

**OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 97-054  
JANUARY 27, 1997 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
BOTANICAL CENTER ALCOHOLIC BEVERAGE CONCESSIONAIRE	◆ RESOLUTION ORDINANCE RECEIVE/FILE	DONALD M. TRIPP PARK AND RECREATION DIRECTOR

**SYNOPSIS —**

Having complied with the City bidding process as required under Section 2-85 of the Municipal Code of the City of Des Moines, and in accordance with the terms of the Facility Use Agreement that exists between the City and Des Moines Botanical Center, Inc.. (Roll Call No. 96-3342), after due consideration, the Board of Directors of Des Moines Botanical Center, Inc. recommends to the City Council that the Alcoholic Beverage Concession at the Des Moines Botanical Center be awarded to the Hy-Vee Food Store, 2540 Euclid Avenue.

The Hy-Vee Food Store, 2540 Euclid Avenue, was the only bidder. Staff believes that the marketing plan and price structure proposed will best serve the groups and individuals holding meetings or events at the Des Moines Botanical Center, while at the same time provide a reasonable level of revenue to both the City of Des Moines and Des Moines Botanical Center, Inc.

It is worth emphasizing that the consumption of alcoholic beverages at the Des Moines Botanical Center is strictly limited to individuals attending private events at the Center. At no time will alcoholic beverages be served to the general public.

**FISCAL IMPACT —**

Revenue to the City from the Alcohol Beverage Concession Agreement is projected at \$8,000 per year. In its annual budget submission, the Des Moines Botanical Center projected revenue from the Alcoholic Beverage Concession Agreement to be \$8,000 in FY1996-97.

**RECOMMENDATION —**

**Approval of Hy-Vee Food Store as the Alcoholic Beverage Concessionaire at the Des Moines Botanical Center.**

**BACKGROUND —**

The marketing effort put forth by most concessionaires have been minimal. As a result, the amount of effort that went into actively pursuing the sale of alcoholic beverages ranged from nonexistent to extremely low. Evidence of this is provided by a look at the revenue figures for the Alcoholic Beverage Concession over the past several years:

1988/89 - \$8,077.63  
1989/90 - \$6,228.64  
1990/91 - \$2,499.85  
1991/92 - \$2,877.17  
1992/93 - \$1,174.61  
1993/94 - \$3,003.29  
1994/95 - \$6,023.91  
1995/96 - \$6,850.65

Although Alcoholic Beverage Concession numbers appear to be moving in a positive direction, a more accurate performance picture is obtained by looking at the space rental revenue picture for the same period.

1988/89 - \$59,108.72  
1989/90 - \$62,251.24  
1990/91 - \$59,637.00  
1991/92 - \$65,939.29  
1992/93 - \$67,179.50  
1993/94 - \$85,110.48  
1994/95 - \$130,262.50  
1995/96 - \$142,720.50

In real numbers, the percent of liquor sales to space rental revenue has decreased from 13.67 percent in 1988-89 to 4.80 percent in 1995-96. Space rental revenue has increased 241.45 percent over the same period.

Given the negative trend in the sale of alcoholic beverages, the Garden Gate Cafe Committee of Des Moines Botanical Center, Inc. recommended that the Center would benefit from a single point of oversight for both the operation of the Garden Gate Cafe and the Alcoholic Beverage Concession. The Park and Recreation Board and City Council agreed. Under the terms of the Facility Use Agreement signed between Des Moines Botanical Center, Inc. and the City (Roll Call No. 96, 3342), the Board's selection of the Alcoholic Beverage Concessionaire is subject to the concurrence of the City Council.