600,000+ individuals visited SPDG, representing a 20% increase in attendance since the onset of the pandemic. SPDG remains admission-free, making its beauty accessible to all (I will note that a small fee to park at the gardens is required). SPDG served over 14,000 people with educational programming in FY23, including adults, school-age children, and Duke, NC State, and UNC Chapel Hill students. According to the website, adult educational classes occur several times a week, with topics ranging from "Afrobotoany: African American Agricultural, Botanical, and Horticultural Traditions" to "Inspired by the Garden: Plein Air Watercolor Workshop." Field trips are free for Durham Public Schools and schools may select from a variety of courses depending on the age of the students. In FY24, SPDG is expecting to host over 6,000 students for in-person field trips. I was happy to see that we received an update on the Equity Through Stories project. SPDG provides Duke University undergraduate and graduate students with a stipend to perform research on the intersection of culture and horticulture. The most recent projects are listed on the website. One Duke student, Tigerlily Kaynor, completed a project that supported a collaboration between SPDG and the Duke Native American and Indigenous Students Alliance. She developed educational materials and workshops that discuss the relationships various cultures have with native plants, particularly how the native plants are put to practical use. In the past, LDC has commented that efforts targeting diversity, equity, and inclusion are a challenge for an organization like SPDG. I find that, with the diversity of the adult educational content and the Equity Through Stories project, SPDG has increased the accessibility and cultural relatability of the Gardens while still remaining mission-focused.

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In December, SPDG's Board of Trustees approved the final design for the Garden Gateway. The Garden Gateway project, budgeted to cost \$30M, is intended to improve SPDG's event and educational spaces within the Doris Duke Center and add a new visitor center. SPDG will:

- *Build* a new, 7,190-square-foot welcome center.
- *Add* a 1,350-square-foot addition to the Doris Duke Center to better accommodate events, including a catering kitchen, storage, event staff space, and a bridal lounge.
- *Enhance* 10,655-square-feet of existing space.

These new and renovated spaces will expand SPDG's capacity for hosting major life celebrations, like weddings, bringing in additional earned revenue. Additionally, renovations to Kirby Horton Hall and the larger Doris Duke Center will provide more room for educational and community gatherings, allowing SPDG to function as a community space for both Duke students and Durham citizens. The brand new welcome center will include a classroom, education department workroom, staff offices, volunteer center, café, lobby, and entrance breezeway. The plans to add an event lawn, which will serve as a venue for performances with a capacity up to 2,000 people, will transform the way many view the role of SPDG in the community and introduce new visitors to the Gardens. This space will be used by Duke Arts and to host events sponsored by other Durham groups. Between 2015 and 2017, FMKF gave an \$1M leading gift to the campaign, not knowing that the pandemic and the requisite University freeze on building projects would mean that, almost ten years later, this project has yet to be completed. Now, SPDG is nearing the finish line of this project, coming in at just \$2M shy of its \$30M goal for this project. The requested \$200K for this campaign would cover one tenth of the remaining fundraising goal, with FMKF helping SPDG both open and close this campaign. The Garden Gateway will not only improve SPDG's capacity for hosting events but will also add important education and arts spaces, making the Gardens more accessible for the larger Durham community. With Alice and Karen's positive endorsements, I am happy to recommend two years of additional capital support for the Garden Gateway

RECOMMENDATION: I recommend \$80K in general operating support and \$200K in support of the Garden Gateway Campaign, payable over two years.

JUSTIN J. KICZEK COMMENTS: Given SPDG's free admission model, which enables this exceptional garden to be an egalitarian space, it is imperative to find ways to generate consistent income, beyond fundraising. Obviously, running a nationally known horticulture program is an expensive proposition, so if the expansion of the welcome center can bring both more visitors *and* rental fees, a grant to SPDG will generate a healthy return on investment. I should add that, while the free admission model, in theory, makes SPDG available to all, the current entrance, without a welcome center and more inviting signage and parking, has held SPDG back from being seen and felt to be a "public" place.

Given the long-term involvement of the Kirby family in this landmark destination and the importance of this capital project for opening up SPDG even more to the public, I am inclined to meet the full requested amount.

RECOMMENDATION: I recommend \$280,000 in total to Sarah P. Duke Gardens, with \$80K in general operating support and \$200K in support of the Garden Gateway Campaign, each payable over two years.

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$280,000**
- Recommended Grant Payment(s):
 - 2024: \$140,000**
 - \$40,000 General Operating Support**
 - \$100,000 Garden Gateway Campaign**
 - 2025: \$140,000**
 - \$40,000 General Operating Support**
 - \$100,000 Garden Gateway Campaign**
- Hold for Board Review: **April 26, 2024**
- Payee Other Than Addressee: **Duke University**
- Insert Information:
- Other: **Include multi-year grant letter.**

Initials: JK

Date: 03/27/2024

Check # _____

Date: _____

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