

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, Deputy City Manager, Finance Supports

Subject: Budweiser Gardens Proposed Expansion – Additional Information and Proposed Amending Agreement

Date: October 3, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions **BE TAKEN**:

- a) This report providing additional information on the proposed Budweiser Gardens Expansion **BE RECEIVED** for information; and,
- b) The attached by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting on October 17, 2023 to execute the proposed amending agreement to the Participatory Occupancy Lease (Schedule “A”) related to the Budweiser Gardens Expansion project;
- c) The source of financing for the proposed expansion **BE APPROVED** as set out in the Source of Financing Report (Appendix “B”); and
- d) Civic Administration **BE DIRECTED** to confirm concurrence in writing for the contract extension with Ovations Food Services, L.P.

Executive Summary

On May 23, 2023, a report was provided to the Corporate Services Committee containing an overview of a Budweiser Gardens Expansion and Renovation Proposal prepared by the operators of the facility, OVG360. Through Committee and Council’s review of that proposal, additional direction was provided to civic administration, specifically to:

- Prepare an amending agreement for the proposed expansion and bring forward a confirmed source of financing for Phase 1;
- Bring forward a review of the financial case for the proposed expansion including, but not limited to, an overview of the City of London’s return on investment (ROI) expected from the proposed phases of the expansion and a comparison with the ROI in the current agreement;
- In support of the City’s Climate Emergency Action Plan and net zero goal, work with OVG360 to bring forward existing and contemplated plans for energy efficiency retrofits to Budweiser Gardens and offer support for any applications to financial grant program for the contemplated upgrades.

This report is intended to address this direction by providing a summary of the financial impacts of the proposed expansion, further information regarding the proposed food & beverage contract extension and additional details with respect to “green” initiatives undertaken and planned at Budweiser Gardens. Should Council wish to proceed with Phase 1 of the expansion, a proposed source of financing is included, as well as a by-law and proposed amending agreement to reflect the terms of the proposed project.

Linkage to the Corporate Strategic Plan

The following report supports the 2023-2027 Strategic Plan through the strategic focus area of Economic Growth, Culture and Prosperity. Specifically, this report contributes to making London a destination of choice, through the strategy: “Use existing assets in creative ways, and evaluate opportunities for new assets, that support London’s profile as a destination for arts, culture, sport and recreation.”

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, May 23, 2023, Budweiser Gardens Expansion and Renovation Proposal

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=99328>

Corporate Services Committee, March 20, 2023, 2022 Annual Update on Budweiser Gardens

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=97963>

Investment and Economic Prosperity Committee, March 31, 2014, Consent Item # 4, Budweiser Gardens Contract Extensions

1.2 Budweiser Gardens Background

Budweiser Gardens operates as a public private partnership and is designated as a municipal capital facility under the Municipal Act. The arrangement is structured as follows:

- a) The City of London owns the land.
- b) The City of London leases a portion of the lands upon which the facility sits (Ground Lease) to London Arena Trust for a nominal base rent for 50 years. During the term of the lease, London Arena Trust owns the building in trust for the City. The trust vehicle reduces tax exposure.
- c) London Arena Trust leases the building (Participatory Occupancy Lease) to the London Civic Centre Limited Partnership. The partners in the Partnership are OVG360 (formerly Global Spectrum), and EllisDon Construction Ltd. The partnership initially also included Stadium Consultants International, however, they disposed of their interest to Global in 2003.
- d) OVG360 is also the manager/operator of the building for the Partnership. They are responsible for the sale of naming rights, advertising, attractions, sale of suites and club seats, and the operation of the facility.

All the parties to Budweiser Gardens are represented on a Working Committee that meets frequently to discuss matters over which London Arena Trust and the City have approval and supervisory rights. It is intended that the Working Committee shall facilitate the efficient settlement of operation and approval matters in connection with the facility.

The London Civic Centre Limited Partnership (OVG360 and Ellis Don) is the City’s partner for Budweiser Gardens, having originally provided \$9.5 million in private sector funding (\$2.5M in cash and a \$7M loan referred to as the Senior Loan) towards construction. The City’s contribution to the project was \$32 million, plus the land valued at \$10 million, of which approximately one-third serves as a municipally operated public parking lot.

Annually, the City receives a share of the net proceeds from operations, noting it is subject to a minimum \$50,000 payment from Budweiser Gardens, as well as a share of the proceeds from ticket sales. The City’s share of the net proceeds from operations

varies over the life of the lease. In years one to five, the City's share was 20%; years six to ten, 45% and years eleven to fifty, 70%.

1.3 Financial Performance to Date

Based on financial performance to date, after 20 years of operation, the cumulative proceeds from available cash flow to the City was \$7.8 million representing an approximate 19% cumulative return on the initial \$42 million investment to date. On average over the 20 years of operation, this equated to approximately \$390k of proceeds per year. During the years of the pandemic (2020, 2021, 2022), the average proceeds dropped to \$105k per year. Pre-pandemic, the annual average proceeds were approximately \$440k per year (2003 to 2019).

The original Budweiser Gardens investment contribution breakdown by partner is shown in the table below:

(\$ millions)		%
City Contribution	\$42.0	82%
Private Contribution	\$9.5	18%
TOTAL:	\$51.5	100%

When the Arena was originally constructed, all municipally operated centres operated at a loss/required municipal subsidy (when capital costs are included), meaning that there is no return on the investment other than the economic spin-offs. The return on investment for the City was estimated at 1-2% noting that a significant expectation of return was the economic spin-offs and its contribution to the downtown revitalization.

The original discussions and agreement recognized that, in addition to capital replacement and maintenance, there was a need to keep the building modernized and up to date. There is no provision in the original agreement for the modernization of the facility over the life of the agreement, it being noted that an amending agreement was drafted and approved in 2016 to accommodate "betterments" to Budweiser Gardens that were acquired under capital leases subject to Council approval for each new lease. The City would be responsible for any modernization that may be contemplated to keep the building competitive with other facilities. There is nothing in the Agreement that obligates the City to undertake these improvements and it would be at the City's sole discretion to do so. However, it is unlikely that Budweiser Gardens will continue to perform the way it has to date without any additional investment to update it over time. In order to continue attracting world-class events and musical superstars, consideration of a renovation that will upgrade amenities and technology to meet today's standards as well as expanding the back of house space to address a number of current limitations is required. The result of a renovation may not only generate significant increases in revenue but should enhance the experience for patrons and every artist, athlete and performer who play at Budweiser Gardens

Annually, the City receives a share of the net proceeds (available cash flow) from operations, noting it is subject to a minimum \$50,000 payment from Budweiser Gardens, as well as a share of the proceeds from ticket sales. The City is not required to assist in funding the financial loss that has occurred because of the COVID-19 pandemic; however, based on the provisions of the partnership agreement, any losses incurred will be recouped against future profits that are earned by Budweiser Gardens until they are offset. The impact of this provision limits the share of proceeds received in the future until the loss is repaid. The current balance of the outstanding losses as of June 2023 is approximately \$3.8 million.

Based on the most recent updated projections of financial performance under the existing agreements, it is estimated that net cash flows from operations will be required to repay the losses for the foreseeable future. Therefore, based on the current agreement, this means that the City of London would only receive the minimum lease payment of \$50,000 until the loss is repaid by the future net cash flow excluding the annual share of ticket sales.

1.4 Budweiser Gardens Expansion Proposal

Throughout the last 20 years, Budweiser Gardens has always strived to meet the needs of the community through diverse programming while also standing as a landmark of civic pride and community accessibility, tourism, promoting a sense of vibrancy and culture while also providing a wide range of public sports and entertainment. However, to continue attracting world-class events and musical superstars, a renovation that will upgrade amenities and technology to meet today's standards could be considered. There is no provision in the partnership agreement for modernization of the facility over the life of the agreement. However, the initial partnership agreement anticipated that an investment would be required approximately midway through the agreement.

Based on feedback over the years from the operator, there are areas of additional investment that the City and its partners could consider. Initial assessments done by OVG360 would suggest that an expansion of the back of house space is required to address several current limitations. Further, opportunities could be considered to enhance the experience for patrons and every artist, athlete and performer who play at Budweiser Gardens. The result of a renovation may not only maintain the arena competitiveness with other facilities, but it would generate significant increases in net cash flow of which the City receives a share.

The project has been split into two proposed phases and the key elements of these phases are summarized as follows:

Phase 1:

The upgrades planned for Phase 1 include the majority of the customer-facing upgrades. The components of Phase 1 include:

- Level 100 Club Lounge Expansion
- Level 100 Multipurpose Event Space Expansion (partial shell)
- Level 100 Knights Locker Room Renovation
- Level 200 Private Suites and Corridors Refresh
- Level 200 East Bowl Loges
- General Food and Beverage Concessions Upgrades
- General Audio/Visual and Technology Upgrades

Phase 2:

The upgrades included in Phase 2 are more focused on the back-of-house renovations. The components of Phase 2 include:

- Level 100 Multipurpose Event Space Expansion (remainder)
- Level 100 Office Renovation
- Level 200 Backstage Club/Kitchen
- Level 200 Administrative Office Expansion & Refresh
- Level 300 Feature Bar at North Concourse
- General Audio/Visual and Technology Upgrades

1.5 Budweiser Gardens Food Services

Under the terms of the City's agreement with the London Civic Centre Corporation, any contracts with a non-arm's length related company must be disclosed to the City and must receive prior written consent to proceed which would not be unreasonably withheld. These contracts are between Oakview Group and third parties. Oakview Group is the parent company of OVG360 and Ovations Ontario Food Services, L.P.

In 2002, Council provided concurrence to Global Spectrum, as the Manager of the facility at that time, contracting with Ovations Food Services to September 30, 2022 in accordance with the Participatory Occupancy agreement. This contract was deemed to be at market value and was deemed to be the best proposal received. Ovations contributed towards the capital improvements to the food and beverage portion of the facility, which contributes to the additional revenues for the facility. In 2014, Council provided concurrence to a five-year extension of the contract to September 30, 2027,

which would continue with the same terms of the agreement and additional capital improvements.

OVG360 is proposing, as part of the proposed renovation plan and upgraded food and beverage programs with new technology, that the existing Food and Beverage contract with Ovations Food Services be extended through to May 2051 to coincide with the London Civic Centre agreement expiry. The additional investment towards general food and beverage concessions upgrades are included as part of Phase 1 totalling approximately \$1.9 million which is expected not only to provide a better experience for patrons of the venue, but also drive increased revenue for Budweiser Gardens.

1.6 Previous Council Direction

Municipal Council resolved on June 6, 2023:

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken:

- a) the Budweiser Gardens Expansion Proposal BE RECEIVED for information;*
- b) the Civic Administration BE DIRECTED to prepare an amending agreement for the proposed expansion and bring forward a confirmed source of financing for Phase 1, funded through the Tourism Infrastructure Reserve Fund; it being noted that Phase 2 will be forwarded to the 2024-2027 Multi-Year Budget process;*
- c) the Civic Administration BE DIRECTED to confirm concurrence in writing, pending a future Corporate Services Committee report, for the contract extension with Ovations Food Services;*
- d) the Civic Administration BE DIRECTED to bring forward a review of the financial case for the proposed expansion including, but not limited to, an overview of the City of London's return on investment (ROI) expected from the proposed phases of the expansion and a comparison with the ROI in the current agreement to a future meeting of the Corporate Services Committee; and,*
- e) in support of our Climate Emergency Action Plan and net zero goal, the Civic Administration BE DIRECTED to work with OVG360 to bring forward existing and contemplated plans for energy efficiency retrofits to Budweiser Gardens and offer support for any applications to financial grant program for the contemplated upgrades;*

it being noted that sources of grant applications for energy retrofits could include: Federal/Provincial Grants and Grants from the FCM Green Municipal Fund.

it being further noted that Corporate Services Committee heard a delegation from P. Luukko, Co-Chairman OVG360, B. Ohi, General Manager, Budweiser Gardens and C. Finn, Tourism London with respect to this matter; and

it being further noted that the amending agreement and source of financing will be brought forward to a future Corporate Services Committee meeting.

The purpose of this report is to address the items noted in the above resolution and to also provide a financial review of the proposed expansion as well as the draft amending agreement.

2.0 Discussion and Considerations

2.1 Analysis of Expansion and Renovation Proposal

As noted above, the expansion and renovation proposal from OVG360 has been split into two phases. The estimated total cost of the project is approximately \$33.3 million, of which OVG360 has proposed that the City finance 80% of the cost, while the private share would be 20%. The proposed capital expenditure split was based on and intended to be generally consistent with the original Budweiser Gardens build given this is approximately the mid point in the lease term, it being noted that OVG360 has rounded down the City's share to be slightly less than the original at 82%.

The cost breakdown of the two phases is as follows:

(\$ millions)	Phase 1	Phase 2	Total	%
City Contribution	\$9.0	\$17.7	\$26.7	80%
Private Contribution	\$6.1	\$0.5	\$6.6	20%
TOTAL:	\$15.1	\$18.2	\$33.3	

It should be noted that the proposal has been scoped down from an original total cost of \$39.8 million, of which 80% was also proposed to be funded by the City. In addition, the proposal was separated into two phases to support the intended timing of the project and to allow for alignment with the 2024-2027 Multi-Year Budget process to spread out the capital costs and debt issuance over a longer period of time.

The proposal is anticipated to generate incremental revenues that would be shared amongst the partners, it being noted that most of the incremental revenue benefits will be realized from the upgrades included in Phase 1. Phase 2 upgrades are more focused on “back of house” enhancements that may not have direct, immediate financial cash flow sharing impacts. The proposed cash flow-sharing model would see 70% of the available cash flow go to the City for the first 5 years (fiscal years ending 2025 to 2029), with 60% going to the City thereafter.

Accumulated losses incurred during COVID-19 restrictions in recent years will continue to be recouped from future years’ available cash flow. However, the proposal suggests a reduction to the loss repayment cap from \$880,000 (the current 2023 cap) to \$500,000 starting in 2025 after the completion of Phase 1 (which would then be indexed by an inflationary factor thereafter). In other words, instead of the first \$880,000 of available cash flow going to re-pay losses under the current arrangement, only the first \$500,000 of available cash flow would go to recoup losses under this proposal. This has the impact of increasing the near-term cash flow for the City relative to the status quo arrangement.

Civic Administration has reviewed the proposal’s financial projections provided by OVG360, it being noted that the financial projections have been revised to reflect construction of Phase 1 beginning in 2024, rather than in 2023 as previously contemplated. The updated financial projections have also been refined based on additional months of actual experience as the facility continues to recover from the COVID-19 pandemic.

Additionally, subsequent to the previous May 2023 report to the Corporate Services Committee regarding the proposed Budweiser Gardens expansion, the City of London engaged with KPMG LLP to review the project’s proforma. It should be emphasized that KPMG did not audit the figures or assumptions in the proforma or provide assurance as to their accuracy; rather the engagement involved a high-level review to assess the integrity of the model and reasonability of the assumptions utilized and resulting outputs. Based on KPMG’s review, a handful of variables in the model were identified that could have the effect of understating the net cash flow potential of the proposed expansion and overstating the net cash flow the City could realize under the current arrangement with no expansion. In other words, the incremental financial benefit of the expansion may have been initially understated in the proforma prepared by OVG360. KPMG also found that the growth rates assumed in the revenue and expense projections appear to be mostly in line with pre-pandemic historical trends.

Based on updated estimates incorporating KPMG’s observations, the expansion build and renovation is estimated to result in approximately \$53 million of incremental cash flow for the City over the remaining term of the agreement (Appendix C).

The City’s estimated direct return on investment (ROI) and payback associated with the proposal are summarized in the following table:

City Payback on Phase 1 Only	City ROI on Phase 1 Only	City Payback on Both Phases	City ROI on Both Phases
9 Years	15.3%	18 years	4.9%

The return on investment for Phase 1 as well as the combined ROI for both phases compare favourably with the ROI on the original facility construction project, which was estimated to have a direct ROI of 1-2%/year over the life of the agreement. It should further be noted that the figures above do not include any indirect financial benefits or additional economic spin-offs associated with the expansion.

It should be reiterated that if the City elects not to proceed with the proposed renovation and expansion, it is anticipated that the City will only receive the minimum annual lease payment of \$50,000 (excluding the annual share of ticket sales) for the foreseeable future until the cumulative losses are repaid by the future net cash flow. Therefore, the ROI for the City's additional investment does compare favorably to the projected cash flow if there is no further investment.

2.2 Sensitivity Analysis

The return on investment associated with the proposed expansion is largely driven by the assumed revenue increases associated with the upgrades, and there is inherent risk in the realization of those revenues. In particular, the success of the expansion and the realization of the incremental revenues largely hinges on whether the renovations will improve the user experience and result in a willingness of promoters and patrons to pay more for the use of/attending events at Budweiser Gardens.

To assess the implications of changes in assumptions, KPMG's review also included a sensitivity analysis, where they explored the impact of changes to assumptions in revenues and expenditures. KPMG explored the impact on the City's return on investment under the following scenarios:

- Additional revenue at only 75% of "base case"
- Additional revenue at only 50% of "base case"
- Additional revenue at only 40% of "base case"
- Indirect expenses increasing at 4%/year instead of 3% in "base case"
- Faster than expected increases in the loss repayment cap relative to the "base case"

The impact on the City's return on investment for various scenarios is as follows:

Assumption	KPMG Calculated City Return on Investment – Phase 1	KPMG Calculated City Return on Investment – Phase 1 and Phase 2
Revenue at 75% of "base case"	13.0%	3.6%
Revenue at 50% of "base case"	10.7%	2.2%
Revenue at 40% of "base case"	8.2%	0.2%
Indirect expenses increasing 4%/year	10.6%	0.0%
Faster increases in loss repayment cap	15.2%	4.9%

As noted above, the return on investment (particularly for Phase 1) compares favourably to the original facility construction project, even when adjusted for significantly reduced additional revenues or higher than anticipated expenditures based on KPMG's sensitivity analysis.

2.3 Funding of Proposed Expansion

As noted in the previous May 23rd report to the Corporate Services Committee, should Council wish to proceed with Phase 1 of the expansion proposal, Civic Administration would recommend that the City's \$9.0 million contribution be financed by debt serviced through the Tourism Infrastructure Reserve Fund (TIRF).

The TIRF was established to house the City's 50% share of revenues from the 4% Municipal Accommodation Tax (MAT), noting that the other 50% of net MAT revenues are allocated to Tourism London. As outlined in previous reports, the City's share of MAT revenues will be allocated to municipal tourism related capital infrastructure projects such as:

- “upsized” or enhance a recreation facility (e.g. sports fields, pools, arenas) already included in the capital plan to make that facility viable for hosting a major event;
- enhance parks infrastructure to better support festivals and other gatherings;
- new tourism infrastructure (e.g. way-finding signage);
- lifecycle improvements to existing tourism infrastructure where these improvements are necessary to maintain tourism draw;
- to act as a catalyst to leverage private sector and government capital investment to support initiatives that encourage tourism related development; and,
- investments in Budweiser Gardens and other public-private partnerships.

The use of MAT revenues for the purposes of tourism-related municipal infrastructure projects listed above was endorsed by Council on June 25, 2019.

The expansion proposal from OVG360 would align well with the intended use of MAT funds. As of July 31, 2023, the TIRF has an uncommitted balance of approximately \$3.6 million. While MAT revenues were significantly reduced during COVID-19 restrictions during 2020 and 2021, the City's share of MAT revenues for 2022 was approximately \$1.6 million. The City's share of MAT revenues in 2019 was approximately \$1.7 million, indicating that MAT inflows have almost recovered to pre-COVID levels.

While the balance of the TIRF is unable to fully fund the City's \$9 million contribution to Phase 1, debentures could be issued for this purpose, with the debt servicing costs funded from the TIRF through the City's share of annual MAT revenues. Based on current indicative pricing at the time of writing, annual debt servicing costs are estimated to be in the range of \$700,000 (on a 20-year term) to \$1,200,000 (on a 10-year term) per year. It is important to note that rates are subject to change until such time that the City formally issues the debt. Issuing on a 10-year term has the advantage of lower total borrowing costs and earlier retirement of the debt. The benefit of a 20-year term is that it utilizes a smaller portion of the City's annual MAT revenues, providing greater capacity to fund other initiatives as well.

It should also be emphasized that, as outlined above, additional net available cash flow is anticipated to flow to the City as a result of the Budweiser Gardens expansion project. The City's share of incremental cash flow may be sufficient to fund a significant portion of, if not all of, the debt servicing costs associated with the City's contribution. The intention would be to first utilize the City's incremental share of net available cash flows from Budweiser Gardens to fund the debt servicing costs first, and only utilize MAT revenues for the difference, if any, between the debt servicing costs and incremental Budweiser Gardens cash flows.

As outlined in the previous report to the Corporate Services Committee, it is recommended that Phase 2 of the proposed expansion be considered as part of the 2024-2027 Multi-Year Budget process.

2.4 Analysis of Food Services Extension

When Budweiser Gardens (then John Labatt Centre) was first constructed, an assessment of the various options for food & beverage services was conducted. Various options were considered, including:

- Commission model, whereby the operator agrees to pay a percentage commission on gross sales to the facility;
- Management fee model, whereby the facility would pay a set fee plus a share of the profits to the operator to manage the food & beverage operations; and
- Self-operation model, whereby the facility would be responsible for full food & beverage operations.

Ultimately, the commission-based model was selected for the food and beverage operations as it was assessed as providing the greatest return with the least amount of risk, particularly with the unknowns associated with what was then a new building.

As noted above, the original food and beverage agreement with Ovations Food Services covered the period from 2002 through September 2022. This included a \$660,000 capital contribution from Ovations to the food services operations at the facility. In 2014, a five-year extension through September 2027 was approved by Council, it being noted that a \$500,000 additional investment in food services upgrades was contributed by Ovations.

As part of the proposed Budweiser Gardens expansion, \$1.9 million is proposed to be invested by Ovations Food Services for upgrades to the food & beverage experience as part of the overall private partner contribution to the project. In conjunction with this investment, the extension of the food and beverage agreement through the expiry of the London Civic Centre agreement in May 2051 is being sought.

Consistent with the commission-based model for food and beverage selected for Budweiser Gardens, the food & beverage operator (Ovations) provides a commission to the venue based on a percentage of sales. Ultimately the food & beverage commissions received by Budweiser Gardens form part of the total net available cash flow to split between the parties.

To assess the reasonableness of the food & beverage arrangement for Budweiser Gardens, a variety of sources were used, noting however that this information is often difficult to obtain due to the confidential nature of these agreements. As part of KPMG's review of the Budweiser Gardens expansion proposal, a benchmarking analysis was conducted of other food and beverage arrangements. KPMG also conducted a broad scan of facilities beyond Ontario to determine if there were any industry-wide standards or benchmarks for agreements of this nature. Civic Administration also reviewed information compiled by the management team at Budweiser Gardens based on their contacts in the venue management industry across the province.

Based on the various information sources reviewed, the following observations are noted:

- There are no consistent, widely used standards across the industry. The arrangement for each venue tends to vary based on a variety of factors, including respective capital contributions by the various partners, involvement of other parties (e.g. local breweries), etc.
- Contract lengths vary significantly by venue, from as short as 2 years to as long as 20 years.
- Commissions on food & beverage sales paid to the venue to the venue also vary considerably.
- Capital investments by food and beverage operators are generally limited, with only one other venue (other than Budweiser Gardens) identifying a capital investment by the food & beverage operator.

The Budweiser Gardens food & beverage commission arrangement generally falls in the range of the other venues with a similar arrangement where this information was

available. While the proposed contract extension is slightly longer than other venues' arrangements, the capital contribution to the proposed expansion (\$1.9 million) is greater than the limited capital contributions provided by operators at other venues. Based on the review conducted, Civic Administration recommends that the food and beverage contract extension with Ovations Food Services be approved.

2.5 Climate Emergency Action Plan – Budweiser Gardens Programs

Budweiser Gardens is committed to looking at opportunities to continue to support green initiatives. Appendix D outlines several of the environmentally conscious programs and initiatives that have been implemented at Budweiser Gardens.

In 2022, the GOAL sustainability platform, founded by Oak View Group (OVG) and a number of other partners, announced a collective of major venues from across the globe who have joined the fight for social impact, climate action, and responsible change, which included Budweiser Gardens as a Founding Circle member.

GOAL, which stands for Green Operations & Advanced Leadership, is a sustainability program for arenas, stadiums, convention centers, and other types of public assembly venues in the sports and entertainment industry. Members of GOAL will have access to a digital portal that defines a broad set of sustainability standards specifically designed for venues, a tactical roadmap for achieving those standards, and a customized tracking tool. The online platform includes a library of resources and provides a forum to collaborate with like-minded operators, vendors, and sponsors who are committed to operating more sustainably. The GOAL membership portal is powered by software developed in collaboration with Amazon Web Services (AWS) and modeled after the industry-leading work at the Oak View Group owned-and-operated Climate Pledge Arena. Venues can regularly track their performance against scientifically backed standards in ESG categories – such as energy and water use, greenhouse gas emissions, waste management, indoor air quality, and health and wellbeing – as well as compare to similarly situated venues and be recognized for their progress.

Budweiser Gardens is currently in the data collection phase where they are tracking and entering various metrics into the GOAL platform. Once a baseline is established, Budweiser Gardens will be able to analyze the data and begin to implement best practices and procedures to help achieve a higher standard of sustainability. Where upgrades are identified or contemplated to support energy efficiency retrofits, Civic Administration will work with OVG360 to support any applications for financial grant programs that would be applicable.

3.0 Next Steps

If Council wishes to proceed with Phase 1 of the proposed expansion and renovation, the attached by-law (Appendix “A”) and amending agreement (Schedule “A”) reflects the proposed terms of the arrangement for Council’s consideration and approval.

Conclusion

This report fulfills Council direction from June 2023 to provide additional information with respect to the proposed Budweiser Gardens expansion and renovation project, including further details regarding the financial impact of the project and the proposed food and beverage contract extension, as well as the recent and proposed “green” initiatives undertaken at Budweiser Gardens. This report also includes a proposed source of financing for the project should Council wish to proceed, as well as the proposed amending agreement to the Participatory Occupancy Lease.

Submitted by: Ian Collins, CPA, CMA, Director Financial Services
Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and Business Support
Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Appendix A – By-law for Proposed Amending Agreement

Bill No.

By-law No.

A by-law to authorize and approve an Amending Agreement with respect to the Participatory Occupancy Lease for Budweiser Gardens and to authorize the Mayor and the City Clerk to execute the Amending Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS in 2001, The Corporation of the City of London, Royal Trust Corporation of Canada and Global Spectrum Facility Management formed the London Civic Centre Limited Partnership and jointly agreed to a Participatory Occupancy Lease (POL) for the facility now known as “Budweiser Gardens”;

AND WHEREAS amendments to the POL are desired by all parties to the Lease to permit the expansion and renovation of the building as set forth in Section 32.2 of the POL;

AND WHEREAS amendments to the POL are desired by all parties to adjust the distribution of cash flow as set forth in Section 5.4(v)(d) of the POL;

AND WHEREAS amendments to the POL are desired by all parties to adjust the deficiencies cap as set forth in Section 5.14(i) of the POL;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Amending Agreement between The Corporation of the City of London, Royal Trust Corporation of Canada as Trustee of the City of London Area Trust and the London Civic Centre Limited Partnership with respect to the Participatory Occupancy Lease for Budweiser Gardens (the “Amending Agreement”), attached hereto as Schedule “A”, is hereby authorized and approved.
2. The Mayor and the City Clerk are authorized to execute the Amending Agreement authorized and approved in section 1.
3. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Passed in Open Council on October 17, 2023 subject to the provisions

of PART VI.1 of the Municipal Act, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading -
Second Reading -
Third Reading -

Schedule A – Proposed Amending Agreement

AMENDMENT TO PARTICIPATORY OCCUPANCY LEASE

This Amendment to Participatory Occupancy Lease (this “**Amendment**”) is entered into as of the day of 2023 among Royal Trust Corporation of Canada as Trustee of the City of London Arena Trust (“**Landlord**”), London Civic Centre Limited Partnership (“**Tenant**”) and The Corporation of the City of London (the “**City**”).

WHEREAS the Landlord, the Tenant, and the City and certain other parties entered into a Participatory Occupancy Lease dated June 20, 2001, as amended by an Amendment to Participatory Occupancy Lease dated May 24, 2017 and authorized and approved by City Council by By-Law No. A-7446-242 on August 30, 2016 (collectively the “**Lease**”), pursuant to which the Landlord demised and subleased the Land and leased the Building to the Tenant (as such terms are defined in the Lease) for a period of forty-nine years and eleven months;

AND WHEREAS Section 32.2 of the Lease provides, among other things, that the Lease may be Amended is only by written agreement of the Landlord, the City and the Tenant;

AND WHEREAS the Landlord, the Tenant and the City now desire to further amend the Lease as set forth below, and that this Amendment constitute written agreement to effect such amendments as set forth in Section 32.2 of the Lease.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties agree as follows:

1. Capitalized terms used in this Amendment and not otherwise defined in this Amendment shall have the meaning given to such terms in the Lease.
2. In this Amendment, the following words and expressions whenever used shall have the following meanings:
 - (a) “**Expansion Project**” means the expansion and renovation of the Building, as described in a proposal dated May, 2023 from OVG360 entitled “**Budweiser Gardens Proposed Renovation Plan**” (the “**OVG360 Proposal**”), a copy of which is attached hereto as Schedule “A”.
 - (b) “**Phase 1**” means the first phase of the Expansion Project, referred to and described as “Priority #1” in the OVG360 Proposal, which includes
 - (i) Level 100 Club Lounge Expansion;
 - (ii) Level 100 Multipurpose Event Space Expansion (partial shell);
 - (iii) Level 100 Knights Locker Room Renovation;
 - (iv) Level 200 Private Suites and Corridors Refresh;
 - (v) Level 200 East Bowl Loges;

- (vi) General Food and Beverages Concessions Upgrades; and
 - (vii) General Audio/Visual and Technology Upgrades.
- (c) **“Phase 2”** means the second phase of the Expansion Project, referred to and described as “Priority #2” in the OVG360 Proposal, which includes
- (i) The remainder of the Level 100 Multipurpose Event Space;
 - (ii) Level 100 Office Renovation;
 - (iii) Level 200 Backstage Club/Kitchen;
 - (iv) Level 200 Administrative Office Expansion and Refresh;
 - (v) Level 300 Feature Bar at North Concourse; and
 - (vi) General Audio/Visual and Technology Upgrades.
3. The proposed costs of the Expansion Project (the **“Expansion Project Costs”**), and the contributions of the City and the Tenant to those costs, on an 80% / 20% sharing of costs basis, as set out in the OVG360 Proposal, are:
- (a) Phase 1 Costs - \$15,146,900
 - (i) Contribution by the City - \$ 9,000,000
 - (ii) Contribution by the Tenant - \$ 6,146,900
 - (b) Phase 2 Costs - \$18,191,000
 - (i) Contribution by the City - \$17,670,320
 - (ii) Contribution by the Tenant - \$ 520,680
 - (c) Total Cost of Phase 1 and Phase 2 - \$33,337,900
 - (i) Total Contribution by the City - \$26,670,320
(80% of Total Phase 1 and Phase 2 Costs)
 - (ii) Total Contribution by the Tenant - \$ 6,667,580
(20% of Total Phase 1 and Phase 2 Costs)
4. The Landlord, City and the Tenant agree that, subject to Section 6 of this Amendment, the responsibility for payment of the Expansion Project Costs for Phase 1, as set out in Section 3(a) of this Amendment, shall be divided between the City and the Tenant as set out in Section 3(a) of this Amendment and, subject to Sections 6 and 9 of this Amendment, the responsibility for payment of the Expansion Project Costs for Phase 2, as set out in Section 3(b) of this Amendment, shall be divided between the City and the Tenant as set out in Section 3(b) of this Amendment.
5. Any and all construction contracts entered into for the Phase 1 and/or Phase 2 work described in this Amendment shall be entered into by Tenant and shall be Fixed Price Construction Contracts and shall be in a form approved by the City.

6.
 - (a) The City shall have no responsibility for any costs or liabilities in connection with the construction of Phase 1 work above the amount of \$9,000,000, as set out in Section 3(a) above, plus applicable taxes, other than cost overruns resulting from City Initiated Changes.
 - (b) Subject to Section 9 of this Amendment, the City shall have no responsibility for any costs of Phase 2 work above the amount of \$17,670,320.00, as set out in Section 3(b) above, plus applicable taxes, other than cost overruns resulting from City Initiated Charges.
 - (c) For purposes of this Amendment, City Initiated Changes shall also include changes to Phase 1 and/or Phase 2 work (or otherwise to the agreed upon project plans) that are required or requested by the City or Landlord.
7. The "70%" figure in Section 5.4(v)(d)(A) of the Lease
 - (a) shall continue to apply for the first five (5) Fiscal Periods after Substantial Completion of the Phase 1 work; and
 - (b) shall be amended to be "60% for each Fiscal Period thereafter.
8. The current Deficiencies Cap of Eight Hundred and Eighty Thousand Dollars (\$880,000.00), calculated pursuant to Section 5.14(i) of the Lease, is hereby amended and reduced to Five Hundred Thousand Dollars (\$500,000.00) for the first Fiscal Period after the Phase 1 work has been Substantially Completed, and for each subsequent Fiscal Period the Deficiencies Cap shall be the product of the Deficiencies Cap for the immediately preceding Fiscal Period multiplied by the CPI Change
9. The provisions in this Amendment apply to Phase 1 but the provisions in this Amendment will only apply to Phase 2 once City Council has authorized and approved Phase 2. For clarity, until City Council authorizes and approves Phase 2, neither the City nor Tenant has any obligation to proceed with Phase 2. If City Council fails to authorize and approve Phase 2, the terms of this Amendment related to Phase 2 shall be null and void.
10. To the extent the Lease is inconsistent with the foregoing terms, the Lease shall be deemed to be amended hereby. All references to the Lease in the Lease or in any other document referencing the Lease shall be deemed to refer to the Lease as amended hereby. Except for the modifications set forth above, all of the provisions of the Lease shall remain unmodified and in full force and effect.
11. This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Amendment as of the date first set forth above.

(signature page follows)

**ROYAL TRUST CORPORATION OF CANADA, AS
TRUSTEE OF THE CITY OF LONDON ARENA
TRUST**

By: _____
Name:
Title:

By: _____
Name:
Title:

**LONDON CIVIC CENTRE LIMITED PARTNERSHIP
By its general partner, LONDON CIVIC CENTRE
CORPORATION**

By: _____
Name:
Title:

By: _____
Name:
Title:

THE CORPORATION OF THE CITY OF LONDON

By: _____
Name:
Title:

By: _____
Name:
Title:

BUDWEISER GARDENS PROPOSED RENOVATION PLAN

MAY 2023

BRISBIN
BROOK
BEYNON
ARCHITECTS



London
CANADA

OVG
OAK VIEW GROUP

HOW WE GOT HERE

- ❖ In 2001 Global Spectrum (now OVG360) partnered with Ellis-Don to create the London Civic Centre, LP (LCC) and established a public-private partnership with the City of London to develop a new arena.
- ❖ Peter Luukko, Brian Ohl and Jim King were all part of the team that negotiated and signed the original contract with the City.
- ❖ OVG360 has been a partner of the venue since groundbreaking when we operated as Global Spectrum, then Spectra, and now OVG360
- ❖ The venue celebrated its 20th Anniversary on October 2, 2022
- ❖ OVG360 has recently completed six new arena projects across North America and a modernization of the arena in Baltimore.
- ❖ When the original contract was signed over twenty years ago, there was an understanding that upgrades would be a necessity in the future. We now have an excellent opportunity to accomplish the necessary betterments with little impact on business.



WHY RE-INVEST IN BUDWEISER GARDENS

Budweiser Gardens has established itself as a well renowned and respected venue within the sports and entertainment industry, both nationally and internationally. This has been shown through the numerous venue accolades it has received including:

- ❖ 2010 and 2012 Canadian Venue of the Year at the Canadian Music and Broadcast Industry Awards
- ❖ Hosted the 2019 Canadian Juno Awards in March 2019
- ❖ 2014 Large Business of the Year award at the London Business Achievement Awards sponsored by the London Chamber of Commerce
- ❖ 2019 Best Teamwork in a Major Arena at the Live Music Industry Awards
- ❖ 2021 Corporate Icon Award at the London Business Achievement Awards sponsored by the London Chamber of Commerce
- ❖ Hosted 2019 Canadian Juno Awards
- ❖ Hosted the 2016 and 2021 Canadian Country Music Awards
- ❖ Hosted the Memorial Cup in 2005 and 2014, The World Figure Skating Championships in 2012 and the Tim Horton's Brier in 2011 and 2023

** Each of these events required additional temporary infrastructure to be erected to meet the needs of the event, which added considerable costs to event organizers and will be a roadblock for hosting future events.

WHY RE-INVEST IN BUDWEISER GARDENS CONTINUED

- ❖ The 10,000 SF of multi-purpose event space in the proposed expansion will alleviate the need for temporary infrastructure and reduce costs for the organizers, making London a desirable option to host future high-profile events again.
- ❖ The expansion of Budweiser Gardens will allow the London Knights to have the modern facilities that have become the expectation in the Canadian Hockey League.

WHAT THE RENOVATION WILL ACCOMPLISH

The renovation will introduce new revenue streams and increase existing revenue opportunities while significantly upgrading the patron experience at the venue through:

- ✓ Upgrade of existing suites
- ✓ Expansion of the existing Club Lounge
- ✓ Addition of East Bowl loge boxes
- ✓ Upgrade Food and Beverage programs with new technology
- ✓ New centre hung scoreboard

Additionally, renovating and upgrading the London Knights facilities will have a positive effect on on-going contract negotiations and continued Knight's success.

PROPOSED BUSINESS TERMS

- ❖ London Civic Centre, LP (LCC) agreement is through May 2051
 - Profit share with City of 70/30 (City/LCC) for first 5 years
 - Profit share with City is revised to 60/40 (City/LCC) after 5 years
 - Deficiencies cap related to Covid losses reduced from \$880k to \$500k to ensure greater cash flow to City in near term
 - Approval of Food and Beverage contract through May 2051 to coincide with the LCC agreement terms
 - Other current terms remain intact, including cashflow deficiencies protection for the City

PROPOSED PROJECT COSTS

❖	Full Project Costs (both phases):	\$33,337,900
	▪ London Civic Centre investment	\$6,667,580 20%
	▪ Public investment	\$26,670,320 80%
❖	Phase I Costs	\$15,146,900
	▪ City - \$9,000,000	
	▪ London Civic Centre - \$6,146,900	
❖	Phase II Costs	\$18,191,000
	▪ City - \$17,670,320	
	▪ London Civic Centre - \$520,680	

RENOVATION PROJECTS PRIORITY PHASING

PRIORITY #1

L100 Club Lounge Expansion	2,800 SF x \$600	\$1,680,000
L100 Multipurpose Event Space Expansion - (PARTIAL SHELL) 1/3 OF FOOTPRINT	4,800 SF x \$725	\$3,480,000
L100 Knights LR Renovation	6,200 SF x \$400	\$2,480,000
L200 Private Suites & Corridors Refresh	14,090 SF x \$110	\$1,549,900
L200 Develop East Bowl Loges	1,345 SF x \$600	\$807,000
General Food & Beverage Concessions Upgrade	Lump Sum	\$3,250,000
General AV/Technology Upgrades	Lump Sum	\$1,900,000
Total		\$15,146,900

PRIORITY #2

L100 Multipurpose Event Space Expansion - (PARTIAL SHELL) 2/3 OF FOOTPRINT	9,600 SF x \$735	\$7,056,000
L100 Office Renovation	2,400 SF x \$750	\$1,800,000
L200 Backstage Club/Kitchen	8,180 SF x \$825	\$6,748,500
L200 Admin Office Expand/Refresh	9,230 SF x \$50	\$461,500
L300 Feature Bar at North Concourse	750 SF x \$700	\$525,000
General AV/Technology Upgrades	Lump Sum	\$1,600,000
Total		\$18,191,000

PROJECTED ANNUAL REVENUE

Projected net available cash flow after completion of both phases
\$2,062,000

Current year projection is \$265,000



DUNDAS ST

TALBOT ST

RIDOUT ST N

KING ST

Budweiser
GARDENS



DUNDAS STREET WEST

4 BAYS FOR PHASE 1

446m² (4,800 SF)

32,617
3 STRUCTURAL BAYS

41,170
4 STRUCTURAL BAYS

RIDOUT STREET

TALBOT STREET

KNIGHTS OFFICE
220m² (2,400 SF)

LOBBY

**MULTI-PURPOSE
EVENT SPACE**
930m² (10,000 SF)

**KNIGHTS LR
RENOVATION**
575m² (6,200 SF)

STAND #6
55m² (590 SF)

STAND #5
55m² (590 SF)

STAND #4
40m² (430 SF)

**F&B CONCESSIONS
UPGRADE**
251m² (2,805 SF)

STAND #2
51m² (555 SF)

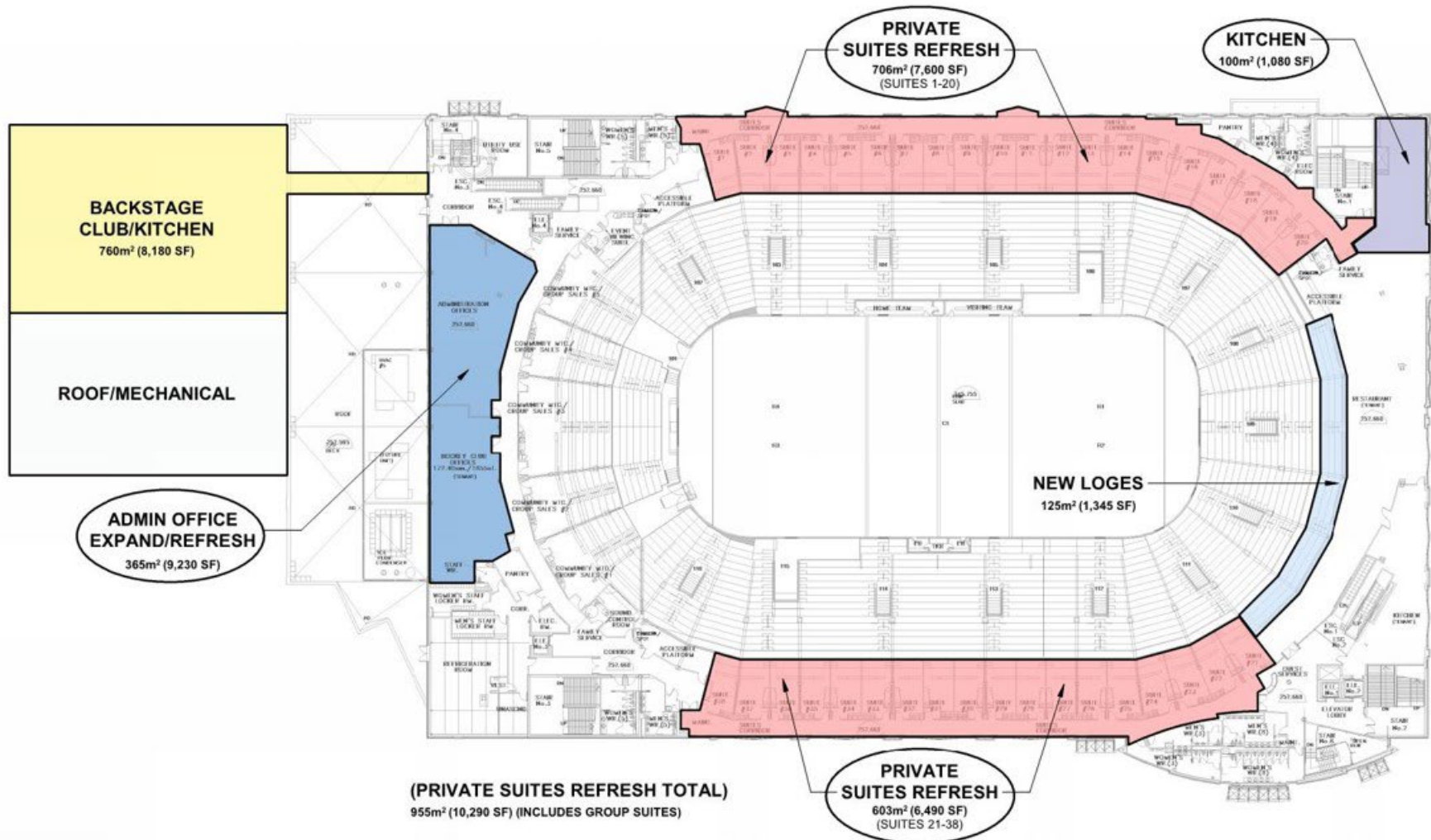
STAND #3
50m² (540 SF)

CLUB LOUNGE EXPANSION 260m² (2,800 SF)

EXISTING
PARKING

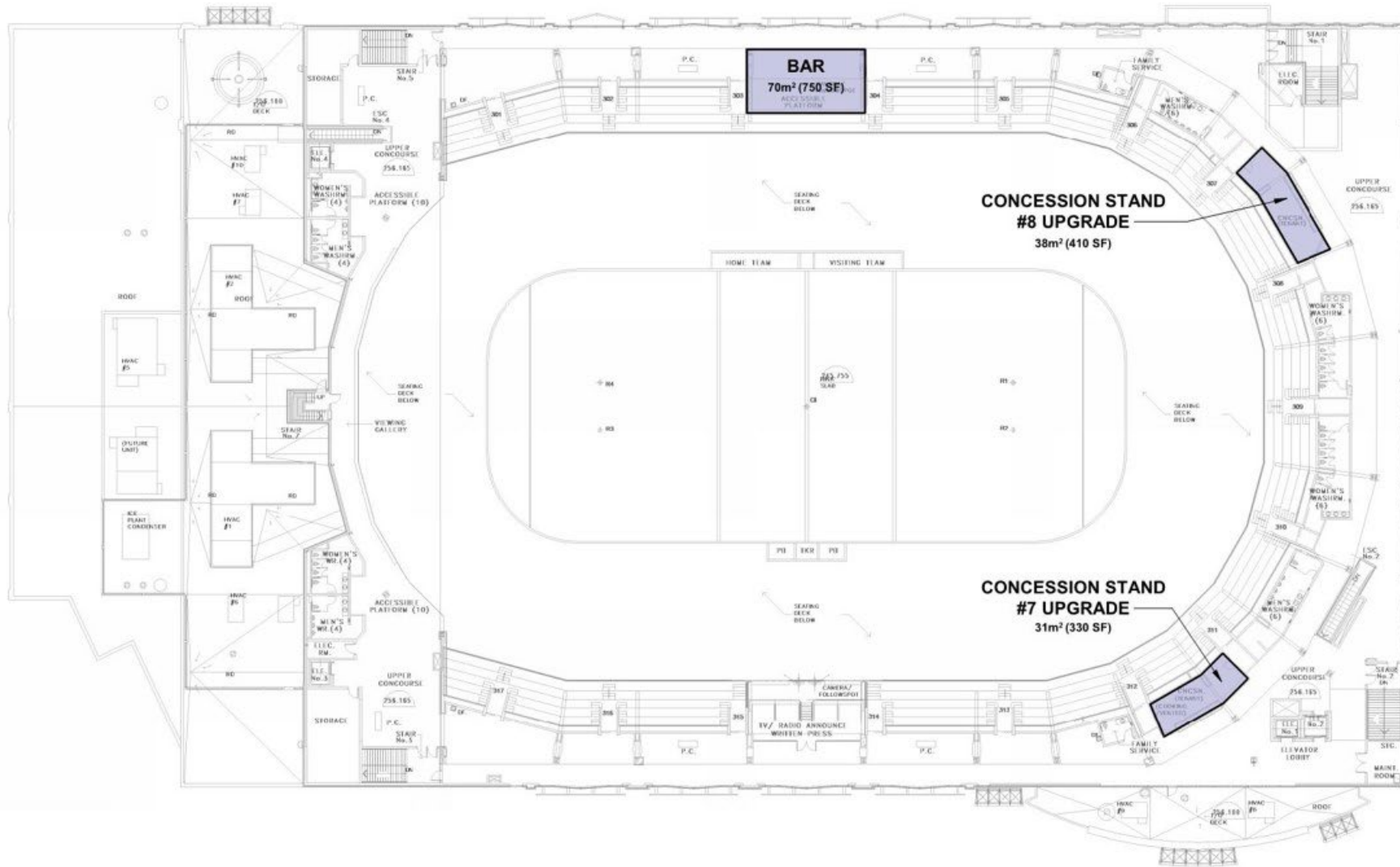
***NOTE*:
PROPOSED EXPANSION AREAS
ANNOTATED WITH DIAGONAL HATCHING**





(PRIVATE SUITES REFRESH TOTAL)
 955m² (10,290 SF) (INCLUDES GROUP SUITES)









Burdweiser
GARDENS

THANK YOU

**BRISBIN
BROOK
BEYNON**
ARCHITECTS



London
CANADA



OAK VIEW GROUP

Appendix B – Source of Financing

Appendix "B"

#23199

October 3, 2023
(Establish Budget)

Chair and Members
Corporate Services Committee

RE: Budweiser Gardens Proposed Expansion - Additional Information and Proposed Amending Agreement
(Subledger FG230033)
New Capital Project EP1695 - Budweiser Gardens Expansion Phase 1

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the additional financing required can be accommodated with debenture financing serviced through the Tourism Infrastructure Reserve Fund and that, subject to the approval of the recommendation of the Deputy City Manager, Finance Supports, the detailed source of financing for this project is:

Estimated Expenditures	Approved Budget	Additional Funding Requirement (Note 1)	Revised Budget
City Contribution	0	9,000,000	9,000,000
Total Expenditures	\$0	\$9,000,000	\$9,000,000
Sources of Financing			
Debenture Quota [Serviced through Tourism Infrastructure Reserve Fund (Municipal Accommodation Tax)] (Note 2)	0	9,000,000	9,000,000
Total Financing	\$0	\$9,000,000	\$9,000,000

Note 1: The additional funding requirement for this project can be accommodated with debenture financing serviced through the Tourism Infrastructure Reserve Fund. Additional net available cash flow is anticipated to flow to the City as a result of the Budweiser Gardens expansion project, which may be sufficient to fund a significant portion of, if not all of, the debt servicing costs. The City's incremental share of net available cash flows from Budweiser Gardens will be used to fund the debt servicing costs first, with Municipal Accommodation Tax revenues utilized for the difference, if any, between the debt servicing costs and incremental cash flows from Budweiser Gardens.

Note 2: Note to City Clerk: Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality from the Ministry of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary by-laws.

An authorizing by-law should be drafted to secure debenture financing for project EP1695 - Budweiser Gardens Expansion Phase 1 for the net amount to be debentured of \$9,000,000.



Kyle Murray
Director, Financial Planning & Business Support

lp

Appendix C – Financial Projections

TOTAL		
PROPOSED:		
Net Projected Cash Flow to Distribute (after Loss Repayments)	88,090,329	A
City's Minimum Payments	1,400,000	B
City's Portion of Shareable Net Cash Flow (in excess of Minimum Payments)	52,271,983	C
Estimated City Surcharge Revenue	4,773,478	D
Total City Cash Flow	58,445,461	E = B + C + D
STATUS QUO:		
Net Projected Cash Flow to be Distributed (after Loss Repayments)	1,400,000	F
City's Minimum Payments	1,400,000	G
City's Portion of Shareable Net Cash Flow (in excess of Minimum Payments) ¹	0	H
Estimated City Surcharge Revenue	4,012,456	I
Total City Cash Flow	5,412,456	J = G + H + I
INCREMENTAL CASH FLOW FOR CITY:	53,033,005	E - J

Note 1 – Under the status quo projections, there are no projected additional cash flows to be distributed beyond the City's \$50,000 annual minimum payment. In other words, all net cash flows will be utilized for the City's \$50,000 annual minimum payment or to repay accumulated losses.

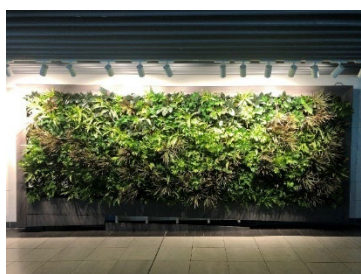


Budweiser Gardens Green Initiatives

Beginning in the 2017-18 season, there was a conscious effort by the team at Budweiser Gardens to evaluate practices and procedures in all aspects of the venue and determine areas in which environmentally preferable practices could be put into place. Below is a brief outline of some of these initiatives and the results we have seen.

- **Electronic Recycling Days** – held once a year and are free to the community. We partner with Waste Connections of Canada (our garbage collections partners) and host an electronic recycling day where people can bring old electronics to the venue for collection and proper disposal by Waste Connections of Canada. We also offer onsite confidential paper shredding for no cost.
 - In two years we have recycled 10,714lbs of electronics and shred 3,989.96lbs of paper.
- **Christmas Lights Recycling** – This was offered for the first time January 6-10, 2019. Partnered with Waste Connections of Canada to offer free x-mas light recycling. Put gaylord boxes at our security entrance and folks could drop off their old lights between 8am and 8pm.
 - We collected 286.6 lbs of lights.
- **Employee Commuting Incentive Program** – a program that gives all full-time employees who either ride a bike or walk to work, carpool with another BG employee or take transit to work the opportunity to win prizes by filling out a ballot each time they use a green mode of transportation to or from work. Winners are chosen via a draw that is held bi-weekly at our staff meetings.
 - We have had over 650 individual ballots entered since July 1, 2020 (program was suspended throughout Covid).
- **Demand Response Program** - Developed a new revenue source from the Demand Response Program. Demand Response is a program that requires users/program participants to reduce their electricity consumption in response to prices and system needs. The benefits are three-fold - there is less demand/stress on Ontario's electricity infrastructure and participants are rewarded with a monetary rebate each time they participant participate, plus Budweiser Gardens is able to use the funds as a contribution to future energy reduction measures. To date Budweiser Gardens has received revenue of \$85,700 by reducing its electrical load when requested by Enernoc (their contracted Energy Service Company)
- **Participating in the “saveONenergy” Incentive Program** – reducing energy requirements and to offset retrofit costs (VFD, Floating Head Pressure, Lighting Retrofits) and also to reduce monthly Utility bills.
- **Green Games** – We have hosted a Green Game during each of the last 3 London Knights seasons. As part of the Green Game we undertake the following initiatives:

- Partner with the London Transit Commission (LTC) to offer free bus transportation for all fans and staff by showing a valid game ticket. This runs from 5pm through end of service.
 - Saves For Trees – we partner with ReForest London and commit to planting a tree for every save that the London Knight's goaltender makes during the game. This total is then matched by our Downtown BIA who sponsor the game. Through 3 games we have been able to plant over 110 trees!
 - Offer free concourse space for venue and community partners who help support our sustainability initiatives.
- **Filta** – OVG Hospitality has partnered with Filta to use two of their services; FiltaFry and FiltaBio which have had a significant reduction on their environmental impact. FiltaFry is an eco-friendly, mobile onsite service for the micro-filtration of cooking oil, the vacuum-based cleaning of deep fryers, and full fryer management. Oil is an expensive consumable that has a limited lifespan. Crumbs, salt, and other impurities introduced to the oil through the deep frying process, reduce the lifespan of the oil, requiring frequent oil changes. Using FiltaFry to filter out the impurities extends its usefulness and useable life cycle – decreasing the dependency on new oil.
 - From August 2018 to June 29, 2019 Budweiser Gardens saved 17,652 pounds of oil with the FiltaFry service and collected and recycled 3,570 pounds of waste oil with the FiltaBio service. The reduced cooking oil usage has led to 1,008lbs of packaging savings, a reduction in greenhouse gases of 21,018lbs and 1,450lbs of fertilizer and pesticides which when all combines is the equivalent of planting 1,049 trees!
 - *The program was suspended during our Covid shutdown but was restarted in 2022.
 - **LED Lights** – Operations department replaced the metal halide lightbulbs in the interior and on the exterior of Budweiser Gardens with energy efficient LED lightbulbs. In total, 1,114 lightbulbs were replaced. On average, the venue saves 500 kWh per event which is the equivalent of approximately half a month's usage in a typical Ontario home.
 - This resulted in a total reduction of 130,061 watts over the course of the first fiscal year.
 - **Water Softener** – Budweiser Gardens installed a new state of the art water softener which uses NO electricity, instead utilizing an in-line water turbine to generate its own power. An upgraded Reverse Osmosis water treatment system has reduced the amount of electricity and water needed to maintain the ice while increasing the quality of ice.
 - **Living Wall** – In 2019, Budweiser Gardens partnered with New Earth Solutions to have a living wall installed on the 100-level main concourse of the venue. The wall, which measures 18'-5" x 7'-5", is located across from the King Club and is made up of a variety of plants including; Arboricola plants, Crotons, Ficus and others. In addition to the esthetic benefit, living walls have been found to help purify the air, reduce stress and increase the feeling of wellbeing.





The OVG360 team at Budweiser Gardens are proud to be a founding member of GOAL – or Green Operations & Advanced Leadership. Additional information regarding GOAL can be found below.

What is GOAL?

- GOAL – or Green Operations & Advanced Leadership – is a partnership between Fenway Sports Group, Atlanta Hawks & State Farm Arena, Jason F. McLennan, and Oak View Group to provide a comprehensive roadmap, tracking tools, case studies, collaborative workshops, and best practices to help sports and entertainment venues operate more sustainably.
- GOAL will provide near-term environmental and social sustainability solutions for arenas, stadiums, convention centers, fairs, and performing arts centers, and deliver a long-term roadmap for integrating sustainability options into sports and entertainment venues.

What does it mean to be a Founding Circle member?

- We are part of a collective of climate-conscious venues representing the NHL, NBA, MLB, and NFL, along with other leading live entertainment and convention venues, that are teaming up to catalyze climate action.
- We are committed to operating in the most sustainable way possible and to join the other buildings to fight for social impact, climate action, and responsible change.
- We are committed to leading, learning, collaborating, and, in all cases, making a positive impact on our community and for the planet.
- We will help beta test the GOAL platform to make sure that the data points and thresholds for leadership meet venues anywhere along their sustainability journey

How will Goal help support the OVG360 team at Budweiser Gardens?

- GOAL will provide an easy-to-use tracking tool that isolates operational performance in discreet areas.
- We will receive recommended tactical solutions to incorporate continuous year-over-year improvement.
- GOAL will assist in providing level-setting benchmarks and normalizing venue operations to best guide operational performance thresholds.
- GOAL will facilitate collaborative work sessions to explore industry challenges in a variety of forums, including group workshops, guest speakers, and detailed case studies.

About the GOAL Portal/Platform

- The GOAL membership platform is powered by customized software developed specifically for this program.
- On this platform, we are able to track our progress month-to-month, year-to-year against a set of scientifically proven best practices and standards.
- We will also be able to track against comparable venues – looking at factors

such as geography, venue type, size and capacity, number and type of events, age of the building, and more.

- Criteria includes standards on everything from greenhouse gas emissions reductions to food waste reduction to water consumption and sanitization.