



Memo

Date: April 18, 2024

To: Corporate Services Committee, City of London

From: Board of Directors, London Convention Centre Corporation
operating as RBC Place London

Subject: RBC Place London 2023 Operational Results

Recommendation:

Based on the 2023 audited financial statements, for RBC Place London, the Board of Directors of the London Convention Centre Corporation operating as RBC Place London, recommends transferring \$250,000 of the operational surplus achieved in 2023 to the LCC Corporation Capital Reserve held by the City of London and \$158,769 to the operational reserve held by RBC Place London.

Background for Recommendation:

2023 in Review:

2023 demonstrated the strong return of in person events at RBC Place London with a total of 184 events hosted generating over 20,000 hotel room nights for the community. Total revenue was over \$7.2 million setting a new record for the venue. The estimated **direct economic spend of hosted events in 2023 is \$22.6 million.**

In addition to record financial results, including an operational surplus of \$408,769, the total average score for event experiences completed by organizers, topped 95%. In person events came roaring back in 2023, and the RBC Place London team of 105, worked tirelessly to deliver exceptional experiences for all, contributed to London's economy and added vibrancy to downtown.

RBCPL Capital Reserve and Operational Reserve History:

Annually, the corporation's Board of Directors is required to advise Council of the venue's year-end financial results and to request approval to transfer any operational surplus to reserves. The Auditors, KPMG, require written directions of fund transfers from Council to release final audited statements.

The RBCPL Capital Reserve, held by the City is used for life cycle maintenance and renovations. RBCPL also has an Operational Reserve and Special Projects Reserve held by the organization. Both the operational and special projects reserves were depleted during the pandemic years.

In December 2000, the LCC Corporation Board of Directors recommended an operating reserve of not more than 10% of the annual budget revenue be established for the purpose of addressing future shortfalls in revenue. In 2008, Council approved an increase in the operational reserve from the previous cap of 10% of annual revenue, to a maximum of the lesser of \$500,000 or 20% of annual revenue.

Council also approved the establishment of a Special Projects Reserve held by the London Convention Centre Corporation in 2008. This reserve is specifically used for special projects that enhance the onsite experience with public art projects such as the mural in the pedway, or special marketing or promotional projects including live music in the summer on the newly renovated King Street patio.

As noted previously both these reserves held by RBCPL were depleted during the pandemic years.

The capital reserve, held by the City of London, is supported annually with a City investment which is part of the multi-year base budget. In 2023, the City invested \$677,604 in this reserve. Interest and revenue, from the City surface parking lot #15 adjacent RBCPL, also contribute to this reserve. In 2023, RBC Place London secured \$674,916 in two federal grants which supported capital projects. The capital reserve is currently underfunded based on the 25-year schedule of recommended life cycle renewal projects. At the end of 2023, the capital reserve held by the City of London had a balance of just over \$2 million.

With established reserves and an operational surplus of \$408,769, The RBCPL Board is recommending transferring over 60% of the 2023 surplus to the capital reserve held by the City and the remaining amount to start rebuilding the operational reserve held by RBC Place London.