

TERMS OF AGREEMENT

JAPANESE GARDEN TRANSITION

The purpose of this Term Sheet is to set forth the understanding of The City of Seattle (City) and The Arboretum Foundation (Foundation) with respect to the operation of the Japanese Garden as the Foundation prepares to take over fundraising responsibilities for the Garden previously undertaken by the Associated Recreation Council (ARC). The undersigned agree that this Term Sheet is not a binding contract but is an expression of the principal terms proposed by each to accomplish their mutual objectives. Neither party shall have any obligation to the other until a final agreement is executed.

I. Basic Obligation of Arboretum Foundation. The Foundation will:

1. Replace ARC as the primary support organization of the Japanese Garden.
2. Recognize Seattle Parks and Recreation (SPR) as the owner and operator of the Seattle Japanese Garden.
3. Work with SPR to raise funds, recruit volunteers and advocate for the Japanese Garden, in a similar manner to which it provides support to the other parts of the Washington Park Arboretum; hire sufficient staff to provide the services to be performed under the agreement.
4. Support implementation of designated events.
5. Coordinate and train volunteers consistent with SPR policies.
6. Develop and implement a Japanese Garden Membership Program.
7. Collaborate with SPR on a branding and marketing strategy.
8. Work with SPR to develop a public education and cultural enrichment program.
9. Provide an annual report, work plan, and financial report SPR.

II. Basic Obligations of the City of Seattle. The City will:

1. Operate, maintain and manage the Seattle Japanese Garden, including grounds, entry gatehouse and buildings associated with the garden.

2. Coordinate with the Foundation as the primary support organization for the Japanese Garden, with respect to managing and conducting events, fundraising, membership, volunteer coordinating, branding and marketing, and advocacy.
3. Provide Tateuchi Room rental and usage for the Foundation on an agreed-upon schedule.
4. Provide the Foundation with timely input on policy issues.
5. Each year, provide an agreed share of Gatehouse fees to the Foundation as described in Section IV.

III. Obligations Common to both Parties. The parties will:

1. Enter into an agreement spelling out the parties' arrangement with the intent to ensure the financial sustainability of the Japanese Garden. The term of the Agreement shall be five years and the Agreement shall be reviewed together annually to ensure that the arrangement works for both parties.
2. Work together in good faith to identify the best way to achieve long-term sustainability for the Japanese Garden; ensuring that SPR can continue to provide the necessary maintenance and operation and that the Foundation can administer the fundraising and special events, memberships, marketing and volunteer programs.
3. Work with ARC on the transition plan.
4. Ensure that the history and culture of the Japanese Garden is reflected and honored through programming, priorities and cultural events.
5. Look for additional opportunities to bring the public, in particular the Japanese cultural community, to enjoy this gem in our Parks and Recreation system.

IV. Financial Arrangement

FUND PURPOSE	FUNDING COMMITTED	FUNDING SOURCE	TOTAL TO AF	TOTAL TO SPR
Transition Costs	\$65,000 one-time transition costs for migrating Japanese Garden Advisory Council (JGAC) finances, staff time and setting up the new Japanese Garden Committee structure, and event support.	\$30,000 Parks GF \$35,000 JGAC Fund Balance	\$65,000	
Operational Costs	Annually: \$280,000 to SPR for operational costs and \$40,000 to the Foundation for its support (total = \$320,000). Beyond \$320,000, the first \$10,000 will go to SPR. The remainder will be split 50/50 between the Foundation and SPR.	Japanese Garden Gate Revenues	Annually: \$40,000 + 50% of revenue beyond \$330,000	Annually: \$280,000 + the first \$10,000 beyond \$320,000, and 50% of revenue beyond \$330,000
Total Funds Transferred			\$65,000 (+) year 1 \$40,000 (+) year 1 - 5	\$280,000 (+)

THE CITY OF SEATTLE

ARBORETUM FOUNDATION

By _____

By _____

Dated _____

Dated _____